

RESOLUTION 18-

RESOLUTION OF THE BOARD OF TRUSTEES ON INTELLECTUAL PROPERTY POLICY

WHEREAS, Ohio Revised Code §3345.14 as amended by the 132nd General Assembly in House Bill 49 requires the State universities' Boards of Trustees to adopt rules that permit employees to hold a financial interest in any organization to which the board has assigned, licensed, transferred, or sold the university's interests in its intellectual property, including discoveries, or inventions made or created by that employee or in patents issued to that employee;

WHEREAS, such rules or policies encourage technology transfer and commercialization of intellectual property; and

WHEREAS, the Wright State University Board of Trustees unanimously adopted such rules and a Policy on Faculty Equity in Start-Up Companies in June, 2005; and

WHEREAS, Wright State University Policy 6130 on Intellectual Property has been in effect since June 1, 2001 and subsequently supplemented by the Board's June, 2005 Resolution establishing such rules and policies referenced in Ohio Revised Code §3345.14(D)(1)-(2); and

WHEREAS, Wright State University's rules and policies are in accord with Ohio Revised Code §3345.14(D)(1)-(2).

NOW THEREFORE, BE IT RESOLVED, that the Wright State University Board of Trustees affirms and endorses the University's existing rules and *Policy on Faculty Equity in Start-Up Companies* and *Wright State University Policy 6130 on Intellectual Property*.

To move this resolution to the full Board for consideration, a motion and a second is needed.

I offer this Motion:

Do I have a Second:

Intellectual Property

Policy Number 6130

Date Created/Revised 06/01/2001

Executive Responsibility VP-Research

Functional Responsibility Technology Transfer

6130.1 Purpose & Scope

INTRODUCTION

Wright State University believes that respect for intellectual labor and creativity is vital to academic discourse and enterprise and that, where possible, it should make results from scholarly pursuits available to industry and the public on a reasonable and effective basis, while at the same time providing adequate recognition to scholars.

WHO IS COVERED BY THIS POLICY

All University employees are covered by this policy. Also covered are non-employees (including students, visitors, volunteers, fellows, and scholars) who are aided by a significant use of University resources.

WHAT IS COVERED BY THIS POLICY

This policy applies to all inventions, discoveries, trademarks, and copyrightable works made or authored by covered individuals, and to any royalties derived therefrom. It does not apply to University service marks, nor to property belonging to others or in the public domain.

6130.2 Definitions

Inventions are, under federal patent law (U.S.C. Title 35), novel and useful ideas relating to processes, machines, manufactures, and compositions of matter. An invention can be made solely or jointly with others as co-inventors. To be recognized legally, a co-inventor must have conceived of an essential element of an invention or contributed substantially to the general concept.

Copyrightable works are, under federal copyright law (U.S.C. Title 17, as amended by the 1976 Copyright Act), original works of authorship that have been fixed in any tangible medium of expression from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. These works include:

- Literary works, such as books, journal articles, poems, manuals, memoranda, tests, instructional material, databases, bibliographies;
- Computer software, which in addition to being copyrightable, may also be patentable;
- Musical works including any accompanying words;
- Dramatic works, including any accompanying music;
- Pictorial, graphic, and sculptural works, including photographs, diagrams, sketches, and integrated circuit masks;
- Motion pictures and other audiovisual works such as videotapes; and sound recordings.

A trademark includes any word, name, symbol, or device, or any combination, used, or intended to be used, in commerce to identify and distinguish the goods of one manufacturer or seller from goods manufactured or sold by others, and to indicate the source of the goods.

Discoveries are defined for the purpose of this policy as new products or processes that are not patentable inventions or copyrightable works but that may contain or be based on proprietary information. Examples include tangible research property such as biological materials (including cell lines) and chemical substances; prototype devices and equipment; and research data. Discoveries sometimes may be protected as trade secrets.

An intellectual property record, according to §149.43 of the Ohio Revised Code, is a record, other than a financial or administrative record, that is produced or collected by or for faculty or staff of a state institution of higher education in the conduct of or as a result of study or research on an educational, commercial, scientific, artistic, technical, or scholarly issue, regardless of whether the study or research was sponsored by the institution alone or in conjunction with a governmental body or private concern, and that has not been publicly released, published, or patented.

To make an invention or discovery means to first conceive it or reduce it to practice.

