

# Intellectual Property Policy

## **POLICY STATEMENT AND PURPOSE**

This document establishes a policy for Virginia Commonwealth University (the University) with respect to Intellectual Property developed by members of the University community.

The University shall retain all rights, title, and interest in any and all Intellectual Property generated, created, or developed in facilities operated or controlled by the University, supported by funds administered by the University, and/or performed in the course of regular duties by University Members, unless exempted by other provisions of this policy.

The Vice President for Research shall have the right to exercise broad discretion necessary for the encouragement, development, and protection of inventions, patents, and other Intellectual Property. The Vice President for Research shall consult with the Intellectual Property Ownership Committee, the Office of Technology Transfer and the Intellectual Property Foundation in matters requiring the exercise of broad discretion.

## **WHO SHOULD READ THIS POLICY**

This Policy shall apply to all University Members, and all University Members should read this policy.

## **RELATED DOCUMENTS**

[Policy on Research Data Ownership, Retention and Access](#)

[Policy on Corporate Sponsored Research](#)

[Office of Research Conflict of Interests Policy](#)

[Conflict of Interest Policy for the Commonwealth of Virginia](#)

## **CONTACTS**

VCU Office of Research officially interprets this policy and shall revise or eliminate any or all parts as necessary to meet the changing needs of Virginia Commonwealth University. Please direct policy questions to [VCU Office of Research](#). Revisions to this policy are subject to University Board of Visitors approval.

## **DEFINITIONS**

Assigned Duty	Assigned duty is narrower than “scope of employment” and is a task or undertaking resulting from a specific request or direction. The general obligation for faculty to engage in research, scholarship, and teaching is not an assigned duty nor does it result in works “made for hire”. A specific request or direction to prepare a particular article, laboratory manual, computer program, etc., is an assigned duty. If an employee’s written job
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	description specifies duties which result in the creation of Intellectual Property, the Intellectual Property is considered “work-for-hire”.
Author	One or more University Member(s) who create a Copyrighted Work.
Assignment	The document executed by inventors which confers legal transfer of title and interest from one party to another, for example from Inventor(s) to Virginia Commonwealth University.
Board of Directors (the Board)	The Board which supervises the affairs of the Virginia Commonwealth University Intellectual Property Foundation, and advises the Vice President for Research and the President.
Contributor(s) (VCU Contributors)	The University Members listed on the Invention Disclosure for the purpose of revenue distribution. The inventors on a patent application may differ from the list of the contributors and will be determined according to the US patent law.
Copyrighted Work	An original work of authorship (i.e., writing, work of art, work of music, computer program, etc.) for which property rights are protected under copyright legislation.
Creator	One or more inventor(s) in the context of inventions protectable by patent or the author(s) in the context of Copyrighted Work.
Intellectual Property Foundation (the Foundation or VCU-IPF)	The Intellectual Property Foundation of Virginia Commonwealth University (VCU-IPF), a nonprofit organization contracted by the University to commercialize Intellectual Property created at, and solely for the benefit of, Virginia Commonwealth University.
Intellectual Property	Anything developed by anyone covered by this policy that falls under, but is not limited to, one or more of the following categories: a) an Invention b) an issued patent c) a Copyrighted Work d) a legal right inherent in a patent, copyright, trademark e) know-how or trade secrets, or f) tangible research property; including, but are not limited to, compositions, biologicals, materials, illustrations and drawings, prototypes, devices, and equipment.
Intellectual Property Ownership Committee (IPOC)	The IPOC is a standing committee established by the Vice President of Research consisting of 6 faculty members recommended to the Provost by the Faculty Senate, 1 staff member appointed by the Staff Senate, and 1 student recommended by the Dean of the School of Graduate Studies, 1 administrator appointed by the Vice President, Office of Research, in addition to the Director of the Office of Technology Transfer who shall serve in ex officio, non-voting capacity. IPOC shall assist the Vice President of Research and the Office of Technology Transfer in dispute resolution regarding

