

PATENT AND COPYRIGHT POLICY

Preamble

As a state-supported institution of higher learning, the University of Arkansas has a responsibility for and an interest in the advancement of knowledge and creative work that will enhance its educational mission and promote the economic and social welfare of the public it serves, particularly the people of the State of Arkansas. This responsibility and interest are advanced by engaging in research, the results of which may, on occasion, have commercial applications which are patentable or copyrightable. While Inventions are not the primary objective of University Research, when they occur the University has the responsibility of insuring that such Inventions are used and controlled in a manner that benefits the public, the Inventor, and the University to the fullest extent possible.

To achieve this purpose, the University adopts this policy to meet the following objectives:

1. Assist the faculty, students, and staff in matters related to inventions, patents, and copyrights and provide an environment that will encourage the disclosure and development of meaningful Inventions;
2. Obtain the proper benefits for Inventors and for the University from commercial applications of University Research and apply funds accruing to the University from these applications to the support of research and other scholarly activities at the University; and
3. Determine the rights and interests of all parties in University Research according to established, uniform procedures.

Definitions

The following definitions are employed in interpreting and implementing this policy:

1. "University" means the University of Arkansas and any entity or activity under the authority of the Board of Trustees of the University of Arkansas.
2. "University Research" means any research or development activity which is directly related to the duties and responsibilities for which a person has been compensated by or through the University or for which facilities owned, operated, or controlled by the University are used.
3. "Sponsored Research" means University Research for which the University has received external support. (For purposes of this policy, external support includes funds received by the University as part of a lease agreement.)

4. "Invention" refers to any material capable of legal protection arising out of University Research and includes any discovery, invention, process, know-how, design, model, work of authorship (including computer software), strain, variety, or culture of an organism, or portion, modification, translation, or extension of these items. It includes marks used in connection with these. (The term "mark" refers to trademarks, service marks, collective marks, and certification marks.)
5. "Inventor" means a person who creates or discovers an Invention in the course of University Research.

Statement of Policy

It shall be the policy of the University to acquire and retain legal title to all Inventions created by any person or persons to whom this policy is applicable. This policy is established in furtherance of the commitment of the University to the widest possible distribution of the benefits of University Research, the protection of Inventions resulting from such research, and the development of Inventions for the public good.

Inventors shall retain rights in Inventions which the University has chosen not to claim under this policy or pledged to a third party as a result of a grant, contract, cooperative agreement, or other Sponsored Research agreement.

Applicability of Policy

This policy shall apply to all persons employed, compensated or appointed by the University and to anyone using facilities owned, operated, or controlled by the University. It shall also apply to all Inventions financed, in whole or in part, from funds under the control of the University.

Obligations of Inventors

Disclosure. All persons to whom this policy is applicable shall furnish to the University a full and complete disclosure of any Invention promptly after it is created or conceived or first reduced to practice. Such persons shall cooperate in a timely and professional manner with the University or with patent or other counsel in protecting Inventions and perform all acts necessary for the University to fulfill its obligations under University Research, including the execution of assignments. The University may require technical advice and assistance from Inventors in the development and licensing of their Inventions.

Assignment. All persons to whom this policy is applicable shall, upon request, assign all Inventions and patents to the University, except those which might be owned by third parties pursuant to

Sponsored Research agreements and those which might result from independent work or permissible consulting activities without use of facilities owned, operated, or controlled by the University. If the University does not furnish notice of intent to obtain assignment of an Invention or patent within 180 days after disclosure to the University, the rights to the Invention or patent remain in the Inventor. Furthermore, if the University chooses to protect an Invention, but takes no steps to develop the Invention commercially or dedicate it to the public, the Inventor may request that the University transfer or waive its rights subject to the retention by the University of a nontransferable royalty-free license.

Distribution of Income

In consideration of the disclosure and assignment of Inventions, the Inventor, or the Inventor's heirs, successors, or assigns shall receive fifty percent (50%) of the first two hundred thousand dollars (\$200,000) of net royalties or other net income from the commercialization of an Invention. The remaining fifty percent (50%) shall be distributed to the University in the following manner: forty-five (45%) to the chief operating officer of the Inventor's campus or division for distribution within the campus or division for patent administration and research purposes; and five percent (5%) to a fund to be managed and distributed by the University of Arkansas for patent administration and research purposes. Any net royalties or other net income above \$200,000 shall be distributed as follows: (a) thirty-five percent (35%) to the Inventor or the Inventor's heirs, successors, or assigns; (b) sixty percent (60%) to the chief operating officer of the Inventor's campus or division for distribution within the campus or division for patent administration and research purposes; and (c) five percent (5%) to a fund to be managed and distributed by the University for patent administration and research purposes.

Royalties will be distributed normally on an annual basis, with payments being made within sixty (60) days after the end of a calendar year in which royalties from the Invention have accrued.

Note: Net royalties are for this purpose defined as gross royalties received by the University minus the costs for patenting, licensing, and the protection of patent rights and copyrights.

