

## ADDENDUM C

### INTELLECTUAL PROPERTY, COPYRIGHTS, AND PATENTS

#### Section C. I. Introduction

Southern Illinois University Carbondale (“University”), committed to its research and teaching missions within a diverse and comprehensive array of undergraduate, graduate, and professional degree programs, strongly encourages its Faculty to undertake the broadest range of scholarly and pedagogical endeavors and dissemination of knowledge. Faculty are hired to do teaching, research/creative activities, and service. Research, scholarly, and creative activities that produce new knowledge and understanding, and the promulgation of such knowledge in the classroom and in the world beyond, are intrinsic to the University’s educational mission. Basic policies of the University support and protect freedom of inquiry and unrestricted dissemination of information. Such undertakings lie at the very foundation of academic life, and are at the core of the tradition of open inquiry which society has long treasured.

As part of this commitment, the University recognizes and acknowledges its responsibility to protect and administer, under applicable state and federal law, the intellectual property rights as such rights apply to the Faculty and the University itself. At the same time, the University acknowledges that, as a public institution, it has a responsibility to ensure that intellectual property created at the University is appropriately developed to obtain maximum public benefit.

This University Policy on Intellectual Property is intended to encourage, facilitate, and promote development of patentable or copyrightable intellectual property, or certain research materials or know-how, in ways that will appropriately reward the contributions of the Creator of that property through royalty, equity, net income (as defined in Sec. II.K.3), or other agreed-to compensation, enhance the educational mission of the University, and recognize the support provided by the University and the people of Illinois.

#### Section C.II. Definitions

C.II.A. Intellectual Property - certain tangible or intangible products and outcomes resulting from University-based scholarship, research, development, teaching, or other intellectual activity. It includes, but is not limited to:

- copyrightable works, including traditional copyrightable works (see Sec. II.C);
- inventions (see Sec. II.H);
- data (see Sec. II.I);
- literary, creative, and artistic works having value;
- items protectable by statute or legislation (patents, copyrights, trademarks, etc);
- classroom instructional materials, used on campus or in distance learning, as well as names and designations,
- Web-based and other electronic-based research and instructional materials (both digital and analog), as well as names and designations.

C.II.B. Creator - an individual or group of individuals who make, conceive, reduce to practice, author, or otherwise make a substantive intellectual contribution to the creation of intellectual property. Creator includes the definition of “inventor” used in U.S. patent law and the definition of “author” used in the U.S. Copyright Act.

C.II.C. Traditional Academic [or Scholarly] Copyrightable Works - works created as Independent Faculty Effort and at the Creator’s initiative for traditional academic purposes.

Examples include, but are not limited to:

- classroom materials, including notes, handouts, tests and other traditional scholastic measurement devices;
- educational courseware (including web-based and other electronic based materials, both digital and analog, used on campus or in distance learning);
- theses and dissertations;
- articles and chapters;
- books (including textbooks, workbooks, and scholarly monographs);
- works of non-fiction, fiction, poetry;
- educational television/radio programs; works in other media (film, videotape);
- musical compositions, performances, and other works;
- dramatic works including any accompanying music, pantomimes and choreographic works;
- pictorial, graphic, and sculptural works;
- other works of artistic imagination that are not created as an institutional initiative.

These kinds of traditional academic/scholarly works are excluded from claims of University ownership as long as they are not Works Made for Hire, were not developed with Significant University Support, were developed with University Resources Usually and Customarily Provided, and are used solely for the purpose of assisting or enhancing the Faculty member’s workload assignment.

C.II.D. Compilation – pertains only to copyrightable works that are created involving a combination of existing University-owned intellectual property together with existing Faculty-owned intellectual property.

C.II.E. Independent Faculty Effort – copyrightable works made in the course of independent efforts of the Faculty, the ideas came from the Faculty, and the copyrightable work was made with University Resources Usually and Customarily Provided and was not made with Significant University Support. Intellectual property created by the Faculty member in the fulfillment of the Faculty member’s normal duties and responsibilities are presumed to be an independent effort.

