

F. INTELLECTUAL PROPERTY

1. Introduction

- a.) Intellectual property is the inherent value produced by human creativity and invention, protected by law from unauthorized exploitation by others, and includes patents, copyrights, trademarks, and other proprietary information.
- b.) The University's patent and copyright policies are intended to encourage a healthy atmosphere conducive to research and development through a system of rewards and incentives for the creation of intellectual property while at the same time giving proper consideration to the responsibilities that the University has as a public land-grant university.
- c.) The strength of the University lies in its employees. The University's policies can provide invaluable assistance in bringing employee ideas to development and fruition within a framework of mutual trust and collegiality.
- d.) These policies are intended to spell out the responsibilities of the University and its employees and establish a framework for ethical conduct. While employees are encouraged to consider the potential market value of their inventions, they shall not be held liable for failing to recognize a potentially patentable invention. Nothing in this policy shall be construed as abridging a faculty members' academic freedom in the classroom.
- e.) Employees of Washington State University may create copyrightable works and patentable discoveries. It is desirable in the public interest in some cases to seek University intellectual property protection for these works and discoveries. Commercialization through licensing the use of the property provides an opportunity for both income to the inventor and support for further University research and scholarship.
- f.) This Intellectual Property Policy applies to all University Employees. For the Purposes of this Intellectual Property Policy, "Employee" shall be defined as any person receiving compensation for service, or any person volunteering services for the benefit of the University. Employees shall include, but not be limited to, faculty, administrative and professional personnel, classified staff, research fellows, staff assistants, and all other student employees. "Faculty" shall be defined as permanent and temporary teaching, research, service, extension, library, or student affairs appointment faculty, graduate teaching and research assistants, visiting scientists, and postdoctoral researchers. The uncompensated activities of students in furtherance of their education shall not be considered service that benefits the University within the meaning of this policy unless an agreement exists to the contrary.
- g.) All employees accept the terms of these policies as conditions of employment or gratis association. Employees shall agree to execute an assignment of their future patentable works and discoveries to the University. These policies may be modified by the administration with approval from the Board of Regents after consulting with faculty and staff of the University.

2. Applicable Laws

- a.) Federal law governs the creation of intellectual property. The United States Constitution, Article III, Section 8, gives to Congress, in order "to promote the progress of science and the useful arts, "the power to grant, for limited periods of time, to authors and inventors, the exclusive right to their respective writings and discoveries." The Copyright Act, in Title 17 of the United States Code, sets out the requirements by which an author of literary, artistic, and similar works may obtain copyright protection, and provides that in the case of a "work made for hire," the employer is the author for copyright purposes. 17 U.S.C. § 201(b). The Patent Act, in Title 35 of the United States Code, sets out the requirements by which inventors of new and useful processes, machines, manufactures, or compositions of matter may obtain patent protection.
- b.) The Washington State Ethics Law (Ethics Law), RCW 42.52, and the rules promulgated pursuant to the law, restrict the use of state resources for private purposes, and state employees are individually responsible for complying with this law. For Ethics Law purposes as it relates to this Policy, state employees are defined as all faculty, staff, and students employed by the University. The Ethics Law provides that "No state officer or state employee may employ or use any person, money, or property under the officer's or employee's official control or direction, or in his or her official custody, for the private benefit or gain of the officer, employee, or another." RCW 42.52.160. However, the Ethics Law allows state officers and employees to receive "honoraria" if "authorized by the agency where they serve." Honoraria is defined in the Ethics Law to mean "money or thing of value offered to a state officer or state employee for a speech, appearance, article, or similar item or activity in connection with the state officer's or state employee's official role." RCW 42.52.010(11).
- c.) Consistent with the Ethics Law, this Policy authorizes University employees, under defined circumstances, to retain ownership to certain intellectual property created with University resources. Additionally, this Policy authorizes University employees to receive royalty payments from commercialization of certain University-owned intellectual property that they created.