	ownership of Intellectual Property.
Invention	An invention may take the form of a new machine, article of manufacture, composition of matter, process, or useful improvement to any of these. Inventions also include novel combinations of prior art. In order for an invention to be patentable, it must be novel, non-obvious and useful.
Invention Disclosure	The document by which one party reports a creation of Intellectual Property to another, for example, University Members report an invention to Virginia Commonwealth University or to a sponsor.
Inventor	One or more University Member(s) who create an Invention.
Material Transfer Agreement (MTA)	A contract to provide or receive material, which will restrict the material's use, and therefore, liability associated with its use, and may contain language concerning rights to inventions made while using the material.
Office of Technology Transfer	The university office responsible for: 1) educating University Members about Intellectual Property, 2) encouraging University Members to timely disclose and protect Intellectual Property, 3) processing Invention Disclosures and determining ownership, 4) overseeing assignment of Intellectual Property to the University, and, 5) processing MTAs and NDAs.
Nondisclosure Agreement (NDA)	A contract that states the terms and conditions for sharing of confidential information between the University and an outside organization.
Royalties	Anything of value received by the University, including cash payments as well as the market value of any property or services received, in consideration for a transfer of rights and/or title to Intellectual Property in which the University claims an interest. Funds received by the University to support research that results in the development of Intellectual Property is not royalty income.
Significant Use of University Resources (applies to Copyrighted Works)	What constitutes significant use of University resources is a question that must be answered on the basis of the facts and circumstances of each case. A University-wide formula to define <b>significant use</b> is inappropriate because of the different needs among various disciplines. Customary and normal usage of University facilities; such as telecommunications systems (telephone and internet access), web and file servers, course management software (e.g. Blackboard), library resources, secretarial help, office equipment, or other support services, do not constitute a significant use. When questions arise, creators may seek a written opinion from the department chair or program head, before or after a project, and if there is a disagreement, may appeal to the Vice President for Research or his/her designee ( <i>please see the dispute procedure below</i> ).
University Member	All VCU full-and part-time faculty, classified employees, administrative staff, paid student assistants, students (under

	certain conditions as described in this Policy), volunteers, fellows and trainees, visiting faculty and researchers, and those employees and visitors covered by sponsored program agreements or other contractual arrangements are considered University Members for purposes of this Policy, and are subject to its terms.
VCU Tech Transfer	VCU Tech Transfer consists of two entities: Office of Technology Transfer, a part of the VCU Office of Research and VCU Intellectual Property Foundation (VCU-IPF).
Vice President for Research	For purposes of this policy, Vice President for Research shall mean the Vice President for Research, or his/her designee, such as the Director of the Office of Technology Transfer. If a designee is appointed by the Vice President for Research, the appointment and the revocation of said appointment must be in writing.

## PROCEDURES

### Ownership of Intellectual Property

The University claims an interest in Intellectual Property when it asserts a right in that property under its Intellectual Properties Policy. The University may choose not to claim an interest in some forms of Intellectual Property, even though legally it may be able to assert ownership. This Policy should apply without limitations to all persons (paid or unpaid) using the University resources and/or facilities or working under the supervision of the University personnel, including visiting and adjunct faculty and researchers, undergraduate and graduate students. The University recognizes the traditional distinction between Intellectual Property subject to copyright and that subject to patent protection. In higher education, the right of faculty and others to create and produce Copyrighted Works and to receive royalties generated from their use has long been recognized. This policy reaffirms that distinction.

#### *Inventions*

The ownership of novel results of research developed by University Members, using University resources and/or facilities (including but not limited to: use of equipment, laboratory space, university time of University Members, funds administered by the University including funds from sponsored research or gifts, etc.) vests in the University.

#### *Copyrighted Works*

##### 1. Copyrighted Works owned by University Members

University Members shall retain all rights relating to publication, preparation of derivative works, distribution, and classroom use of works which they have prepared ***on their own initiative***, including both papers published in scholarly journals or books, theses, and dissertations, provided the University does not possess rights of ownership as described below. In the publication of scholarly work, University Members, where possible, should consider retaining copyright for non-commercial use. Ownership of course-related materials remains the same whether the material is presented in traditional classroom or in electronic form.

## 2. Copyrighted Works owned by the University

Even though the ownership of the copyright interest in a work vests in the author of that work, the Copyright Act of 1976 provides that when a Copyrighted Work is produced by one person who has been employed by another for that purpose, the employer is considered the owner of the property. For purposes of this policy, the University shall own the entire right, title, and interest in all materials subject to copyright when required by law or contract or when the University Member:

- a) creates the material as an assigned duty; and/or
- b) makes Significant Use of University Resources in their creation.

In the event that a faculty member terminates employment with the University with less than 3 months notice, the University shall have a royalty-free, non-exclusive, course-specific, educational-use-only license to use course materials created and owned by the faculty member for a period not to exceed 6 months. Use beyond 6 months shall be subject to the approval of the Creator.

### *Inventions or Copyrighted Works Created by Students*

The purpose of this section is to define the rights of students in regards to this Policy.