A royalty is a payment made to an owner of intellectual property for the privilege of practicing a right under a patent, copyright, or discovery. The term 'royalty' does not apply to funds awarded to the University under sponsored agreements nor to gifts made to the WSU Foundation.

An employee's scope of employment is determined by the employee's job description (or functionally equivalent document). It does not include the general obligation of faculty to produce scholarly/aesthetic works and course materials.

Significant use of University resources is the use of University facilities, staff or funds beyond those normally available to members of the University community.

Some examples are:

- Extended use of time and energy by the developer(s) in the creation or promotion of the intellectual property enabled by a reduction in the levels of teaching, scholarship, or citizenship activities, so that anticipated performance in these areas is at a level significantly less than normal;
 - Use of products or services obtained by a substantial expenditure of University funds in support of the intellectual property's creation;
 - Direct assignment or commission from the University to undertake a creative project as a part of the developer's regular appointment;
 - Substantial use of funding from gifts to the University to support creation of the intellectual property involved;
 - Production of the intellectual property under specific terms of a sponsored research grant or contract.
- Use of assigned office space, normal clerical support, and routine use of library resources, desktop computers and office supplies are not significant use of University resources.

A work for hire, according to the 1976 Copyright Act, is:

- A work prepared by an employee within the scope of his or her employment [see above definition]; or
- A work specially ordered or commissioned for use if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

6130.3 Policy

DISCOVERIES AND INVENTIONS

1. All rights to and interests in discoveries or inventions, including patents thereon, which result from research or investigation conducted in any experiment station, bureau, laboratory, or research facility of the University or involve significant use of University facilities or resources, shall be the sole property of the University. All rights and interests in software, although it is copyrightable, shall be the property of the University when it is required for an invention or is part of an invention. Covered individuals who make or participate in the making of such discoveries or inventions in the course of fulfilling their University responsibilities or with use of University resources shall promptly disclose their discovery or invention to the Chief Intellectual Property Officer, using the disclosure form prescribed by that official. Use of this form has the effect of initiating the process of review for patentability and commercializability.
2. Rights to inventions arising in the course of government or other externally sponsored research are controlled by the terms of the agreement between the University and the sponsor and/or applicable federal regulations.
3. Inventors shall be entitled to share in any royalty income received by the University for their discoveries or inventions, in accordance with the University's royalty distribution schedule (attached). The University shall maintain distributions of an inventor's respective share of such royalties after the inventor terminates his or her University employment.
4. Covered individuals agree to assist and cooperate with the University in obtaining and enforcing patents, including, without limitation, executing and delivering all assignments, documents and instruments reasonably requested by the University in conjunction with obtaining and enforcing patents within the United States or any foreign jurisdiction.
5. The University has no obligation to pursue or maintain patent protection for disclosed inventions. If the Chief Intellectual Property Officer recommends that the University not pursue a patent application, maintain a patent, or otherwise market that invention, then the University may assign ownership to the inventor(s) while retaining a royalty-free license to use the invention for non-commercial purposes. The University shall duly consider a covered individual's request for assignment of an invention, in which that individual has had input, when the University chooses not to pursue a patent application, maintain a patent for that invention, or otherwise market that invention.
6. The University will consult with the inventor(s) who discloses a discovery or invention before marketing such discovery or invention.

COPYRIGHTABLE WORKS

1. Covered individuals retain ownership of their own copyrightable works unless the work is a work-for-hire or is subject to a separate written agreement that requires assignment to the University or to a third party. In the case of assignment to the University, the author will retain the right to use the material for his or her own non-commercial purposes.

It is emphasized that the legal copyright owner is the author of the work—the person(s) who gives tangible expression to the idea regardless of who might have been the original creator of that idea. For example, if a student writes a paper based on a professor's idea, and the professor is not a co-author of the work, the student is, by law, the sole copyright owner.

2. Covered individuals shall cooperate with and sign all documents reasonably requested by the University to enable it to secure, register and enforce in the U.S. and any foreign countries, copyrights in all works owned by or assigned to the University. The University shall cooperate with and sign all documents reasonably requested by a covered individual to enable him or her to secure, register and enforce in the U.S. and any foreign countries, copyrights in all works owned by or assigned to that individual.

3. Traditional faculty products of scholarly activity that have customarily been considered to be the restricted property of the author will be owned by the author regardless of the medium in which the work is embodied. Such traditional products include, but are not limited to, journal articles, textbooks, monographs, works of art including paintings and sculptures, and musical compositions. The University does not claim any ownership rights to such works.

