

Office of the President
November 18, 1985

UNIVERSITY OF CALIFORNIA PATENT POLICY

I. PREAMBLE

It is the intent of the President of the University of California, in administering intellectual property rights for the public benefit, to encourage and assist members of the faculty, staff, and others associated with the University in the use of the patent system with respect to their discoveries and inventions in a manner that is equitable to all parties involved.

The University recognizes the need for and desirability of encouraging the broad utilization of the results of University research, not only by scholars but also in practical application for the general public benefit, and acknowledges the importance of the patent system in bringing innovative research findings to practical application.

Within the University, innovative research findings often give rise to patentable inventions as fortuitous by-products, even though the research was conducted for the primary purpose of gaining new knowledge.

To encourage the practical application of University research for the broad public benefit, to appraise and determine relative rights and equities of all parties concerned, to facilitate patent applications, licensing, equitable distribution of royalties, if any, to assist in obtaining funds for research, to provide for the use of invention-related income for the further support of research and education, and to provide a uniform procedure in patent matters when the University has a right or equity, the following University of California Patent Policy is adopted.

II. STATEMENT OF POLICY

- A. An agreement to assign inventions and patents to the University, except those resulting from permissible consulting activities without use of University facilities, shall be mandatory for all employees, for persons not employed by the University but who use University research facilities, and for those who receive gift, grant, or contract funds through the University. Exemptions from such agreements to assign may be authorized in those circumstances when the mission of the University is better served by such action, provided that overriding obligations to other parties are met and such exemptions are not inconsistent with other University policies.

- B. Those individuals who have so agreed to assign inventions and patents shall promptly report and fully disclose the conception and/or reduction to practice of potentially patentable inventions to the Director of the Patent, Trademark, and Copyright Office. They shall execute such declarations, assignments, or other documents as may be necessary in the course of invention evaluation, patent prosecution, or protection of patent or analogous property rights, to assure that title in such inventions shall be held by the University or by such other parties designated by the University as may be appropriate under the circumstances. Such circumstances would include, but not be limited to, those situations when there are overriding patent obligations of the University arising from gifts, grants, contracts, or other agreements with outside organizations.

In the absence of overriding obligations to outside sponsors of research, the University may release patent rights to the inventor in those circumstances when:

- (1) the University elects not to file a patent application and the inventor is prepared to do so, or
- (2) the equity of the situation clearly indicates such release should be given,

provided in either case that no further research or development to develop that invention will be conducted involving University support or facilities, and provided further that a shop right is granted to the University.

- * C. Subject to restrictions arising from overriding obligations of the University pursuant to gifts, grants, contracts, or other agreements with outside organizations, the University agrees, for and in consideration of said assignment of patent rights, to pay annually to the named inventor(s), or to the inventor(s)' heirs, successors, or assigns, 50% of the net royalties and fees received by the University. Net royalties are defined as gross royalties and fees, less 15% thereof for administrative costs, and less the costs of patenting, protecting, and preserving patent rights, maintaining patents, the licensing of patent and related property rights, and such other costs, taxes, or reimbursements as may be necessary or required by law.

When there are two or more inventors, each inventor shall share equally in the inventor's share of royalties, unless all inventors previously have agreed in writing to a different distribution of such share.

* Section II.C is superseded by revised Section II.C, April 16, 1990, attached.

Distribution of the inventor's share shall be made annually in February from the amount received during the penultimate calendar year. In the event of any litigation, actual or imminent, or any other action to protect patent rights, the University may withhold distribution and impound royalties until resolution of the matter.

- D. In the disposition of any net income accruing to the University from patents, first consideration shall be given to the support of research.

III. PATENT RESPONSIBILITIES AND ADMINISTRATION

- A. Pursuant to Standing Order 100.4(gg), the President has responsibility for all matters relating to patents in which the University of California is in any way concerned.
- B. The President is advised on such matters by the Intellectual Property Advisory Council (IPAC), which is chaired by the Senior Vice President--Academic Affairs. The membership of IPAC includes representatives from campuses, Agriculture and Natural Resources, the Department of Energy Laboratories, and the Director of the Patent, Trademark, and Copyright Office. IPAC is responsible for:
 - 1. reviewing and proposing University policy on intellectual property matters including patents, copyrights, trademarks, and tangible research products;
 - 2. reviewing proposed exceptions to established policies; and
 - 3. advising the President on related matters as requested.
- C. The Senior Vice President--Administration is responsible for implementation of this Policy, including the following:
 - 1. Evaluating inventions and discoveries for patentability, as well as scientific merit and practical application, and requesting the filing and prosecution of patent applications.
 - 2. Evaluating the patent or analogous property rights or equities held by the University in an invention, and negotiating agreements with cooperating organizations, if any, with respect to such rights or equities.

3. Negotiating licenses and license option agreements with other parties concerning patent and or analogous property rights held by the University.
4. Directing and arranging for the collection and appropriate distribution of royalties and fees.
5. Assisting University officers in negotiating agreements with cooperating organizations concerning prospective rights to patentable inventions or discoveries made as a result of research carried out under grants, contracts, or other agreements to be funded in whole or in part by such cooperating organizations, and negotiating with Federal agencies regarding the disposition of patent rights.
6. Recommending to the President appropriate action on exemptions from the agreement to assign inventions and patents to the University as required by Section II. A., above.

UNIVERSITY OF CALIFORNIA PATENT POLICY: Administrative Statements
Concerning University Patent Matters

The following statements are to be considered in effect until such time as each is specifically rescinded or superseded.

<u>Date</u>	<u>From - To</u>	<u>Subject</u>
10/13/64	Owens to Chief Campus Officers	Non-University-compensated users of computer facilities... exempt from Patent Agreement.
6/20/66	Cunningham--Official Statement in University Bulletin	Summer and incidental employment of faculty and staff: conflict between University Patent Agreement and private agreements for summer or consulting work.
2/21/68	Hitch to Chancellors	Schedule of Support and Patent Privileges
8/5/71	Owens to Chancellors (attaches 1/15/68 letter from Gross to Contract and Grant Officers re: notifying recipients of such obligations)	Patent obligations to sponsors of research: cautions about conflicting obligations to Federal and to private sponsors.
7/13/73	McCorkle to Chancellors	Policy and procedures for reporting inventions to the Board of Patents, Office of the President.
1/14/76	Saxon to Chancellors, Laboratory Directors	Patent Agreement requirements for graduate students on research funds.
7/14/76	Saxon to Chancellors, Laboratory Directors	Reissues University Patent Agreement Requirements and Procedures for non-compensated researchers, visiting scholars, consultants, others.