3. Intellectual Property Committee

- a.) The Intellectual Property Committee serves as an advisory committee to the Vice Provost for Research on all University intellectual property (i.e., patent, copyright, trademark, and proprietary information) especially with regard to University policy on these matters. All members of the Committee shall hold confidential all matters coming before the Committee regarding specific intellectual property.
- b.) The composition and tenure of the Intellectual Property Committee shall be:
 - (1) Six faculty with three-year terms, one of who will be appointed chair. The Faculty Senate may suggest faculty members to be considered by the President.
 - (2) Two Deans or Associate Deans of the colleges for three-year terms.

- (3) One member of the administrative and professional personnel or staff, with a three-year term.
 - (4) Director of OIPA who serves as secretary to the Committee. Director of the Office of Grant and Research Development. Both Directors act as ex officio members to the committee.
- c.) The quorum required for voting at a committee meeting must be no fewer than five voting members; three of whom must be faculty.

4. Office of Intellectual Property Administration

- a.) The Office of Intellectual Property Administration (OIPA) ([http:// www.wsu.edu/~oipa](http://www.wsu.edu/~oipa)) serves the University and its employees by promoting the transfer of technologies, encouraging the disclosure of intellectual property, conducting preliminary reviews of commercial potential of invention disclosures, and recommending copyright and patent protection and licensing to the Washington State University Research Foundation (WSURF). OIPA works closely with the WSURF, a private non-profit organization responsible for the commercialization and licensing of inventions and other University intellectual property. In association with the WSURF, OIPA monitors invention disclosures, patent status, license agreements, marketing efforts, federal reporting, and royalty income. The professional staff includes the Executive Director, Program Support Supervisor, and Technology Licensing Associate(s).

G PATENT POLICY

An invention may be a design, process, code, biological material, or device that shows novelty, usefulness, and non-obviousness. A patent is a contract between the inventor and the government to allow the inventor exclusive rights to make, sell, or use the invention for a definite period of time (generally 20 years from the filing date). Plant Variety Protection, international Plant Variety Rights, and international patents are other forms of invention protection. Transfer of biological material, software source code, or proprietary information may be protected through confidentiality agreements. For further information about patents, refer to the U.S. Patents and Trademarks Office at <http://www.uspto.gov/>.

1. Scope of Policy.

- a.) This policy applies to potentially patentable discoveries and proprietary information which are developed using Washington State University equipment, supplies, facilities, employee time, or proprietary information, or which relate directly to the University's business, research, or development. The University will be assigned ownership in patents and other tangible research property developed by its employees as a result of their University research or employment. The University does not claim rights in inventions for which no equipment, supplies, facilities or proprietary information was used and which was developed entirely on the employee's own time.

2. Sponsored Research.

a.) Where the invention has been developed through research sponsored by a grant or contract with the federal government (or its agencies), it must be reported to the agency and the agency joins the University to determine distribution of the rights in the invention, to determine if patent prosecution should be sought, and how the patent should be administered or disposed of in the public interest. The WSU Office of Grant and Research Development (OGRD) is responsible for the submission and acceptance of sponsored projects to the University. For further information, you may refer to OGRD's home page at <http://www.ogrd.wsu.edu/>.

b.) Where private industry or foundations have sponsored research, licensing of patents or other intellectual property shall be negotiated between the sponsor and the University, or its agent where appropriate. The University will strive to protect the financial interests of all and ensure that the University retains the traditions of self-governance and academic freedom. The University, on behalf of its constituent colleges, schools, or departments, will not accept grants or enter into agreements for the support of instruction or research that confer upon an external party the power to censor, unduly delay, or exercise effective veto power over either the content of instruction or the publication of research. Publication of research findings may temporarily be delayed in order to protect patent rights or permit the research sponsor to review the proposed publication for the sole purpose of identifying proprietary information furnished by or belonging to the sponsor.

c.) The University normally retains ownership of property developed under sponsorship agreements and will negotiate rights to license the property. The proprietary rights of the University and of the University's employees shall be subject to the agreement between the sponsor and the University. Agreements with outside sponsors shall be approved by the Vice Provost for Research or his or her designees.