The University also does not claim ownership of traditional academic works produced by professional employees who, though not appointed as faculty, play a role in supporting the academic mission of the University. In addition, the author of such traditional works is responsible for compliance with applicable copyright laws. If such works embody a patentable invention, the inventor will disclose and assign ownership of the invention to the University in accordance with the above policy on "Discoveries and Inventions."

4. Royalties earned from the commercialization of traditional faculty products will accrue entirely to the author(s) as personal income, unless copyright was previously assigned to the University or significant University resources were used in the production of the work. For traditional faculty products requiring significant use of University resources, author(s) will repay the University for identifiable resources from any personal income earned. Before making significant use of University resources in the creation of such works, covered individuals shall consult with their Chair or supervisor, who shall have the opportunity to consult with the Intellectual Property Officer prior to approval.
5. As a public institution subject to State and Federal laws and regulations pertaining to access by certain public officials to research data, the University, in order to be able to investigate allegations of scientific misconduct (see [University Policy 6120](#)), will have unlimited access to records, notebooks and other repositories of information arising out of sponsored research. The research project Principal Investigator is responsible for the maintenance and retention of research data. Information on required retention periods may be obtained from the Chief Research Officer.
6. Development of distance learning courseware, instructional software, and other multimedia works involving significant University resources requires a written agreement between the University and the creator(s) outlining the rights and responsibilities of the parties. The agreement will cover, at a minimum, ownership, the right of the creator(s) to erase videotape or delete from a Web server any or all of the course content at the conclusion of a course, the need for written permission from the creator for the modification, reuse, or sale of courseware, the responsibility for obtaining copyright permission for items used in the creation of courseware, and the distribution of royalties.
7. University faculty may request the Chief Intellectual Property Officer to assist them in registering their copyrights with the U.S. Copyright Office. Copyright owners may assign their copyrights to the University, which may, at its option, endeavor to commercialize the copyrighted work. Any royalties generated would be shared in accordance with the royalty distribution schedule attached to this policy.
8. A student, as a condition of enrollment, grants royalty-free permission to the University to reproduce and publicly distribute, on a noncommercial basis, copies of student project reports, theses or dissertations, including any computer software developed as part of the student project, thesis or dissertation. In certain situations the Chief Intellectual Property Officer, in consultation with the thesis director or faculty advisor, may conclude that joint ownership by the University and student is appropriate for computer software developed as part of a student project, thesis or dissertation. In such cases the Chief Intellectual Property Officer shall prepare an agreement between the University and the student as soon as practicable during the process of carrying out the research project but prior to the final submission of the student project report, thesis or dissertation. Notwithstanding the preceding, if the student authors copyrightable material that is either subject to requirements of a sponsored agreement or is research data, such material will be owned by the University or the supervising faculty member pursuant to any such sponsored agreement and this policy.

TRADEMARKS

1. Any trademarks created by a covered individual at the request of the University shall be owned by the University.
2. Trademarks created by a covered individual in association with an invention, discovery, or copyrighted material shall be owned by the same party that owns the invention, discovery or copyrighted material.

INTELLECTUAL PROPERTY RECORDS

1. Pursuant to §149.43 of the Ohio Revised Code, intellectual property records are not considered "public records" and so are not subject to public inspection. Requests for access to intellectual property records should be referred to the Office of General Counsel.

6130.4 Responsibilities

- Inventors are responsible for promptly disclosing the inventions they make to the Chief Intellectual Property Officer when required by this policy. The Chief Intellectual Property Officer may call upon inventors for advice and cooperation in order to assist the University's efforts to patent and/or market the invention.
- Copyright holders are responsible for assigning copyright ownership to the University when required by this policy. Copyright assignments should be processed through the Chief Intellectual Property Officer.
- Custodians of University-owned discoveries and proprietary information owned by third parties are responsible for taking reasonable steps to prevent unauthorized use or inadvertent public disclosure of such discoveries and information. These steps may include requiring those who have access to the discovery or information to sign a non-disclosure agreement.
- The Chief Intellectual Property Officer, with the advice of the Office of General Counsel, the Chief Research Officer, the inventor or author, and outside organizations as appropriate, is responsible for:
 1. administering, in a confidential and expeditious manner, all intellectual property disclosed to him or her;
 2. conducting patent searches, marketability assessments, and license negotiations;
 3. licensing, marketing, and distributing (either directly, through members of the University community, or through outside organizations) intellectual property in which the University has rights;
 4. providing information on intellectual property issues to the University community;
 5. interpreting requirements of sponsored agreements regarding intellectual property;
 6. providing assistance in registering the copyright to any works in which the University has rights and, upon request, in registering the copyright to faculty-owned work;
 7. arranging the distribution of royalty income earned by the University under license agreements or other arrangements in accordance with the attached royalty distribution schedule;
 8. making recommendations to the Office of General Counsel concerning patent applications and maintenance of patents;
 9. defraying the costs (either directly or through licensees) of patent applications, maintenance fees, registration fees, and other costs incurred in administering intellectual property;
 10. preparing or assisting in preparing reports on intellectual property matters, including royalty income, for members of the University community, external sponsors, and other requesting organizations;
 11. determining the rights of the University in any invention, discovery, or copyrightable work covered by this policy. Inventors and authors may appeal this determination to the Chief Academic Officer.

