



UC San Diego

Policy & Procedure Manual

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CONTRACTS AND GRANTS (RESEARCH)

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University of California

UNIVERSITY POLICY REGARDING PATENTS

PREAMBLE

The Regents of the University of California, in administering intellectual property rights for the public benefit, desire to encourage and assist members of the faculties, employees, 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 Regents recognize the need for and desirability of encouraging the broad utilization of the results of University research not only by scholars but in practical application for the general public benefit and acknowledge 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. Equity in such patentable inventions may involve parties other than the inventor and The Regents. The use of University facilities or services, particular assignment of duties or conditions of employment, possible claims of a cooperating agency where research is supported from extramural funds, and other situations may give rise to a complex of interrelated equities or rights, which must be appraised and appropriately disposed by agreement between the parties.

Therefore, 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 where The Regents have a right or equity, the policy herein set down is adopted.

STATEMENT OF POLICY

1. All matters relating to patents in which the University of California is in any way concerned shall be administered by an agency known as the University of California Board of Patents.

2. a. The Board of Patents shall be appointed by The Regents. It shall have full power of organization, except as hereinafter provided, subject to the provision that it shall meet at least once a year. The members shall serve without extra compensation at the pleasure of The Regents. The normal term of appointment shall be for three years.

b. The Board of Patents shall consist of eleven persons selected from among the faculties and the administration of the University, and of such other groups as The Regents may determine, but of this number the Committee on Committees of the Academic Senate shall select from the Senate at large one person to serve as a member for the normal term. The Chairman of the Board of Patents and Patent Administrator shall be approved by The Regents upon the recommendation of the President of the University.

c. In its consideration of matters relating to each particular patent case or situation, the Board of Patents shall take into consideration the principles laid down in the patent laws, appropriate judicial decisions, and the laws of the State of California.

3. The Board of Patents shall have the following powers and duties, which may be delegated in whole or in part to the Patent Administrator:

a. To evaluate inventions and discoveries for patentability, as well as scientific merit and practical application and, where desirable, to appoint a committee of experts to examine the merits of each potentially patentable invention and to cause such committee to report its findings to the Board of Patents.

b. To authorize applications for patent and to retain patent counsel, in association with the General Counsel, for matters pertaining to the filing of patent applications, the prosecution thereof, and the litigation that may arise therefrom.

c. To determine the patent and related rights or equities held by The Regents in an invention, and to negotiate agreements with cooperating organizations, if any, with respect to such rights or equities.

d. In the absence of overriding obligations to outside sponsors of research, to release patent rights to the inventor in those circumstances, (i) where The Regents elect not to file a patent application and the inventor is prepared to do so, and where no further research or development to develop that invention will be conducted involving University support or facilities, subject to a shop right being granted to The Regents, or (ii) where the equity of the situation clearly indicates such release should be given.

e. To negotiate licenses and related agreements with other parties concerning patent and related property rights held by The Regents.

f. To arrange for and direct the collection of royalties and fees and the distribution thereof to those entitled thereto.

g. To assist 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 to negotiate Institutional Patent Agreements or other agreements with Federal agencies regarding the disposition of patent rights.

h. To recommend to the President appropriate exemptions from the agreement to assign inventions and patents to The Regents as required by paragraph 4 of this policy.

i. To make such reports and recommendations to The Regents as The Regents or the President shall direct.

4. An agreement to assign inventions and patents to The Regents, 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 grant or contract funds through the University. Exemptions from such agreements to assign may be authorized in those circumstances where 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.

5. 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 Patent Administrator. 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 rights, to assure that title in such inventions shall be held by The Regents or by such other parties as may be appropriate under the circumstances. Such circumstances would include, but not be limited to, those situations where there are overriding patent obligations of The Regents arising from grants, contracts, or other agreements with outside organizations. Releases of patent rights may be authorized by the Board of Patents where the equities so indicate.

6. Subject to restrictions arising from overriding obligations of The Regents pursuant to grants, contracts, or other agreements with outside organizations, The Regents agree, for and in consideration of said assignment of patent rights, to pay annually to the named inventor(s), the inventor(s)' heirs, successors, or assigns 50 percent of the net royalties and fees received by The Regents. Net royalties are defined as gross royalties and fees, less 15 percent 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. Where 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 differing distribution of such share. 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 Regents may withhold distribution and impound royalties until resolution of the matter.

7. In the disposition of any net income accruing to The Regents from patents, first consideration shall be given to the support of research.

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