

Patents - Faculty Handbook

VI. RESEARCH AND CREATIVE ENDEAVOR *(Cont.)*

This policy was approved by the Board of Trustees on November 15, 1930 and revised on February 14, 2001.

Consistent with its public service mission and with regulations governing federally-funded research, the University endeavors to foster the development of its inventions and discoveries through patenting and licensing to industry. A patent provides an incentive for a company to license an invention from the University and to invest in developing and marketing products based on the invention. Licensing proceeds provide a means for the University to recognize and reward the creative research efforts of inventors and to support additional University research.

Any discovery or invention which a) results from research carried on by, or under the direction of, any employee of the University which is supported by University funds or by funds controlled or administered by the University, or b) results from an employee's duties with the University, or c) has been developed in whole or in part through the utilization of University resources or facilities not available to the general public shall belong to the University ("University Inventions").

In order to assist the University in protecting University Inventions, University employees and students (including postdoctoral appointees, graduate and undergraduate students) shall disclose any University Inventions to the University prior to disclosing such discoveries or inventions through publications, presentations, or communications with third parties (including research sponsors) in a manner which may inhibit or preclude the University from obtaining patent protection. Such disclosure may also be required to comply with legal and/or contractual obligations owed to governmental or non-governmental research sponsors. University faculty shall not disclose University Inventions in the course of performing Outside Work for Pay unless and until the University has had the opportunity to take the steps necessary to protect University Inventions through patent or otherwise.

The University's goal is to manage University Inventions in such a manner as to produce the greatest benefit to the University and to the public. The University may, but is not obligated to, seek to protect any University Inventions by patent or otherwise. After receiving disclosure of a University Invention, the University may elect to assign title to the University Invention to the inventor(s).

The University will recover all direct expenses incurred for the patenting, protection and licensing of each University Invention from its licensing proceeds before distributing the net proceeds remaining among the inventor(s), the inventor's major administrative unit, and the University according to the following schedule:

Net Licensing Proceeds on a Particular University Invention	Inventor(s)	Major Administrative Unit	University
First \$5,000	100%	0	0
Next \$100,000	33 1/3%	33 1/3%	33 1/3%
Next \$400,000	30%	30%	40%
Next \$500,000	20%	20%	60%
All Additional Net Licensing Proceeds over \$1,005,000	15%	15%	70%

The President shall be responsible for administering this policy and managing University Inventions, including technological know-how that may be licensable but may not be patented or patentable. The President has delegated this authority under this policy to the Vice President for Research and Graduate Studies. The President may authorize exceptions to this policy that she/he determines to be in the best interest of the University.

Particular University Inventions or licensing proceeds may be transferred to the Michigan State University Foundation for administration consistent with the net licensing proceeds distribution table above.



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