- The Office of General Counsel is responsible for providing advice to the Chief Intellectual Property Officer and for liaison with the University's patent attorneys.
- The University Purchasing Director is responsible for ensuring that professional consulting agreements awarded by the University contain appropriate provisions for protection of University intellectual property rights.

6130.5 Royalty Distribution Schedule

Covered individuals who are makers of inventions and discoveries or authors of copyrighted works, and who share royalties received by the University, may request either of the following two methods for sharing such income.

OPTION A. DEPOSIT ALL NET ROYALTIES INTO A RESTRICTED (LEDGER 6) ACCOUNT.

Net royalties are defined as gross royalty income less actual expenses incurred by the University in administration of the intellectual property, including but not restricted to legal fees and patent maintenance fees. Such restricted (ledger 6) accounts will be assessed a fee of 10% on all royalty income received.

For example, for \$200,000 cumulative gross royalties, with \$40,000 cumulative expenses, the total ledger 6 budget shall be $.9 \times (\$200,000 - \$40,000) = \$144,000$.

OPTION B. RECEIVE PERSONAL INCOME BASED UPON GROSS ROYALTIES.

For gross royalties up to \$50,000, the inventor's/author's share shall be one-half of gross royalty income. For gross royalties in excess of \$50,000, the inventor's/author's share shall be 40% of the excess above \$50,000 minus any expenses in excess of \$25,000.

For example, for \$200,000 cumulative gross royalties, with \$40,000 cumulative expenses, the total inventor's/author's share shall be $0.5 \times \$50,000 + 0.4 \times [(\$200,000 - \$50,000) - (\$40,000 - \$25,000)] = \$79,000$

From:

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES
OFFICIAL PROCEEDINGS OF THE
TWO HUNDRED AND TWENTY THIRD MEETING
June 9 and 10, 2005**

Policy on Faculty Equity in Start-Up Companies

Policy on the "Rules Governing Participation in Companies Commercializing University Discoveries, Inventions, and Patents by University Entrepreneurs."

Rules Governing Participation in Companies Commercializing University Discoveries, Inventions, and Patents by University Entrepreneurs*

1. Preamble

The Board of Trustees has determined that the best interests of Wright State University ("University") will be served if employees who create new technology are afforded the opportunity to hold Significant Financial Interests in companies that are engaged in commercializing their inventions. Employee participation with outside companies in technology development activities will facilitate the University's goal of making its research available for public use by giving researchers an incentive to develop inventions with commercial applications. The opportunity to participate in commercialization activities is also essential to the University's efforts to attract and retain a highly qualified faculty and staff. The procedures and guidelines set forth in this rule are intended to enable the University to realize the benefits of such entrepreneurial activities while protecting the integrity of its research and educational mission and to comply with University policies and with applicable federal and state laws.