C.II.F. Work Made for Hire – pertains usually to copyrightable works, and refers to either

- A work prepared by a Faculty member within the scope of his/her employment, recognizing that the creation of copyrighted works intended for commercialization is not a specific employment obligation for Faculty; or
- A work specially ordered, commissioned, assigned, or directed which, upon request of either party, shall be expressed in writing.

## C.II.G. University Support Pertaining to Copyrightable Works

C.II.G.1. University Resources Usually and Customarily Provided – includes, but is not limited to, salary and support such as office space, library facilities, access to computers and networks, research and instructional facilities/equipment, and support-staff assistance, as long as such salary and support do not constitute Significant University Support.

C.II.G.2. Significant University Support – resources above and beyond, or in addition to, University Resources Usually and Customarily Provided. Significant University Support includes, but is not limited to: University funding; University-paid time; University staff assistance; substantial use of specialized or unique University facilities and equipment, including telecommunication services, central computing resources, instructional design/media production services and facilities, and research facilities/equipment; and support provided by other public or private organizations when arranged, administered, or controlled by the University. It also includes use of students receiving financial support from the University or employees as support staff to develop the work, and other special subventions provided by the University unless approved, upon written request to the Vice Chancellor for Research (VCR), as an exception.

C.II.H. Invention - discoveries, know-how, show-how, processes, unique materials, including that which is protectable by statute or legislation, such as patents, trademarks, service marks, trade secrets, mask works, software, and plant variety protection certificates. It also includes the physical embodiments of intellectual effort, for example, prototypes, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, electronic- or computer-based presentations of learning materials, biological materials (including DNA libraries, bacterial strains, cell lines, expression systems, antibodies, DNA/RNA, plasmids, etc.), chemicals, other compositions of matter, plants, and records of research.

C.II.I. Data (including research data) - recorded information, regardless of the form or the media on which it may be recorded, including technical data, computer software, and other such records of research.

C.II.J. University Support Pertaining to Inventions – includes, but is not limited to, the use of University funds, facilities, equipment, materials, specialist personnel, courseware and other curriculum development tools, or technological information in the creation of intellectual property, and includes such support provided by other public or private organizations when arranged, administered, or controlled by the University.

## C.II.K. Revenues and Expenses

C.II.K.1. Gross revenue – (a) proceeds from the sale, lease, transfer, or other conveyance by the University of an invention or work; and (b) license issue fees, option fees, running royalties, and equity interests (Sec. III.E.4) paid to the University by a licensee of an invention or work.

C.II.K.2. Development expenses – all moneys paid by the University for goods and services to protect, develop, and/or enhance the marketability or any other aspect of a work or invention, including, but not limited to:

- patent filing fees;
- protection of patent (including defense against infringement or enforcement actions);
- marketing expenses;
- patent maintenance;
- consulting fees;
- prosecution and litigation expenses;
- expenses incurred in dealing with equity (e.g., stock, securities, stock options, warrants, buildings, real or personal property, or other non-cash consideration) interests;
- travel;
- other attorneys' fees;
- a reasonable reserve for anticipated future expenses;
- research costs (costs of research for developing [e.g., “scale-up”] the invention/work).
- The above “development expenses” do not include normal University operating costs.

C.II.K.3. Net income – gross revenues less all development expenses for a work or invention and its improvements.

### Section C.III. Intellectual Property Policy And Procedures

The University’s Intellectual Property Policy concerning inventions, products, processes, discoveries, copyrightable materials that accrue from research, and other scholarly and creative activities conducted by the University Faculty includes the following procedures and considerations.

#### C.III.A. University Intellectual Property Committee (UIPC)

Matters relating to intellectual property created with University Support or Significant University Support shall be handled by the University Intellectual Property Committee (“UIPC”), reporting through the Office of Research Development and Administration (ORDA) to the Vice Chancellor for Research and Graduate Dean (VCR).

The UIPC shall consist of members appointed by the VCR, one from each College. In addition, the Director of ORDA, the Senior Technology Transfer Specialist in ORDA, a representative from the Office of General Counsel, and one Faculty member knowledgeable about intellectual property appointed biannually by the Association President will be *ex officio* members of the UIPC. The Senior Tech Transfer Specialist will be the non-voting chair of the UIPC and be responsible for setting meeting dates. The duties of the Committee are to (1) review available information on Intellectual Property; (2) make recommendations to the VCR as to the desirability of seeking patents and copyrights, and as to their disposition; (3) recommend

procedures consistent with this Article; and (4) periodically review and recommend changes to the list of Traditional Academic (or Scholarly) Copyrightable Works.

