

ASU System Policy

Effective Date: 12/11/2015

Subject: Intellectual Property Not Subject to Patent

Category: Research & Intellectual Property 4.03

1. Introduction

The creativity of human beings is manifested in fields as diverse as science and technology, literature and the humanities, and the fine and applied arts. Creators of intellectual property utilize legal vehicles that make possible the ownership and control of some of the fruits of this creativity, providing an incentive to be creative and to make such fruits public. As a result of the increased cooperation in research and development between universities and businesses, the volume of intellectual property being created in universities has increased significantly. This increase has made apparent the complexity of the issues related to the ownership, control, and use of such property. This Policy is designed to achieve the following objectives:

- a. Encourage and protect the creative endeavors of all members (faculty, staff, and students) of the Arkansas State University System (ASU System) community;
- b. Determine and safeguard the rights and interests of all relevant parties (Originator, the University, and outside sponsors of research) in the creative products of those associated with the ASU System;
- c. Facilitate the dissemination and use of the findings of academic research so as to benefit the public at the earliest possible time;
- d. Provide guidelines by which the significance of the findings of the academic research may be determined and, when appropriate, their public use facilitated;
- e. Recognize the equity of any outside sponsor of research within the ASU System, assist in the negotiation and preparation of contracts with outside sponsors, collaborators, and licensees, and support the fulfillment of the terms of those contracts;
- f. Provide for the equitable distribution of benefits resulting from the intellectual property among the various parties (Originator, the ASU System, and outside sponsors of research) with interests in it.

2. Persons Affected

The Policy for Intellectual Property Not Subject to Patent applies to all persons employed by the Arkansas State University System and the component institutions of the System, to anyone using ASU System facilities unless otherwise negotiated, to all students including, but not limited to, undergraduate students and candidates for a master's or doctoral degree, and to postdoctoral fellows. It shall also apply to all persons not employed by the ASU System but whose scholarly production is financed, in whole or in part, from funds under the control of the ASU System.

3. Definitions

The following definitions are employed in interpreting and implementing this Policy:

- a. "Intellectual Property" refers to any material arising out of Scholarly Production and capable of legal protection under the Copyright, Trademark, Trade Secret, or other laws of the United States protecting intellectual property, now existing or later developed, but not including those materials protected under Patent laws. This includes, but is not limited to, any discovery, invention, process, know-how, design, model, work of authorship, works of art, computer software, mask work, molecular, cellular or organismal biological discoveries or applications, strain, variety or culture of an organism, or portion, modification, translation, or extension of these items. It includes marks used in connection with these. The term "mark" refers to trademarks, service marks, collective marks, and certification marks.
- b. "System" means the Arkansas State University System and any entity or activity under the authority of the Board of Trustees of the Arkansas State University System.
- c. "Scholarly Production" means any research, creative activity, or development activity, which is directly related to the duties and responsibilities for which a person has been compensated by or through the University, or for which facilities owned, operated, or controlled by the System are used.
- d. "Sponsored Research" means Scholarly Production for which the System has received external support from some third party.
- e. "Originator" means a person who in the course of Scholarly or Creative Production creates or discovers material that is or becomes Intellectual Property.
- f. "Copyright" shall be understood to mean that bundle of rights protecting 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.