The ownership of intellectual property or novel results from research developed by a student vests with the student unless:

- The student performed the research leading to the intellectual property while receiving financial support from the University in the form of wages, salary, stipend, or grant funds, but does not include student financial aid or scholarships. In such instances said intellectual property or novel results will be owned by the University. .
- The student made use of University resources other than non-specialized equipment in connection with the research. In such instances said intellectual property or novel results will be owned by the University.
- The research was funded by a sponsor pursuant to a grant or sponsored research agreement or is subject to a Material Transfer Agreement (MTA), Non-Disclosure Agreement (NDA), or other legal obligation that restricts ownership of intellectual property. In such instances said intellectual property or novel results will be owned by the University.
- Student voluntarily assigns rights to the University. In such instances said intellectual property or novel research results will be owned by the University.
- Assignment of ownership rights to a company or outside organization may be a condition for participation in a university course project regardless of the exceptions above. Assignment of ownership rights to the University may be a condition for participation in a university course project regardless of the exceptions above. Courses in which this is an issue must offer one or more projects that do not require such assignment to accommodate students who do not

wish to waive their Intellectual Property rights.

When Intellectual Property is created under an internal or external grant, contract, or other agreement approved by the University, the terms of which stipulate ownership of Intellectual Property, the terms of the agreement will prevail over conflicting terms of this Policy. If the University possesses rights of ownership, it will be the duty of the University Member to acknowledge University ownership and to execute the documents required to demonstrate University ownership. When there is a dispute between the University and Creator(s), or between Creators, over ownership of Intellectual Property, the dispute shall be resolved as per the Dispute Resolution section of this policy. Rights of ownership assigned to the University will be managed by the Foundation which shall be responsible for commercialization of University Intellectual Property.

### **Administration**

The University vests administrative authority over all matters of Intellectual Property in the Vice President for Research who may issue administrative procedures as are necessary or desirable for the implementation of this Policy. The Vice President for Research shall be responsible for ensuring that information relative to the existence and terms of the Policy be regularly disseminated or made available to University Members.

The Vice President for Research shall have final authority to act for the University in all matters involving Intellectual Property, including the making of contracts and the waiving, assigning, or transferring of University rights, consistent with law and University policy.

The Vice President for Research shall appoint a Director of the Office of Technology Transfer. The Director shall be responsible for: implementing this Policy, educating University Members about Intellectual Property and the technology transfer process; and, all matters involving Invention Disclosures, MTAs, NDAs, and waiving, assigning, or transferring University Intellectual Property rights.

The Director of the Office of Technology Transfer will also serve ex-officio as President of the VCU-Intellectual Property Foundation and will serve ex-officio in a non-voting capacity on the IPOC. The President of the Foundation will be responsible for all matters involving protection, marketing, and licensing of University owned Intellectual Property. A Foundation Board of Directors shall be responsible for monitoring all aspects of the business of the Foundation, including commercialization of University-owned Intellectual Property.

### **Procedures for Submitting Invention Disclosures**

In order to protect the rights of the creators and the University, **prior to public disclosure**, University Members are required to report all Intellectual Property in which the University may claim an interest (including explicitly all inventions and Copyrighted Works which are owned by the University in accordance with *Ownership of Intellectual Property* section above) to the Office of Technology Transfer using the appropriate Invention Disclosure form that may be downloaded from the VCU Tech Transfer web site. Failure to disclose Intellectual Property in a timely manner may result in loss of value of the Intellectual Property. University Members should address all questions regarding issues of Intellectual Property and public disclosure to the Director of VCU Tech Transfer.

Disclosure of any Intellectual Property to VCU Tech Transfer shall not be considered to be a public disclosure. University Members understand that information relating to Intellectual Property and commercialization may be confidential and that such information should not be publicly disclosed without first consulting with VCU Tech Transfer. The Invention Disclosure will:

- identify all Contributors,
- include sufficient information and supporting data describing the Intellectual Property,
- identify the source(s) of funding that supported the discovery; and,
- contain any other relevant information necessary for evaluation of the Intellectual Property.

When more than one individual has participated in the creation of the Intellectual Property, the invention disclosure should specify the percentage of relative contribution that each individual claims to have in its development. If the Contributors do not mutually agree on the relative percentage for each, the percentage contribution shall be considered equal for all Contributors.

If so requested, VCU Tech Transfer must notify the Contributor(s) in writing within 90 days of receipt of the completed invention disclosure whether or not the University claims an interest in the Intellectual Property. The deadline for this decision may be extended by mutual agreement between the Contributor(s) and VCU Tech Transfer.

If the University does not claim such an interest, the University will no longer have any responsibilities, ownership rights, or obligations pertaining to that Intellectual Property except the obligation of confidentiality of proprietary information.

If the University claims an interest and has elected to protect and commercialize Intellectual Property but later decides that it no longer wishes to pursue further development of the Intellectual Property, VCU Tech Transfer will notify the Contributors(s) and will execute the necessary documents assigning all rights to the appropriate party, usually the Creator(s). However, third parties may have certain rights in Intellectual Property developed under sponsored research or other contractual obligations that the University cannot waive. For Intellectual Property that is returned to the Creators, the University may claim a percentage of any future revenues from the commercialization of the Intellectual Property.