UIPC members shall serve four-year renewable terms except that the initial appointments shall be for staggered terms. The terms of all UIPC members shall begin with the Fall semester of the academic year.

### C.III.B. Disclosure

Intellectual property, other than traditional academic copyrightable works, covered by this Article must be promptly disclosed in writing to the UIPC through ORDA's Senior Technology Transfer Specialist. "Disclosure" is defined herein as the act and process of fully and properly completing the SIUC Intellectual Property Disclosure Form available from ORDA, and filing it in ORDA. The next higher University authority (usually the unit chair or director) must be informed in writing by the Creator at the time the disclosure is submitted.

Within 45 days of intellectual property disclosure, the Creator shall be notified of the date at which the UIPC shall deliberate the disclosure.

Upon receiving the disclosure, the UIPC shall review the related data based on the scientific, technical, educational, and economic merit, commercial possibilities, and potential importance of the discovery, and the likelihood and desirability of seeking a patent or copyright. The UIPC shall make a recommendation on the disposition of the intellectual property, which will be forwarded to the VCR.

For compilations, the Faculty Creator(s) shall disclose the items contributed to the compilation at the time that the intellectual property is disclosed.

Publicly revealing or disclosing a patentable invention prior to filing a patent application will preclude the availability of patent protection in foreign countries, will create a time limit for US filing, and may cause problems related to development and licensing. Faculty shall cooperate with the University in delaying publication or other public disclosure of intellectual property until the disclosure and disposition process is completed by the University. In some cases, longer delays may be appropriate.

### C.III.C. Ownership and Disposition of Intellectual Property

Any invention, product, process, or discovery or any copyrightable material developed by Faculty and meeting the criteria listed below, belongs jointly to the University and the Creator, but shall be used and controlled in the sound discretion of the University in ways that will produce the greatest benefit to the University, the Creator, and the public. As noted in Sec. III.B, all Faculty are required to report any such invention, discovery, etc. to ORDA, and the University will determine the disposition thereof, in the manner set forth herein.

C.III.C.1. Ownership of Intellectual Property shall vest in the University for:

- Patentable inventions (Sec. II.H.), products, processes, discoveries, or plant varieties that may be protected by U.S. Plant Variety Protection Act statute and created with “University support”;
- Materials including DNA libraries, bacterial strains, chemicals and other compositions of matter created with “University support”;
- Copyrightable works created with “Significant University support”;
- Intellectual property created pursuant to the terms of an agreement with an external party [as described in Sec. III.D];
- “Works Made for Hire;”
- Corresponding research data for the above.

As long as the following activities do not jeopardize current or future agreements on commercialization, and are not covered by agreement language (Sec. III.D), the Creator shall have the right, for non-commercial purposes, to perform, publish, use, display, reproduce, and prepare derivative works of the intellectual property.

The University recognizes that for copyrightable works, statutes pertaining to moral rights may exist. The University shall not knowingly impede these rights without consent of the Creator, which shall not be unreasonably withheld.

C.III.C.2. Ownership of Intellectual Property shall vest in the Faculty member if it is an Independent Faculty Effort or a Traditional Academic Copyrightable Work. Such ownership rights vested in the Creator shall include, but are not limited to, the following:

- publication;
- distribution or dissemination of the work or copies by sale, lease, transfer or other conveyance;
- public display or performance (including recording by digital transmission);
- production of copies for personal or academic use;
- preparation of derivative works.

As the owner of such works, the Creator is responsible for all costs and liabilities resulting from creation or commercialization of the work, and protection of the work.

C.III.C.3. Compilations – If the work is a compilation, the Faculty member shall retain all ownership interests in his/her contribution, but by allowing that work to become part of the compilation thereby grants non-exclusive, royalty-free license to the University for use of his/her contribution. While the University shall own the rights to the compilation, it shall own no rights in the underlying work beyond said license. Notwithstanding the royalty-free license, the University will share the net income from the compilation with the Faculty member as described in section III.E.3. Upon request of the Faculty member(s) or the University, a description of the terms and conditions shall be expressed in writing.