- g. "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 (photographs, prints, diagrams, models, and technical drawings); motion pictures and other audiovisual works, sound recordings; and architectural works.
- h. "Tangible media" include, but are not limited to, books, periodicals, manuscripts, phonographic records, films, slides, tapes, and disks.
- i. "Patent" shall be understood to mean the bundle of rights protecting inventions or discoveries, which constitute any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof; computer software; new and ornamental designs for any useful article; new human-made products; and new animal, plant or other life forms. This includes new plant varieties created by sexual reproduction and covered by Plant Variety Protection Certificates for New Cultivars.
- j. "Royalty-free license" shall be understood to mean an exclusive or non-exclusive, nontransferable license for unrestricted use of the invention, the license being without royalty payments on any subsequent proceeds.
- k. "Trademark" shall be understood to mean the bundle of rights protecting words, names, symbols, sounds, or colors that distinguish goods and services from those manufactured or sold by others and to indicate the source of the goods.
- l. "Trade Secret" shall be understood to mean the bundle of rights protecting a formula, pattern, compilation, program, device, method, technique, or process used in business, which affords an opportunity to obtain an economic advantage over competitors who do not know or use the formula, pattern, compilation, program, device, method, technique, or process.
- m. "Net Income" shall be understood to mean gross royalties or other income received by the University from the licensing, sale, or commercialization of the Intellectual Property minus the costs for commercializing and obtaining legal protection for the Intellectual Property, including but not limited to, advertising, promoting, marketing, producing, copyrighting, licensing, or registering the Intellectual Property. The salaries of the Originator(s) or the campus employee(s) responsible for commercializing the Intellectual Property shall not be deducted from the gross income in calculating Net Income.

4. Statement of Policy

It shall be the policy of the ASU System to acquire and retain legal title to all Intellectual Property created by any person or persons to whom this Policy is

applicable, in accordance with the determination of ownership as described in this Policy. This Policy is established in furtherance of the commitment of the ASU System to the widest possible distribution of the benefits of Scholarly or Creative Production, the protection of Intellectual Property resulting from such creation or discovery, and the development of Intellectual Property for the public good. In order to ensure that the ASU System is granted immediate ownership, Originators, as a condition of employment or enrollment, do hereby make an immediate assignment to the ASU System of all ownership rights to Intellectual Property to which the ASU System is entitled under this Policy. This assignment is effective at the moment of creation. To document the immediate assignment required by this Policy, Originators also execute a Written Assignment.

5. Determination of Ownership

These are the guidelines and circumstances to be considered by the ASU System in determining ownership:

- a. The ASU System owns the Intellectual Property:
 1. If the Intellectual Property is created by an employee within the scope of employment;
 2. If the Intellectual Property is created during performance of professional duties with System facilities or University or state financial support;
 3. If the Intellectual Property is commissioned by the System or a component thereof, or if it fits within one of the categories of works considered works for hire under copyright law;
 4. If the Intellectual Property results from research supported by Federal funds or third-party sponsorship, such funds awarded to the University or system, subject to the conditions of the contract or agreement; or,
 5. If the Intellectual Property is computer software, including computer programs, computer databases and associated documentation (herein "computer software"), regardless of whether said software is copyrightable or patentable.
- b. The Originator owns the Intellectual Property:
 1. If the Intellectual Property is unrelated to the Originator's job responsibilities and the Originator made no more than incidental use of System resources;
 2. If the Intellectual Property has been released by the ASU System to the Originator under this Policy for Intellectual Property Not Subject to Patent;
 3. If the Intellectual Property is a Work of Authorship in the author's field of expertise, even though such a work may have been created within the scope of employment, so long as no extraordinary system resources were used and it was not created by someone who was specifically hired or required to create it, as stated in a contract with clear ownership definitions;
 4. If the Intellectual Property is copyrighted and/or was created, made, or developed by the Originator and is related to the Originator's professional field or declared major, so long as no extraordinary ASU System resources

were used and it was not created by someone who was specifically hired or required to create it as stated in a contract with clean ownership definitions; or,

5. If the Intellectual Property is computer software produced on the Originator's own time or through permissible consulting activities and without the use of facilities owned, operated, or controlled by the ASU System.