Sponsored Research

Rights to Inventions made under Sponsored Research are determined by the contractual or grant agreements between the University and the sponsor. Allocation of such rights may take one of several forms; the following are the most common:

1. The University may grant a nonexclusive license to the sponsor;
2. The University may grant the sponsor a right of first refusal to an exclusive royalty-bearing license for a limited term or for the life of the patent;

3. The University may grant the sponsor all rights to any inventions and/or patents which result from the particular Sponsored Research where it is determined that the holding of title to a potential patent will confer no substantial benefit to the University or the research project is considered by the University to be of a public benefit compatible with the aims and purposes of the University.

Publication Rights

In all Sponsored Research, the right shall be reserved for Inventors and the University to publish and disseminate the knowledge gained and the results obtained. The University may grant a sponsor a limited review period prior to publication in order to protect proprietary information and any technology which may be the subject of a patent application.

Copyrights and Computer Software

Copyrights to, and royalties from, textbooks, reference works, submissions to scientific journals, and other copyrightable materials (excluding computer software) produced by persons to whom this policy is applicable as a part of their normal teaching, administrative, and scholarly activities at the University or on approved off-campus duty assignments, and which do not result from projects specifically funded in whole or in part by the University or by a sponsor of the University, shall belong to the author or authors and may be retained or assigned by them. If, on the other hand, the University provides its own funds, or a sponsor's funds, to finance (in whole or in part) a specific research or educational project and such copyrightable materials are produced by persons to whom this policy is applicable as a result of the project, ownership of copyrights and royalty rights therein shall reside in the University.

All rights to computer software, including computer programs, computer data bases, and associated documentation (herein "computer software"), whether copyrightable or patentable, produced by any person to whom this policy is applicable shall belong to the University, with the exception of software generated solely for the purpose or function of classroom instruction (courseware). Computer software produced on an Inventor's own time or through permissible consulting activities and without the use of facilities owned, operated, or controlled by the University shall belong to the Inventor and all rights thereto may be retained or assigned by Inventor.

PATENT AND COPYRIGHT POLICY ADMINISTRATION

University Patent and Copyright Committee

The President shall appoint a University Patent and Copyright Committee of eight (8) members with representatives from each of the five (5) campuses and the Division of Agriculture. The Executive Vice President and Chief Fiscal Officer of the University and the Associate Vice President for Legal Affairs shall be ex-officio members of the Committee. The General Counsel shall serve as legal advisor to the Committee. A chairman shall be elected from among the membership of the Committee. The Committee shall meet at least annually and at other times upon the request of the chairman or the President. The Committee shall be responsible for:

1. Reviewing the operation of the University Patent and Copyright Policy and proposing policy changes if needed;
2. Reviewing proposed exceptions to the established policy;
3. Resolving issues referred by campus patent and copyright committees;
4. Advising the President on patent and copyright policy matters as requested.

Campus Patent and Copyright Committees

Each campus of the University shall establish a committee composed of faculty and staff which shall be responsible for implementing the University Patent and Copyright Policy on the particular campus. The committees shall consist of not less than five (5) members, appointed by the Chancellor, and shall meet no less than on a quarterly basis. A chairman shall be elected from among the membership of the committees.

For the Fayetteville campus only, the committee shall be composed of no less than eight (8) members; three (3) of which shall be appointed from the Division of Agriculture by the Vice President for Agriculture. Disclosures for patentable or copyrightable material emanating from the Fayetteville campus and the Division of Agriculture shall be administratively controlled by the Fayetteville campus committee.

In matters of a substantive legal nature, the committees shall seek the advice and assistance of the General Counsel and/or the Associate Vice President for Legal Affairs.

General Responsibilities

The committee shall have the general responsibility of:

1. Reviewing Invention disclosures submitted to the University for patenting consideration;
2. Evaluating Inventions for patentability, as well as scientific merit and practical application;
3. Appointing ad hoc technical subcommittees to assist the committee in evaluating Inventions;
4. Seeking University approval of outside technical assistance in evaluating Inventions;
5. Determining patent or related property rights or equities held by the University in an Invention;
6. Providing scientific and technical assistance to approved patent management organizations to achieve the realization of full benefits of University Inventions that have commercial potential;
7. Seeking initial resolution of campus disputes relating to rights in Inventions; and
8. Reviewing works of authorship (including computer software) submitted for copyright consideration.

Committee Procedure

Normally within thirty (30) days of the receipt of an Invention disclosure, the committee will submit to the Chancellor or the Vice President for Agriculture its recommendation regarding the disposition of an Invention. Such recommendation shall be forwarded within ten (10) days of receipt to the President. In most instances, the recommendation will consist of one of the following:

1. University should proceed to secure a patent, a copyright, or register a trademark;
2. The matter should be submitted to a patent management organization with which the University has a contract for review, report, and possible management by the patent management organization;
3. Negotiations should be entered into with industry whereby continued research and development within the University will be funded pursuant to contract with a corporation or firm which would receive certain rights regarding the Invention, including

improvements, in return for royalties, or an assignment in return for payment of additional sums;

4. Commercial or education values involved are so slight and/or incompatible with the interests of the University as to indicate that the University should relinquish any property interest to the Inventor or his/her assigns.

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