C.III.C.4. Disposition – The VCR will determine the disposition of the intellectual property, taking into consideration the recommendation of the UIPC. Such disposition may include, but is not limited to, the following options:

- release to the Creator;
- retention by the University for development, licensing, etc.;
- release to the individual or agency sponsoring the project in the course of which the intellectual property was made or developed.

The Creator and next higher University authority shall be notified of the University's decision by written memorandum within 135 days of disclosure. Should the University fail to notify the Creator within the 135-day period, the University shall relinquish all claims to the Creator. The University and Creator may mutually agree to extend this 135-day period.

C.III.C.5. If the University elects to retain ownership in intellectual property, then

- the University or its designated agent shall assume primary responsibility for protecting and/or promoting property rights to intellectual property covered by the policy, with the consultation of the Creator;
- the University shall prepare and provide written reports periodically to the Creator(s) regarding patent status, marketing, licensing, and other activities during the reporting period as deemed appropriate by the University. The reporting period shall be determined by the University but shall be no less frequent than annually.
- the Creator shall supply on a timely basis all information and execute all papers necessary for preparing and/or presenting patent and copyright applications, licensing agreements, and marketing/commercialization of intellectual property covered under this policy, and to assign interests therein to the University.

C.III.C.6. Reconsideration and Abandonment - The UIPC may reconsider any decision by the VCR to retain the intellectual property based on further developments, following the procedures described below if the Creator chooses to re-request such University ownership through another disclosure.

Even after determining to protect and promote an intellectual property, the University may abandon its efforts if it decides the intellectual property cannot be commercialized because the property cannot reasonably be adequately protected by law, the property is not expected to deliver a reasonable return to the University and the Creator, or for other appropriate reasons. Such abandonment decisions will be made by the VCR after consultation with the Senior ORDA Tech Transfer Specialist and at least one member of the UIPC (usually from the Creator's college). The University shall notify the Creator and the next higher University authority in writing if a determination is made to abandon intellectual property. University abandonment releases sole ownership back to the Creator.

#### C.III.D. Grants, Contracts, and Other Agreements

Grants, contracts, and other agreements between the University and external parties shall, whenever feasible, state clearly the obligations and rights of the University, the Creator, and the cooperating party or parties, and the procedure to be followed should the activity result in patentable or copyrightable intellectual property. Grants and contracts from various agencies may, at times, impose certain terms and conditions upon agreements dealing with the development and dissemination of intellectual property resulting from activities performed under the grant/contract. In such cases, the University shall endeavor to meet its obligations and, where appropriate, negotiate any such terms and conditions with a sponsoring agency. Situations not specified in an agreement shall be subject to University policy.

#### C.III.E. Income Received

C.III.E.1. Repayment of Expenditures – Income received by the University as proceeds from the sale, lease, transfer, or other conveyance of an invention or work by the University, or as license issue fees, option fees, running royalties, and equity interests paid to the University by a licensee of intellectual property constitutes “Gross Revenue” (see Sec. II.K.1). From those revenues, all “Development Expenses” (Sec. II.K.2) shall be deducted to yield “Net Income” (Sec. II.K.3).

If the University uses a marketing or management firm or other external intermediary in the commercialization of intellectual property, the distribution of income/royalties shall be established by an agreement between the University and the intermediary.

C.III.E.2. Distribution of Net Income - Initial distribution of net income will occur within six (6) months of receipt of proceeds from marketing and/or commercialization of intellectual property. Subsequent distribution will be made semi-annually on or about June 1 and December 1 each year.

If an infringement suit or claim of patent or copyright invalidity is brought against the University, external intermediary, and/or Creator during the life of the patent or copyright, the net income distribution attributable to that patent or copyright may be halted during the pendency of the suit, and adjusted accordingly for expenses from defending such suits or claims, and for any settlement or judgment.