### **Protection and Commercialization**

To provide maximum benefit to the University, the public, and the Creators of Intellectual Property, the University will evaluate each Intellectual Property for potential commercial value, and where it is deemed appropriate, seek to protect and commercialize that Intellectual Property. The University's Vice President for Research is charged with overseeing the protection and commercialization of Intellectual Property coming under the provisions of this Policy.

VCU Tech Transfer will determine promptly if a disclosed Intellectual Property is owned by the University or its Creator(s) and will determine after evaluation if a disclosed Intellectual Property should be protected, and if so, will initiate the appropriate action to secure protection in a timely manner. Reasonable commercial judgment will be used in determining the appropriateness and the methods of protection and commercialization. To protect the rights of the Creators and the

University, all details in the Intellectual Property disclosure will be maintained in confidence. Disclosures to outside parties will be through appropriate confidentiality (nondisclosure) agreements.

Public disclosure of details of invention disclosures prior to filing for patent protection may result in the immediate loss of legal protection and commercial value. Filing for patent protection may only occur after VCU Tech Transfer has evaluated an invention disclosure and has formally requested such protection. It is therefore important that Creators consult with VCU Tech Transfer prior to revealing novel and, therefore, perhaps patentable discoveries in scholarly publications, abstracts for presentation at conferences, seminars, thesis publications or posting on web pages.

To protect the rights of the author and the University, any Copyrighted Work should contain an appropriate copyright notice. VCU Tech Transfer will assist Creators in selecting the appropriate copyright notice.

When it is in the best interests of the University, the Vice President for Research, after consultation with the Office of Technology Transfer and the Foundation, may enter into agreements that relate to the assignment of rights and the division of royalties that differ from other provisions of this document.

### **Distribution of Income**

Revenues generated from the commercialization of the Intellectual Property will be distributed to the Contributors as indicated and agreed by them. In absence of an agreement between the Contributors, revenues will be distributed equally between all listed Contributors).

With the exception of other contractual arrangements, the University shall pay semi annually forty percent (40%) to the Contributor(s), or their heirs, successors, or assignees, ten percent (10%) to the Contributor's department(s), and ten percent to the Contributor's school(s) of the net royalties received by the University, subject to the following considerations:

- a) When the University through the Foundation assumes the cost of development and/or protection and commercialization of an Intellectual Property, sixty seven percent (67%) of the initial gross royalties received by the Foundation shall be applied to the reimbursement of direct costs and expenses incurred by the Foundation with respect to the Intellectual Property. The remaining thirty three percent (33%) will be treated as net royalties and distributed as specified above. After the direct costs and expenses incurred by the Foundation have been fully reimbursed, all subsequent income from that Intellectual Property shall be treated as net royalties, and divided as above.
- b) When the Foundation enters into an institutional agreement with an outside firm for the development of an Intellectual Property, the distribution of net royalties from this arrangement shall be divided as specified above, unless specified otherwise in the agreement.
- c) When the Contributor(s) initiate and develop arrangements with a third party for Intellectual Property development, the distribution of royalties may be negotiated among the three principals, subject to existing law and policy.



Any net revenue received by the Foundation from the commercialization of University Intellectual Property as specified above shall be used for the exclusive benefit of Virginia Commonwealth University to:

- a) promote, encourage, and aid scientific investigation within the University, and
- b) protect, defend, market, and license and otherwise promote commercialization of University Intellectual Property.

### **Dispute Resolution**

If a dispute about the application of the Policy arises between a Creator and the University that cannot be resolved by the Officer of Technology Transfer, the dispute shall be presented to the Vice President for Research for informal mediation. If the mediation is not satisfactory to all parties to the dispute, any unsatisfied party may request a hearing before either the Intellectual Property Ownership Committee (“IPOC”) if the issue relates to an ownership dispute, or before the Intellectual Property Foundation's Board of Directors (“the Board”) if the issue relates to licensing or marketing of the Intellectual Property. The decisions made by the IPOC or the Board shall be final unless either party appeals in writing to the President of the University within 10 calendar days of receipt of the decision. Upon request for an appeal, the President shall review the record and render a decision. The President's decision shall be final and there shall be no further appeal within the University.

### **Amendment and Periodic Review of this Document**

In compliance with the over arching Policy on Policies, this policy shall be reviewed, and amended if appropriate, at least every five years, with the IPOC acting as the focal point for the review. Broad University input should be solicited as part of this review.

Policy approved by Board of Visitors 5-15-09

Revised and approved by Board of Visitors 5-21-2010