2. Definitions Business

Overview Document: A written paper, submitted by a Candidate University Entrepreneur, which provides an overview of a planned Technology Commercialization Company, its products and/or services, and market opportunities.. The Business Overview Document should highlight the value proposition of the Company, describe the specific University Intellectual Property involved, and outline the nature and extent of the Candidate University Entrepreneur's anticipated participation, management responsibilities, and financial interests in the Technology Commercialization Company. Candidate University Entrepreneur: A University employee or student who creates University Intellectual Property under the University's "Policy and Procedures for Intellectual Property" and who desires to hold a Significant Financial Interest in a Technology Commercialization Company. A University Entrepreneur is a Candidate University Entrepreneur who accepts the opportunity extended by the University to hold such an interest. Comprehensive Business Plan: A written paper, invited by the Vice President for Research and submitted by a Candidate University Entrepreneur, in which the Candidate University Entrepreneur provides an extensive description and analysis of the Technology Commercialization Company's products and/or services, the markets for these products and/or services, and the marketing, sales, product development, and research strategies. The Plan should describe the capital structure, financial plan, ownership interests and governance, and otherwise be responsive to any topics suggested by the Vice President for Research for the Plan. Conflict of Commitment: A conflict arising when a University employee's activities outside of the University affect, or appear reasonably likely to affect, the manner or extent to which the employee carries out his or her University responsibilities. Conflict of Interest Agreement: A written document, prepared by a Candidate University Entrepreneur, in which the Candidate University Entrepreneur identifies, explains, and outlines a comprehensive management plan for any situation where there is a divergence between an individual's private interests and his or her professional obligations to the University or its students. Intellectual Property Committee: A committee appointed by the Provost responsible, among other duties, for reviewing Business Overview Documents, Comprehensive Business Plans, and Conflict of Interest Agreements and providing oversight of Technology Commercialization Companies pursuant to the responsibility provided to it by these Rules. License Agreement: An agreement between the University and a Technology Commercialization Company setting forth the terms and conditions of use, make, sell, offer to sell, and manufacture of University Intellectual Property by the Technology Commercialization Company. Significant Financial Interest:

As defined in the University's Conflict of Interest Policy (see <http://www.wright.edu/rsp/conflict.html>).
Technology Commercialization Company: A legal entity, generally a new start-up, which desires to commercially develop University Intellectual Property. University Intellectual Property: Discoveries, inventions, or patents that result from research or investigations conducted in any experiment station, bureau, laboratory, research facility, or other University facility, or by any University employee acting within the scope of their employment, or with funding, equipment, or infrastructure provided by or through the University, pursuant to $\text{rc} 3345.14$ of the Ohio Revised Code, as amended.

3. Applicability

These Rules apply to all Candidate University Entrepreneurs and University Entrepreneurs. These rules serve as exceptions to the Ohio Ethics Law and related statutes (R.C. Chapter 102, R.C. $\text{rc} 2921.42$, R.C. $\text{rc} 2921.43$), which might otherwise apply. The Ohio Ethics Commission retains authority to provide assistance to the university in establishing the minimum requirements and guidelines for these rules and to address any matter outside the scope of these rules.

4. Faculty and Staff Responsibilities

Faculty and academic staff members are encouraged to develop discoveries and inventions with commercial potential; however, they should do so with due regard to the broader teaching and research mission of the University. University Entrepreneurs should not allow their Significant Financial Interest in a Technology Commercialization Company to interfere with their teaching, research, or other positional responsibilities including relationships with colleagues or students. While faculty members are permitted by the relevant Outside Employment Policy in the Faculty Handbook or the "Collective Bargaining Agreement Between Wright State University and the WSU Chapter of the American Association Of University Professors" (hereinafter referred to as "CBA"), and these Rules to engage in specified private business activities relating to their institutional positions, they continue to be responsible for the performance level of all of their teaching, research and service obligations. Similarly, staff members must not allow approved entrepreneurial activities to interfere with their institutional responsibilities. University Entrepreneurs should respect and promote the cooperative nature of the academic environment.

5. Approval Procedures

The procedures below should be followed to obtain authorization to hold a Significant Financial Interest in a Technology Commercialization Company.

(i) Candidate University Entrepreneurs should have submitted an Invention Disclosure to the Technology Transfer Office. If initial review is favorable, the Candidate Entrepreneur may initiate consideration of a Technology Commercialization Company by creating a Business Overview Document and drafting a Conflict of Interest Agreement.

(ii) These documents are next submitted to the Vice President for Research who will consult with the Intellectual Property Committee and other appropriate parties such as the college dean. Upon recommendation from the Intellectual Property Committee, the Vice President for Research may either terminate consideration of a Technology Commercialization Company for the disclosed technology, return the documents to the Candidate University Entrepreneur for revision, or approve the documents with summary comments and requirements for a Comprehensive Business Plan. If approved, the Candidate is considered a University Entrepreneur and will begin to develop a Comprehensive Business Plan and further develop the Conflict of Interest Agreement. The University Entrepreneur will continue to work with the Technology Transfer Office to secure appropriate protection for the disclosed invention(s).