C.III.E.3. Sharing of Net Income - All “Net Income” shall be shared by the Creator and the University as follows:

- Of the first \$50,000 of net income: 50% shall be distributed to the Creator and 50% shall be distributed to the University.
- Of the next \$200,000 of net income: 45% shall be distributed to the Creator, 45% shall be distributed to the University, 5% shall be distributed to the Creator’s originating college(s), and 5% shall be distributed to the Creator’s originating unit(s).
- Of the next \$250,000 of net income: 40% shall be distributed to the Creator, 45% shall be distributed to the University, 7.5% shall be



- distributed to the Creator's originating college(s), and 7.5% shall be distributed to the Creator's originating unit(s).
- Of net income in excess of \$500,000: 35% shall be distributed to the Creator, 50% shall be distributed to the University, 7.5% shall be distributed to the Creator's originating college(s), and 7.5% shall be distributed to the Creator's originating unit(s).
  - Multiple Creators shall share equally in Creator's share of income unless there is a written agreement to the contrary among them.
  - Colleges and units receiving "Net income" are encouraged to utilize it so as to benefit Creator's research and academic programs.

C.III.E.4. Equity Distribution - In any instance wherein the University executes a license or other agreement with a corporation or other business entity for purposes of commercializing intellectual property and the University receives or is entitled to receive equity, such equity or the proceeds of the equity, when available, shall be shared with the Creator, the University, and the originating units, in the same proportions as net income distributions (Sec. III.E.3). The distribution of equity may be subject to restrictions as may be agreed to by the University in executing any such licenses or other agreements. In no event shall the University act as a fiduciary for any Creator concerning equity interests or any other non-monetary consideration.

#### Section C.IV. Claims And Appeals

In the event of further developments, the UIPC may reconsider the VCR's decision to retain intellectual property.

##### C.IV.A. Ad Hoc Intellectual Property Claims Committee

Controversies or claims arising out of this statement of policy, or agreements between Creator and the University delineating individual and University rights, claims, and responsibilities, or the breach thereof, may be handled by a five-member *ad hoc* Intellectual Property Claims Committee ("Claims Committee") constituted of University employees as follows:

Upon written request by an interested party to the VCR, s/he shall direct the UIPC to constitute a Claims Committee within thirty (30) days of receipt of the request, unless mutually agreed otherwise. If a claimant is a Faculty member, the VCR shall also forward this request to the Association President within five (5) days of receipt. The five-member Claims Committee shall consist of two members selected by the UIPC, two members selected by the Creator, and a fifth member, who shall be the chairperson, being selected by the four members so chosen. The Senior Technology Transfer Specialist in ORDA shall serve as a non-voting, *ex officio* member of the Claims Committee, present at meetings solely for the purpose of responding to questions about technical issues.

After hearing the evidence, the Claims Committee shall provide the VCR and, if the claimant is a Faculty member, the Association President, in writing, a remedy to resolve the dispute, with a copy sent to the claimant.

In the event the Claims Committee fails to render a majority decision within thirty (30) days of the final date of the hearing, or the interested parties mutually agree, the dispute shall be submitted to the American Arbitration Association in accordance with its Commercial Arbitration Rules. If either party objects to the decision, the dispute may be submitted to the American Arbitration Association in accordance with its Commercial Arbitration Rules. The cost of arbitration shall be paid by the party objecting to the decision.

#### C.IV.B. Copyrightable Works

Claims and appeals concerning copyrightable works shall be limited to disputes involving determination of the ownership of such works, and that determination shall be based primarily upon the applicability of University Support, Significant University Support, or Independent Faculty Efforts to resolve the ownership dispute. Furthermore, the Claims Committee shall resolve disputes arising from the alleged failure of one or more parties to comply with the terms of an agreement involving copyrightable works.

#### C.IV.C. Inventions

Decisions by the VCR to retain or release Inventions, to file patents, and/or to abandon patents are the University's decisions and are not subject to review. Claims and appeals concerning Inventions shall be limited to disagreements among multiple Creators and to the applicability of University Support in determining ownership. Disputes between the Creator and the University that are not eligible to be resolved by the Claims committee shall be resolved by the VCR.

#### C.IV.D. General Considerations

In no event shall any pending dispute preclude the University from discharging its ongoing responsibilities for administering Intellectual Property, including, but not limited to, actions subject to deadlines imposed by the United States Patent and Trademark Office and its counterpart organizations in other national jurisdictions, actions subject to deadlines imposed by the state or federal courts, or actions subject to other requirements.