6. Disclosure Obligations of Originator(s)

All persons to whom this Policy is applicable shall furnish a full and complete disclosure of any Intellectual Property to the department or office designated by the Chancellor of the campus for receipt of such documentation promptly after the Intellectual Property is created or conceived or first reduced to practice. The disclosure will identify all Originators of the specific Intellectual Property, their relative contributions to the work (expressed in a percentage), and use of ASU System resources in developing the work including department(s), interdisciplinary program(s), research institute(s), and/or sponsor(s) (expressed in a percentage). Such persons shall cooperate in a timely and professional manner with the ASU System and with University Counsel in protecting Intellectual Property and performing all acts necessary for the University to fulfill its obligations and protect the ASU System's rights in and to the Intellectual Property. The ASU System may require technical advice and assistance from Originators in the development and licensing of their Intellectual Property.

7. Assignment of Copyrighted Intellectual Property Rights and Predetermined Disposition of Certain Copyrights

The ASU System shall own and have continuing interest in Copyrighted Intellectual Property in the following two circumstances:

- a. The author has voluntarily transferred the Copyright, in whole or in part to the institution. Such transfer shall be in the form of a written document, signed by the author. Certain "works for hire" may require an agreement in writing to be negotiated between the faculty, staff, or student, the ASU System, and any third party prior to the commencement of the work.
- b. ASU System has contributed to a "joint work" or commissioned a work under the Copyright Act. The institution can exercise joint ownership under this clause when it has contributed specialized services and facilities to the production of the work that goes beyond what is traditionally provided to faculty members. Such an arrangement is to be agreed to in writing, in advance, and in full conformance with other provisions of this Policy.

ASU System will not assert an interest in:

- a. Faculty-produced, copyrightable online courses, other than to reserve an irrevocable, nontransferable, royalty-free use license so long as the copyrightable Intellectual Property meets the definition of Originator-owned Intellectual Property in Section 5; or
- b. Copyrightable material created for ordinary teaching use in the classroom or for electronic assignments and tests, so long as the copyrightable Intellectual Property meets the definition of Originator-owned Intellectual Property in Section 5; or
- c. copyrightable faculty, staff, or student-produced textbooks, scholarly writing, art works, musical compositions, and literary works that are related to the faculty, staff, or students' professional field so long as the copyrightable Intellectual Property meets the definition of Originator-owned Intellectual Property in Section 5.

The ASU System shall be permitted to use any of the above-enumerated materials for internal instructional, educational, and administrative purposes, including satisfying requests of accreditation agencies for faculty-authored syllabi and course descriptions.

In an agreement transferring Copyright for such works to a publisher, faculty authors shall acknowledge and protect the ASU System's irrevocable, nontransferable, royalty-free license to use such works for internal instructional, educational, and administrative purposes.

Funds received by the faculty member from the sale of Copyrighted Intellectual Property owned by or assigned to the Originator shall be allocated and expended as determined solely by the Originator.

8. Ownership of Intellectual Property Rights

The Chancellor of each campus will designate a department or office on that campus that shall review all invention disclosures and recommend to the administration one of three possible actions:

- a. Assign all rights to the Originator(s) or sponsor(s), where applicable;
- b. Assign all rights to the Originator(s) or sponsor(s), where applicable, but retain an irrevocable, nontransferable royalty-free license; or
- c. Retain all ownership rights and develop the Intellectual Property for commercialization at the University's discretion.

If the ASU System does not furnish notice of intent to retain ownership rights of the Intellectual Property within ninety (90) days after disclosure to the ASU System, the

Originator(s) may request that the ASU System assign all rights to the Originator or sponsor, where applicable, or assign all rights to the Originator or sponsor, where applicable, subject to an irrevocable, nontransferable, royalty-free license for the University. The University shall respond within thirty (30) days of the receipt of Originator's request, and state which action the University shall take.

9. Costs of Legal Protection of Intellectual Property

The holder of the Intellectual Property rights bears the responsibility and financial burden of developing and processing the Intellectual Property and all legal fees and other costs related to obtaining and maintaining copyrights, trademarks registration, or other legal protection, unless otherwise negotiated.