(iii) When complete, the Comprehensive Business Plan and updated Conflict of Interest Agreement will be submitted to the Vice President for Research for consideration by the Intellectual Property Committee. The Committee will review these documents and recommend either approval or return to the University Entrepreneur for revision. The final approval decision is by the Vice President for Research. If the documents are approved, the Intellectual Property Committee will be requested to advise on procedures for negotiating a License Agreement for the relevant technology to the Company. This advice will include recommendations on the role of the University Entrepreneur in the negotiation.

(iv) If at any time, consideration of a Technology Commercialization Company is terminated, the Candidate University Entrepreneur may appeal the decision to the Provost.

6. Supervision and Oversight

(i) Department chairs and directors are responsible for ensuring that faculty members, staff members, and interested students are familiar with and comply with these rules.

(ii) The Vice President for Research, upon recommendation of the Intellectual Property Committee, should approve the Comprehensive Business Plan and the Conflict of Interest Agreement before any licensing or other business agreements relating to a Technology Commercialization Company are finalized with the University.

(iii) The Intellectual Property Committee should review Comprehensive Business Plans, License Agreements, and Conflict of Interest Agreements relating to active Technology Commercialization Companies at least annually from the date of approval by the Vice President for Research and whenever there has been a material change in the Technology Commercialization Company's anticipated performance as described in the Comprehensive Business Plan.

(iv) College and school deans should review Conflict of Interest Agreements and any potential Conflicts of Commitment related to University Entrepreneurs in their units at least annually.

7. Reporting Business Activities

Private business activities that may relate to a University employee's externally sponsored research shall be reported in accordance with the University's Conflict of Interest policy <http://www.wright.edu/rsp/conflict.html>. Private business activities that may relate to a faculty member's departmental research shall be reported in writing to the Department Chair in accordance with the Faculty Handbook or the CBA, as appropriate.

8. Activities Not Related to Research

Private business activities that are not subject to these Rules because they are unrelated to the faculty member's institutional research are nevertheless subject to other University policies on paid external consulting, conflicts of interest and commitment, and intellectual property.

9. Use of Institution Facilities

University facilities, equipment and other resources may be used for research benefiting a company in which a faculty member has a Significant Financial Interest only pursuant to an appropriate contractual agreement between the Technology Commercialization Company and the University.

10. Management of Start-up Companies

University Entrepreneurs are authorized to hold managerial positions in the Technology Commercialization Company according to the Technology Commercialization Company management plan exhibited in the Comprehensive Business Plan and the Conflict of Interest Agreement. However, normally professional management should be brought in at the earliest opportunity.

11. Management Positions in Existing Companies

A faculty member who acquires a Significant Financial Interest in a previously established company that contracts with the University to commercialize his or her research should not serve as a director, officer or employee of that company, except as otherwise approved by the University on a case-by-case basis, using the review procedures that apply to University Entrepreneurs.

12. Leave to Pursue Private Business Activities

University Entrepreneurs should not allow their corporate responsibilities to create a Conflict of Commitment. In the case that a Conflict of Commitment occurs, University Entrepreneurs shall take appropriate measures to resolve the conflict such as a reduction of appointment or other approved leave mechanism. Professional Improvement Leave available under R.C. § 3345.28 shall not be used for private business purposes.

13. Student Employment with Technology Commercialization

Companies Technology Commercialization Companies provides outstanding employment or internship opportunities for university students. However, if (a) the student is enrolled in a course taught by the University Entrepreneur, (b) the University Entrepreneur is a member of the student's thesis or dissertation committee, or (c) the University Entrepreneur is the student's advisor or the director of his or her thesis or dissertation research, certain precautions must be taken. Such students may only be employed by the Technology Commercialization Company pursuant to a signed

agreement disclosing the students' rights and obligations and addressing the potential conflicts which might arise. Students who though not employed wish to perform research benefiting a Technology Commercialization Company may only do so pursuant to a sponsored research agreement and/or formal internship agreement through the University that addresses the potential conflicts which might arise.

14. Contracts Unrelated to Technology Development

Technology Commercialization Companies may enter into agreements with the University that are unrelated to research or technology development for the purchase, sale or rental of equipment, supplies, or services only to the extent not prohibited by Ohio Revised Code Chapter 102 and Sections 2921.42 and 2921.43.