3. Disclosure of Potentially Patentable Discoveries.

a.) Prior to employment by the University and for the protection of the employee's interests at the time of employment, each new employee shall disclose to OIPA all inventions previously developed or being developed by the employee for the purpose of establishing his or her ownership rights to developments made.

b.) While employed at the University, employees shall disclose patentable inventions and discoveries to OIPA for review. The Executive Director of OIPA will provide assistance in filling out forms for disclosure. Invention Disclosure forms may be found at <http://www.wsu.edu/~oipa/agreements.htm>

4. Patent Ownership.

a.) The University shall own the rights to all patentable property and other tangible research and scholarship developed as a result of University employment, or when the equipment, supplies, facilities, employee time or proprietary information of the University are used. After the employee terminates his or her Washington State University employment and is re-employed elsewhere, the University retains ownership of

subsequent inventions where the invention is a direct outgrowth of the University's business or University research and development.

b.) Under the federal patent and trademark legislation of 1980 (35 U.S.C. § 200 et seq.), the University has the right of first refusal to title in inventions made in the performance of federal grants and contracts. The University will assert title to and attempt to license inventions made with federal government funds so that the Congressional purpose of fostering the development of industry in the United States will be furthered.

c.) For any patentable inventions and other discoveries in which the University, its assignee, or a sponsor has an interest, the employee shall execute promptly all assignments, waivers, and other legal documents necessary to vest in the University, its assignee, or the sponsor any and all rights to the invention, including assignment of any patents or patent applications.

5. Patent Ownership Appeals.

a.) If there is a question of ownership, OIPA will determine whether the potentially patentable property is owned by the University, by the employee, jointly by the University and the employee, or by an outside sponsor. The Office may determine that the employee or sponsor is a partial owner of the intellectual property with the University in cases where it would be unfair to determine that the property is wholly owned by the University, e.g., when an employee disclosed enabling discoveries that occurred before employment with the University or when the sponsor's employees have contributed to the invention. In such cases, OIPA shall notify the previous employer (if any) and negotiate percentages of respective ownership. If OIPA deems it to be in the best interests of the University to release its rights to the invention, it may do so.

b.) When a question of ownership arises, the procedure for determination of ownership shall be as follows. OIPA shall make its determination of ownership, or request additional time, within 45 business days of full disclosure. If OIPA asks for additional time, it must, in any event, make its determination within 35 business days of its request for additional time. The employee will be notified of OIPA's decision within 5 business days of its determination. The employee shall have 30 business days from the date of OIPA's mailing of the notice of the determination of ownership to appeal the decision to the Vice Provost for Research. If the Vice Provost for Research cannot resolve determination of ownership within 5 business days of the appeal, the appeal shall be heard by the Intellectual Property Committee within 20 business days of the notice of the appeal. The Intellectual Property Committee will make its recommendation to the Vice Provost for Research. The decision on appeal shall be issued within 30 business days of the deadline for submitting material. If OIPA fails to notify the employee in writing of determination of ownership within 50 business days of full disclosure or 80 business days if additional time is requested, then the University's rights in the patentable property shall automatically become the property of the employee or sponsor.

c.) Following this internal appeal process, the employee will have recourse to settle ownership by binding arbitration administered by the American Arbitration Association (AAA) under AAA Patent Arbitration Rules. The employee shall file his or her claim with any Washington office of the AAA within 60 business days of the Vice Provost's

decision, and provide a copy of such claim to OIPA within the same period of time. Costs of the arbitration shall be shared equally by the parties.

d.) After the determination by OIPA and exhaustion of the employee's right of internal and external appeal, the employee shall execute documents of assignment to convey to the University, its assignee, or the sponsor all of the employee's interest in the invention determined to be owned by the University, its assignee or the sponsor and assist in obtaining, protecting, and maintaining patent rights.

e.) In the event an appeal results in ownership by the employee, the University shall formally release all claims to the employee's invention.