10. Distribution of Earnings from Intellectual Property

In consideration of the disclosure and assignment of Intellectual Property to the ASU System, the Net Income from the commercialization of an Intellectual Property will be distributed as follows:

- a. For the first Ten Thousand Dollars (\$10,000.00) of Net Income, the Originator(s), Originator's heirs, successors, or assigns shall receive eight-five percent (85%) of that Net Income, with the remaining fifteen percent (15%) belonging to that institution within the Arkansas State University System at which the Originator is employed or enrolled.
- b. For Net Income from Ten Thousand One Dollars (\$10,001.00) up to Two Million Dollars (\$2,000,000.00), the Originator(s), Originator's heirs, successors, or assigns shall receive fifty percent (50%), with the remaining fifty percent (50%) belonging to that institution within the Arkansas State University System at which the Originator is employed or enrolled.
- c. For Net Income that exceeds Two Million Dollars (\$2,000,000.00), the Originator(s), Originator's heirs, successors, or assigns shall receive forty percent (40%), with the remaining sixty percent (60%) belonging to that institution within the Arkansas State University System at which the Originator is employed or enrolled.

Net Income will be distributed on an annual basis, with payments being made within sixty (60) days after the end of the calendar year in which Net Income from the Intellectual Property has accrued.

11. Sponsored Research

Rights to Intellectual Property produced as a result of Sponsored Research, including research sponsored by the Arkansas State University Research and Development Institute (ASURDI), are determined by the contractual or grant

agreements negotiated between the University and the sponsor. Federal law controls the disposition of Intellectual Property made while utilizing federal funds. The ASU System and the Originator will comply with the terms and conditions of contractual or grant agreements with the sponsor, and with all applicable federal laws where federal funding is used for the sponsored research.

12. Publication Rights

In all Sponsored Research, the ASU System shall negotiate in good faith with the sponsor to reserve the right for Originators and the ASU System to publish and disseminate the knowledge gained and the results obtained. Such rights to publish may be contingent upon approval from the sponsor. The ASU System shall negotiate in good faith with the sponsor to ensure maximum ability to publish by the Originator or the ASU System.

13. Policy Administration

Each institution within the ASU System is charged with complying with this Policy and implementing Operating Procedures that allow for the campus to:

- a. Review the operation of the System Policy for Intellectual Property Not Subject to Patent and propose policy changes;
- b. Assist in reviewing Intellectual Property disclosures as requested by the office on that campus designated by the Chancellor as responsible for such reviews;
- c. Review disputes concerning Copyright ownership (such as equitable division among joint originators) not specifically addressed in this Policy and make a recommendation to the administration regarding who owns the copyright;
- d. Review proposed exceptions to the established Policy;
- e. Seek initial resolution of campus disputes relating to rights in Intellectual Property and resolve issues referred by the office on that campus designated by the Chancellor as responsible for managing Intellectual Property; and,
- f. Advise the Chancellor on Intellectual Property matters as requested.

The Chancellor of each campus shall designate a department or office on his or her campus to fulfill the general responsibilities of:

- a. Reviewing Intellectual Property disclosures submitted to the ASU System for patent or trademark application or other protection and making recommendations to the ASU System;
- b. Evaluating Intellectual Property for potential commercial value;

- c. Appointing ad hoc technical subcommittees to assist in evaluating Intellectual Property;
- d. Seeking ASU System approval of outside technical assistance in evaluating Intellectual Property;
- e. Recommending Intellectual Property rights or equities to be held by the Arkansas State University Research and Development Institute;
- f. Providing scientific and technical assistance to approved management organizations to achieve the full benefits of University Intellectual Properties that have commercial potential;
- g. Seeking initial resolution of campus disputes relating to rights in Intellectual Property;
- h. Reviewing works of authorship submitted for Copyright consideration; and,
- i. Commercializing Intellectual Property, including but not limited to, licensing Intellectual Property, and developing plans for commercialization of University-owned Intellectual Property.

(Adopted by the Arkansas State University Board of Trustees on 12/11/15
Resolution 15-51 – replaces Intellectual Property Policy.)