15. Investments by Faculty Not Involved with Development of the Technology

Faculty, staff, and students who are not directly involved with research and development of technology licensed to a Technology Commercialization Company may hold equity interests in that company only to the extent not prohibited by Ohio Revised Code, including but not limited to Chapter 102 and Sections 2921.42 and 2921.43. Under such circumstances, the Vice President for Research will determine what Conflict of Interest Agreements need to be developed and maintained.

16. Regulatory Review Boards

Institutional regulatory review boards including, for example, the University's IRB (Institutional Review Board) and Laboratory Animal Care and Use Committee, may be utilized for research benefiting a Technology Commercialization Company only pursuant to Conflict of Interest Agreements.

17. Equity Dilution and Cap

While significant faculty equity ownership may be inherent in a newly formed company, it is expected that their ownership interests, as a percentage of the total outstanding shares or membership interests of the company, will decrease as the company develops and attracts additional equity. University Entrepreneurs and members of their immediate family (including a spouse residing in that person's household and any dependent child, as defined in Ohio Revised Code Section 102.01 (D)) should not hold or control more than twentyfive percent (25%) of the outstanding equity in a Technology Commercialization Company on an ongoing basis, except otherwise agreed upon in writing with the University. In order to ensure the observance of this principle, the Comprehensive Business Plan shall contain enforceable milestones for the dilution of these equity interests. Failure to comply with the agreed-upon milestones may result in the company's inability to engage in sponsored research or employ university students, or other sanctions included in the commercialization agreements entered into under this policy.

18. Principal Investigators

University Entrepreneurs may assume the role of Principal Investigator in sponsored research projects funded by Companies in which they have a Significant Financial Interest only pursuant to a Conflict of Interest Agreement approved by the Intellectual Property Committee and Vice President for Research.

19. University Policies

Candidate University Entrepreneurs and University Entrepreneurs remain University employees so long as they maintain employment on a part- or full time basis with the University. As such they continue to be bound by all applicable University policies, including these Rules. In particular, they remain bound by the University's "Policy and Procedures for Intellectual Property," for discoveries and inventions generated from their remaining university activity, unless otherwise agreed upon in writing on a case-by-case basis. Ownership and management of the Intellectual Property created within the scope of the Comprehensive Business Plan shall be set forth in the License Agreement between the University and the Technology Commercialization Company.

From:

Agreement between Wright State University and the Wright State University Chapter of the American Association of University Professors, Collective Bargaining Agreement

**Article 20
Intellectual Property**

20.1 Discoveries and Inventions.

When used in this agreement, the term "Patent" (and derivatives of that term) shall be understood to mean that bundle of rights that protect inventions or discoveries which constitute any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof; new, original and ornamental designs for an article; and plant patents being for the asexual reproduction of a distinct and new variety of plant, including cultivated sprouts, mutants, hybrids, an new found seedlings, other than a tuber propagated plant or plant found in an uncultivated state.

20.1.1 In accordance with Ohio Revised Code 3345.14(B) all rights to and interests in discoveries, inventions, or patents, which result from research or investigation conducted in an experiment station, bureau, laboratory, or research facility of the University or with funding provided by the University shall be the sole property of the University. All rights and interests in software, although it is copyrightable, shall be the property of the University when it is required for an invention or is part of an invention. Bargaining Unit Faculty Members who make or participate in the making of such discoveries or inventions in the course of fulfilling their University responsibilities or with use of University resources shall promptly disclose their discovery or invention to the Chief Intellectual Property Officer, using the disclosure form prescribed by that official. Use of this form has the effect of initiating the process of review for patentability and commercializability.

20.1.2 The University will not license a discovery or invention (or patent(s) thereupon) disclosed by a Bargaining Unit Faculty Member(s) without first consulting in good faith with the Member(s).

20.1.3 The University will not sell a discovery or invention (or patent(s) thereupon) disclosed by a Bargaining Unit Faculty Member(s) without first consulting in good faith with the Member(s).

20.1.4 Rights to inventions arising in the course of government or other externally sponsored research are controlled by the terms of the agreement between the University and the sponsor and/or applicable federal regulations.

20.1.5 Bargaining Unit Faculty Members shall be entitled to share in any proceeds from the sale or license of the discovery, invention or patent received by the University for their discoveries or inventions, in accordance with the University's proceeds distribution schedule in Section 20.3. The University shall maintain distributions of a Bargaining Unit Faculty Member's respective share of such proceeds after the Member terminates his or her University employment.

20.1.6 Bargaining Unit Faculty Members agree to assist and cooperate with the University in obtaining and enforcing patents, including, without limitation, executing and delivering all assignments, documents and instruments reasonably requested by the University in conjunction with obtaining and enforcing patents within the United States or any foreign jurisdiction.