6. Publication and Disclosure to Third Parties.

a.) Once an invention is identified as potentially patentable, premature publication, public use, or disclosure of an invention can jeopardize the rights of the employee, or the university or its assignee to secure patent protection - particularly patent protection in other countries. In close consultation with the employee inventor and for the benefit of employee inventor, University, and possible Licensee, there shall be no publicity or disclosure concerning the invention until patent applications have been filed. OIPA shall act in a timely fashion in such cases so as to not unreasonably delay employee publications. All publicity, public reports, interviews, news releases, speeches, public disclosures, or public demonstrations of the invention subsequent to the filing of the application shall have prior clearance in writing from the University or its assignee.

b.) This section shall not be applicable to sponsorship agreements that impose different obligations on disclosure.

7. Management of Patents.

a.) The University will assign its interests in all patents and other intellectual property to the WSURF for development. The assignment will take place under the agreement between the University and the WSURF. Copies of the agreement between the University and the WSURF may be obtained from OIPA. If the agreement is terminated, the University shall select a managing agent and execute the proper assignments to the agent.

b.) Patent protection prosecution and commercialization through licensing are complex and expensive endeavors requiring active participation by the inventors and the University over a period of 20 years after patent filing. The WSURF reserves the right to return the invention to the University if commercialization is not possible. For inventions that were enabled through sponsored research, the federal, state, or private sponsoring agency must be notified and allowed the right to patent the invention. If there was no enabling sponsored research, or the sponsor or the University declines to pursue the invention, then the invention rights will be returned to the inventor.

8. Division of Patent Royalties.

a.) All monetary proceeds from commercialization of University-owned inventions are the property of the WSURF. The WSURF will collect and distribute royalties, fees, equity

interests, or dividends to inventors and University in accordance with procedures established by the University.

(1) The WSURF will deduct the costs of obtaining and maintaining legal protection for each invention to arrive at “adjusted income.”

(2) The WSURF will deduct twenty percent (20%) from adjusted income and the remainder will be “net income.” This deduction is directed toward covering the expenses (excluding direct patent expenses) for administering OIPA and provides initial funds for patent prosecution for other inventions without obvious commercial partners.

(3) Distribute net income according to the following schedule.

Cumulative Net Income	Inventor	University
\$1-\$10,000	100%	
\$10,001 - \$200,000	50%	50%
Above \$200,000	25%	75%

(4) With consideration to other University priorities and policies, the University will distribute a portion of its share to the Office of the Vice Provost for Research to be invested in further research and technology efforts for the University and at least 20% of its share to be split equally between the inventor's department and College (or relevant branch campus when appropriate) for further research.

b.) Inventors, whose technology was previously assigned to the WSURF for administration, will be given the one-time option of selecting the above Division of Royalty policy over any pre-existing royalty policy.

c.) In the event of multiple inventors, the inventors will agree among themselves as to the distribution of the income accruing to the inventors; distribution of the inventors' share shall be made only upon receipt of a signed agreement among the inventors.

d.) The WSURF may negotiate, but shall not be obligated to negotiate, for equity interests in lieu of or in addition to royalty and/or monetary consideration as a part of an agreement relating to inventions or Copyrighted Works. Neither the WSURF nor University acts as a fiduciary for any person concerning equity nor other consideration received under the terms of this regulation.

9. Public Released Agricultural Research Center Plant Varieties

a.) The research and development, patent or plant variety protection, and public release of plant varieties requires the cooperation of the plant breeder/breeder team, funding agency (USDA), Variety Release Committees, WSU Agricultural Research Center (ARC), Washington State Crop Improvement Association (WSCIA) or similar commodity groups, and OIPA. The distribution of Research Fees and Royalties will follow this schedule:

b.) Seed Propagated Crops

- (1) The WSURF will deduct the costs of obtaining and maintaining legal protection for each plant variety.
- (2) WSCIA typically collects a two percent (2%) management fee for its services in producing and distributing seeds, and collection and distribution of research fees.
- (3) Seventy percent (70%) of the adjusted income will be distributed to the Agricultural Research Center for enhancement of plant variety programs.
- (4) The remaining thirty percent (30%) of the adjusted income will be distributed
 - 10% to WSURF
 - 10% to WSU-ARC
 - 10% to plant breeder/breeder teams

c.) Vegetated propagated crops

- (1) The WSURF will deduct the costs of obtaining and maintaining legal protection for each plant variety.
- (2) Fifty percent (50%) of the adjusted income will be distributed to the Agricultural Research Center for enhancement of plant variety programs.
- (3) The remaining fifty percent (50%) will be distributed as follows:
 - 10% to WSURF
 - 10% to WSU-ARC
 - 30% for breeder/breeder teams

