

INVENTIONS AND PATENTS

POLICY NUMBER: HYB-INVENTSPATNTS

POLICY TYPE: HYBRID

RESPONSIBLE OFFICIAL TITLE: PROVOST & EXEC. VICE PRESIDENT FOR ACADEMIC AFFAIRS

RESPONSIBLE OFFICE: GRADUATE EDUCATION, RESEARCH AND OUTREACH

EFFECTIVE DATE:

NEXT REVIEW DATE: BOARD APPROVAL PLUS FOUR (4) YEARS

SUPERSEDES POLICY DATED: 11/11/2009 (INTELLECTUAL PROPERTY) – THIS POLICY IS INCLUDED IN FACULTY HANDBOOK APPENDIX F & SEC. 16.16

BOARD OF REGENTS REPORTING (CHECK ONE):

☒ PRESIDENTIAL RECOMMENDATION (CONSENT AGENDA/VOTING ITEM)

☐ PRESIDENTIAL REPORT (INFORMATION ONLY)

I. POLICY STATEMENT

Northern Kentucky University (NKU or University) is a public institution devoted to teaching, research, service, and other scholarly activities. The Northern Kentucky University Research Foundation (NKURF) is organized to support NKU's efforts to promote the development, implementation, and coordination of extramurally-sponsored programs and other projects that further the mission of the University.

In the course of conducting their University responsibilities and research activities, NKU faculty, staff, other employees, and students create, add to, and disseminate knowledge. These activities typically are supported by NKU resources and/or by contracts or grants with outside sponsors. NKU will disseminate such knowledge, to the extent allowed and possible, for the public good. In this context, facilitating the process whereby NKU inventions may be put to public use and/or commercial application is an important aspect of the service mission of NKU.

This policy defines and establishes the respective rights, equities, and obligations of NKU and its faculty, staff, other employees, and students with respect to patents, inventions, and potentially patentable discoveries. The license and other revenues from Inventions owned by NKU are distributed according to the formula set out in this policy.

Copyrightable works are covered in a separate policy ([add link to Copyrights policy](#)).

A. POLICY SCOPE AND APPLICABILITY

This policy applies to all patents, inventions, and potentially patentable discoveries created by the members of the NKU faculty (including instructors, lecturers, tenured, tenure-track, visiting, adjunct, research, and clinical faculty), staff, and other employees (including student employees), where such Inventions were created either within the scope of such individual's University responsibilities or with resources provided by the University (including use of laboratory or other University spaces, use of University equipment or other infrastructure, or with University funding).

This policy also applies to all patents, inventions, and potentially patentable discoveries created by students, volunteers, visitors, and other individuals who are not University employees, where such Inventions were created with more than incidental use of resources provided by the University (including use of laboratory or other University spaces, use of University equipment or other infrastructure, or with University funding).

To the extent possible, NKU will notify students of the ownership status of Inventions and other intellectual property resulting from institutional projects before work has started.

NKU does not own, and this policy does not govern, the intellectual property of students who create patents, inventions, and potentially patentable discoveries with no more than incidental use of University resources. Such incidental use may consist of, for example, ordinary use of space in residence halls, libraries, and other spaces generally accessible by students and ordinary use of University internet and other services generally available to students.

NKU faculty, staff, other employees, students, and other individuals who create patents, inventions, and potentially patentable discoveries within the scope of their University employment responsibilities or with resources provided by the University, as described in this section, are referred to herein as “Innovators.” All such patents, inventions, and potentially patentable discoveries are referred to herein as “Inventions.”

B. RIGHTS AND OBLIGATIONS OF THE PARTIES

1. Ownership of Inventions

Except as expressly stated in this policy, NKU owns all rights to and legal interests in Inventions, and Innovators assign all of their rights to and legal interests in Inventions to NKU. NKU may license, transfer, assign, sell, or otherwise dispose of its interests in Inventions in accordance with this policy and other applicable legal authorities. For example, NKU may license Inventions to NKURF for any purpose, including to market and commercialize the Invention.

Ownership of Inventions also may be determined according to the terms of agreements between NKU and other parties, including contracts with research sponsors. In addition, funding obligations may require that NKU take assignment of Inventions arising from certain agreements and projects.