20.1.7 The University has no obligation to pursue or maintain patent protection for disclosed inventions. If the Chief Intellectual Property Officer recommends that the University not pursue a patent application, maintain a patent, or otherwise market that invention, then the University may assign ownership to a Bargaining Unit Faculty Member while retaining a royalty-free license to use the invention for non-commercial purposes. The University shall duly consider a Bargaining Unit Faculty Member's request for assignment of an invention, in which that Member has had input, when the University chooses not to pursue a patent application, maintain a patent for that invention, or otherwise market that invention.

20.2 Trademarks.

20.2.1 Any trademarks created by a Bargaining Unit Faculty Member at the request of the University shall be owned by the University.

20.2.2 Trademarks created by a Bargaining Unit Faculty Member in association with an invention, discovery, or copyrighted material shall be owned by the same party that owns the invention, discovery or copyrighted material.

20.3 Proceeds Distribution Schedule. Bargaining Unit Faculty Members who are makers of inventions and discoveries or authors of copyrighted works and who share proceeds received by the University may select either of the following two methods for sharing such income.

20.3.1 The Member may elect to have the University deposit all net proceeds into a restricted (ledger 6) account. Net proceeds are defined as gross proceeds less actual expenses incurred by the University in the sale of the intellectual property [that is, discovery or invention (or patent(s) thereupon)], including but not restricted to legal fees and patent maintenance fees. Such restricted (ledger 6) accounts will be assessed a fee of 10% on all net proceeds deposited into them. 20.3.2 The Member may elect to receive personal income based upon gross proceeds. For gross proceeds up to \$50,000, the Member's share shall be one-half of gross proceeds. For gross proceeds in excess of \$50,000, the Member's share shall be 40% of the excess above \$50,000 minus any expenses in excess of \$25,000. For example, for \$200,000 cumulative gross proceeds, with \$40,000 cumulative expenses, the total Member's share shall be $0.5 \times \$50,000 + 0.4 \times [(\$200,000 - \$50,000) - (\$40,000 - \$25,000)] = \$79,000$.

20.4 Copyrightable Works.

20.4.1 When used in this agreement, the term "Copyright" (and derivatives of that term) shall be understood to mean that bundle of rights that protect original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. "Works of authorship" (including computer programs) include, but are not limited to the following: literary works; musical works, including any accompanying words; dramatic works, including any accompanying music; pantomimes and choreographic works; pictorial graphic, and sculptural works; motion pictures and other audiovisual works; sound recordings; and architectural works.

20.4.2 Bargaining Unit Faculty Members retain ownership of their own copyrightable works unless the work is a work-for-hire or is subject to a separate written agreement that requires assignment to the University or to a third party. In the case of assignment to the University, the author will retain the right to use the material for his or her own noncommercial purposes.

20.4.3 Bargaining Unit Faculty Members shall cooperate with and sign all documents reasonably requested by the University to enable it to secure, register and enforce in the U.S. and any foreign countries, copyrights in all works owned by or assigned to the University. The University shall cooperate with and sign all documents reasonably requested by a Bargaining Unit Faculty Member to enable him or her to secure, register and enforce in the U.S. and any foreign countries, copyrights in all works owned by or assigned to that Member.

20.4.4 Traditional faculty products of scholarly activity that have customarily been considered to be the restricted property of the author will be owned by the author regardless of the medium in which the work is embodied. Such traditional products include, but are not limited to, journal articles, textbooks, monographs, works of art including paintings and sculptures, and musical compositions. The University does not claim any ownership rights to such works.

20.4.5 Proceeds earned from the commercialization of traditional faculty products will accrue entirely to the Bargaining Unit Faculty author(s) as personal income, unless copyright was previously assigned

to the University or significant University resources were used in the production of the work. For traditional faculty products requiring significant use of University resources, author(s) will repay the University for identifiable resources from any personal income earned. Before making significant use of University resources in the creation of such works, Bargaining Unit Faculty Members shall consult with their Chair, who shall have the opportunity to consult with the Intellectual Property Officer prior to approval.

20.4.6 Significant use of University resources described in Section 20.4.5 pertains to the use of University facilities, staff or funds beyond those normally available to members of the University community. Use of assigned office space, normal clerical support, and routine use of library resources, desktop computers and office supplies are not significant use of University resources.