H COPYRIGHT POLICY

The United States government grants a copyright to the author or creator of original works of authorship. Copyrights for works created after January 1, 1978, are granted for the term of the author's life and an additional 70 years. In the case of a work made for hire, the term of the copyright is 95 years from the year of first publication or 120 years from the year of creation, whichever expires first. The copyright allows the author or persons assigned rights for the author to rightfully withhold others from copying or using the works without permission. A copyright is automatically secured when the work is created or "fixed" in a tangible medium. No publication or registration or other action in the Copyright Office is required; however, it is required that a copyright be registered before a lawsuit is brought. Refer to the U.S. Copyright Office at <http://lcweb.loc.gov/copyright/> for further information.

1. Copyright Policy Objectives.

a.) The University encourages the publication of scholarly works as an inherent part of its educational mission. In this connection, it acknowledges the right of faculty, staff, and students to prepare and publish, through individual initiative, architectural designs, photographs and slides, illustrations, computer software, multimedia presentations, sound recordings, video productions, telecasts, music, grant proposals, scholarly publications, and other material. The following statement of University policy on ownership of

copyrightable material is provided to clarify the respective rights and responsibilities of individuals and the University in this important area. OIPA will administer the policy.

2. Copyright Ownership.

a.) University Ownership of Copyrighted Works

(1) **Work Made for Hire.** Except as otherwise provided in the Employee Ownership of Copyrighted Works section of this Policy, the University shall own all copyrightable works that were created as a “work made for hire.” “Work made for hire,” as defined by the Copyright Act, includes (1) works prepared by University employees within the employee’s scope of employment, or (2) works not created within the employee’s scope of employment but that are specially commissioned by the University pursuant to a written agreement that is signed by both the University and the employee.

(3) **Sponsored Agreements.** The University shall have the right to perform its obligations with respect to copyrightable works, data, prototypes, and other intellectual property under any contract, grant, or other arrangement with third parties, including sponsored research agreements, license agreements, and the like. Employees shall assign all rights to the University or as required by the sponsored agreement necessary to facilitate obligations under grants and contracts.

(4) The Employee shall own copyrightable works unrelated to the employee’s University employment responsibilities that are developed on an employee’s own time and without University support or use of University facilities.

b) Faculty Ownership of Copyrighted Works.

(1) The University shall not assert ownership in the following works created by Faculty within the Faculty’s scope of employment, unless (1) substantial kinds or amounts of University resources, as defined below, were used to create the works; (2) the works are created pursuant to a written agreement between the employee and the University; or (3) the works are created pursuant to a third-party sponsored agreement, contract, or grant, specifically allocating ownership rights to the University.

- (a) scholarly material,
- (b) educational material,
- (c) art works,
- (d) musical compositions, and
- (e) dramatic and nondramatic literary works.

(2) **Substantial University Resource Use Resulting in University Ownership.** The University shall assert an ownership interest for works identified in the previous paragraph to which the University contributes substantial kinds or amounts of resources. Each department or unit of the University may publish, with the approval of the Provost, a description of what constitutes substantial kinds or amounts of University resources. In the event that a department or unit does not publish such a policy prior to the creation of the works, substantial kinds or amounts of resources shall mean the use of staff or clerical time other than peer review; provision of

university funding specifically for or in support of the development of the work; not to include professional leave, and provision of equipment, facilities, and supplies beyond that which is usually provided for meeting employment obligation.

c.) Student Writings. Students employed by the University in any capacity are covered by the terms of this policy. In addition, where a student receives financial aid or remuneration under a sponsored research, training, or fellowship program, his or her rights in copyrightable material are limited by the terms of the University agreement with the sponsoring agency. The University has no ownership rights in copyrightable material developed by students who are not employees.