2. Innovator Obligations and Rights

a. Innovator Obligations

- i. The Innovator shall report all Inventions promptly to the Office of Graduate Education, Research and Outreach. The Innovator makes this report by completing and submitting the appropriate [Intellectual Property Disclosure Form](#).
- ii. Upon request, the Innovator shall acknowledge in writing the University’s ownership of all rights, title, and interest in and to the Invention.
- iii. The Innovator shall cooperate with the University:
 - (a) In executing declarations, assignments, or other documents as may be necessary in the course of Invention evaluation, patent prosecution, or protection of patents or analogous property rights to assure that title in such Inventions shall be held by the University or by such other parties designated by the University as may be appropriate under the circumstances;
 - (b) In any litigation, dispute, or controversy that arises out of, or is related to, the Invention;
 - (c) In reasonable marketing efforts related to the Invention;
 - (d) In providing any information, data, or knowledge related to the Invention necessary for the University to evaluate the commercial potential of the

University's rights in the protectability of and the technical feasibility of the Invention;

(e) To execute all papers necessary to obtain appropriate legal protection for the Invention.

iv. If, at its sole discretion, the Innovator wants to assign to NKU its rights to intellectual property developed that may not be otherwise assigned to NKU, the Innovator may do so, provided that NKU reviews and accepts it.

b. Innovator Rights

- i. Upon disclosure to NKU of an Invention, the Innovator shall receive notice within a reasonable time of the University's intention to file or not to file for intellectual property protection or to otherwise retain title to the Invention.
- ii. The Innovator shall receive a share of any royalties or licensing fees and any stock or other ownership interests ("Net Revenue") received for the Invention.
- iii. The Innovator shall receive title to any Invention for which the University chooses not to retain title, subject to the following conditions:
 - (a) The University retains a royalty-free, perpetual non-exclusive license to make, have made, and use the Invention and any improvement thereon for research and educational purposes;
 - (b) The transfer of title complies with any overriding obligations to outside sponsors of research and third parties, including federal agencies;
 - (c) In the case of multiple Innovators, all the Innovators have reached a written agreement as to the disposition of title; and
 - (d) The Innovator(s) shall have the right of timely publication of their findings consistent with any applicable licensing agreement. Delays over ninety (90) days in length shall require Innovator approval.

3. University's Obligations

- a. The University shall keep faculty, staff, and students apprised of this policy through means that include a website containing links to relevant University rules and any associated commentary and forms.
- b. After an Invention is reported, the University shall act in a timely manner to determine whether the University chooses to retain title and/or to determine whether an intellectual property application should be filed and to inform the Innovator of its determination.
- c. For any Invention subject to the Bayh-Dole Act, the University shall inform the Innovator of the University's election to take title from the sponsoring agency and comply with federal obligations.
- d. The University shall distribute any royalties or licensing fees according to this policy.
- e. The University shall assign to the Innovator title to any Invention for which the University chooses not to retain title subject to the conditions set forth in this policy, subject to any then-existing legal limitations, requirements, and other terms, including the terms of a sponsored research contract.

C. INTELLECTUAL PROPERTY DISCLOSURE FORM

Whenever an NKU faculty, staff, other employee, student, or other Innovator operating under the scope of this policy creates or obtains research results that may have commercial value or have been reduced to practice in accordance with federal laws, the Innovator shall notify the Office of Graduate Education, Research and Outreach in writing via an official [Intellectual Property Disclosure Form](#) before a public disclosure takes place.

The form will be reviewed by the Office of Graduate Education, Research and Outreach and the NKURF Board, and a decision will be communicated to the Innovator.

The decision shall convey one of three alternatives:

1. **ELECTED.** If NKU and the NKURF Board find potential commercial value in the Intellectual Property Disclosure or are obligated by legal or contractual agreements, NKU will notify the Innovator(s) that it has “ELECTED to Retain Title” and will move forward with protecting and marketing of the disclosed Invention. The Office of Graduate Education, Research and Outreach will apprise the Innovator, in writing, every six months of all marketing and development activities NKU has undertaken with respect to their Intellectual Property Disclosure. It is important to have a close working relationship between the Innovator and the Office of Graduate Education, Research and Outreach. The Innovator’s knowledge of their research and of companies active in related technologies are key elements of the technical and market assessment for an Invention and of the search for licensees. If the Innovator is unsatisfied, they may appeal to the Intellectual Property Committee for a release of the Invention as described in the Intellectual Property Disclosure. NKU and/or NKURF may retain assistance from third-parties in the course of this process; these person(s) will be subject to confidentiality requirements and will comply with all NKU policies.
2. **PENDING.** NKU encourages full disclosure as early as possible in the development process. If the Invention is not yet reduced to practice, the Office of Graduate Education, Research and Outreach or designee shall provide feedback and place the Intellectual Property Disclosure in a “PENDING” status until further developments are disclosed. When an Intellectual Property Disclosure is placed in “PENDING” status, the Office of Graduate Education, Research and Outreach shall work with the Innovator to define what steps need to be taken to ready the Invention for re-evaluation. Once such steps are undertaken and new information is provided, the Office of Graduate Education, Research and Outreach shall re-activate the file and treat it as a new Intellectual Property Disclosure. Innovators will be required to provide an amendment to the Intellectual Property Disclosure form with the new information.
3. **NON-ELECTED.** If NKU or the NKURF Board finds there is not enough potential commercial value in the Intellectual Property Disclosure to warrant further NKU investment, they will notify the Innovator that NKU has “Not Elected to Retain Title” and will either release title to the federal sponsor, third-party per contractual terms, or offer to release title to the Innovator upon receipt of their formal written request. Should an improvement to the Invention be developed such that there may be commercial value, and said improvement was made with University resources, the improvement should be reported with a new Intellectual Property Disclosure Form for review by NKU and NKURF.