d.) Patentable Works. Some works, particularly certain types of computer programs, may qualify for patent as well as copyright protection. An author, upon recognizing that one of his or her works is of this kind, is responsible for disclosing it to OIPA for a determination of (i) ownership and (ii) whether the University wishes to seek patent protection should ownership be vested in the University. OIPA, following the procedures set out in the University's patent policy, will make these determinations. If ownership of such a work is vested in the University under the patent policy, but the University decides not to protect the work, ownership and disposition of the work is then determined in accordance with this Policy. If Faculty wish to appeal OIPA's or its staff's decisions, the procedure set out in section 6 of the Patent Policy shall be followed.

3. Administration of the Copyright Policy

a.) Disclosure. Material subject to copyright and owned by the University under the circumstances set forth in the Copyright Policy should be promptly disclosed to OIPA.

b.) Determination of Ownership in Unclear Cases. Such determinations will be made by OIPA and will follow the guidelines set out in this Policy. Either the University or the author may initiate this review.

c.) Distribution of Royalties. See the Division of Copyright Royalties section of this document.

d.) General Advice and Assistance. Contact the Washington State University, Office of Intellectual Property Administration, WSU Research and Technology Park, Pullman, WA 99164-1802, telephone (509) 335-5526.

4. Management of Copyrights.

a.) The University will either assign its copyright interests to WSURF or retain ownership for development by other University publishing units, e.g., Office of Publications and Printing, Educational Telecommunications and Technology, Information Technology, or the Extended Degree Program. For the WSURF the assignment will take place under the agreement between the University and the WSURF. Copies of the agreement between the University and the WSURF may be obtained from OIPA. If the agreement is terminated, the University shall select a managing agent and execute the proper assignments to the agent.

b.) Copyright registration is simple. Software commercialization through sale or licensing may be complex and expensive requiring active participation by the authors and the University. The WSURF reserves the right to return the copyright to the University if commercialization is not possible.

5. Division of Copyright Royalties.

a.) In cases where the University assigns its copyright interest to the WSURF, all monetary proceeds from commercialization of University-owned copyrighted works (often software) are the property of the WSURF. Often the WSURF will collect and distribute royalties, fees, equity interests, or dividends to authors and University in accordance with procedures established by the University. The guidelines as follows will be used most commonly, but the University reserves the right to adjust the distribution of its share.

(1) The WSURF will deduct the costs of obtaining and maintaining legal protection for each copyrighted work to arrive at “adjusted income.”

(2) The WSURF will deduct twenty percent (20%) from adjusted income. This deduction is directed toward covering the expenses for administering OIPA.

(3) If required by the University, the WSURF will first reimburse the University for expenses in developing and distributing the copyrighted work, e.g., distance learning courseware. The remaining income is the Net Income.

(4) Copyright royalty income will be distributed as identified in Patent Policy V. a.2.

b.) In the event of multiple authors, the authors will agree among themselves as to the distribution of the income accruing to the authors; distribution of the authors’ share shall be made only upon receipt of a signed agreement between the authors.

c.) The WSURF may negotiate, but shall not be obligated to negotiate, for equity interests in lieu of or in addition to royalty and/or monetary consideration as a part of an agreement relating to Inventions or Copyrightable Works. Neither the WSURF nor the University acts as a fiduciary for any person concerning equity or other consideration received under the terms of this regulation.

I. TRADEMARKS

University trademarks include the names, designs, logos, and colors for “Washington State University”, “WSU”, “Cougars”, “Go Cougs”, “Ask Dr. Universe”, and others. Permission of the University is required before use of these trademarks. Commercial use requires licensing and payment of royalties. Royalty income from licensing of University and Athletic marks is administered by the Washington State University Foundation. The Trademarks Officer may be contacted through OIPA.

From time to time other University trademarks are registered for software, plant varieties, or devices in conjunction with their patent or copyright protection. These trademarks may generate royalty through commercialization. Net royalty income received by the WSURF shall be distributed according to the schedule used for Patents.