The Office of Graduate Education, Research and Outreach shall also notify the chairperson of the Innovator's department, program, or school and the appropriate dean or vice president:

1. At the time of Intellectual Property Disclosure that the disclosure of an Invention has been made; and
2. At the time of the notice to the Innovator described in this section, made by providing a copy of such notice and the decision therein conveyed.

D. RELEASE OF INTELLECTUAL PROPERTY

If NKU or the NKURF Board elects to release ownership rights to the Innovator, the Innovator shall be free, subject to law and prior agreements, to proceed independently only with respect to the specific Invention disclosed.

E. DEVELOPMENT OF TECHNOLOGY

Upon NKU's election to retain title to an Invention, the University shall make every reasonable effort to develop the intellectual property, including retaining third-party assistance as appropriate. Costs for such development may be covered by grant (when allowable), departmental or central administration funds, or other agreements.

Development options include, but are not limited to, the following:

1. evaluating and processing the Invention through a provisional patent application or other form of intellectual property protection filed by NKU or NKURF;
2. partnering with a patent management firm or a third-party commercialization partner, such as Kentucky Commercialization Ventures, for evaluation and processing;
3. licensing or selling to a commercial firm; and
4. negotiating and holding equity positions with company(s) willing to commercialize the intellectual property.

F. ROYALTIES

"Net Royalties" shall be defined as gross royalties received by the University in each fiscal year minus the sum of the following:

1. any royalty shared with other entities (e.g., as required by an agreement with a funding source or as the result of an inter-institutional agreement with a co-owner of the University invention or as a result of a third-party commercialization partnership) during the corresponding fiscal year and
2. any fees or costs directly attributable to the Invention being licensed incurred during the corresponding fiscal year. Examples of such direct fees include, but are not limited to, patent filing fees, fees for patent searches and legal advice, fees arising out of litigation, trademark registration fees, fees from commercialization, and marketing costs. Indirect University overhead and other University costs normally associated with the operation of a university and not directly attributable to the Invention shall not be deducted from gross royalties or otherwise allocated to costs or fees associated with the Invention.

For all Inventions for which the University receives royalties, the royalties received by the University shall normally be distributed each fiscal year as follows:

1. Zero dollars (\$0) to ten thousand dollars (\$10,000) in total Net Royalties:
100% to the Innovator
2. Total Net Royalties in excess of five thousand dollars (\$5,000) to two hundred fifty thousand dollars (\$250,000):
60% to the Innovator
40% to the NKURF
3. On total Net Royalties in excess of two hundred fifty thousand dollars (\$250,000):
50% to the Innovator
12.5% to the college to support faculty research and creative activity
12.5% to the department, program, or school to support faculty research and creative activity
10% to the NKURF to fund intellectual property protection
15% to the Office of the Provost to provide commercialization support, such as market analysis and prototype development

The University shall annually provide a report to the College with which the Innovator is associated identifying the Net Royalties received by the University associated with the Invention.

Any Net Royalties received by the University, department, program, school, or college shall be administered by the Provost's Office and shall be used to support scientific research and education.

If there is more than one Innovator, the University shall distribute the Innovators' share of any Net Royalties equally by default, or in accordance with their mutually agreed apportionment. In the event the Innovators are unable to reach a mutual agreement on apportionment, the Intellectual Property Committee will make a recommendation to the President regarding apportionment, and the President shall decide. College and department, school, or program share of any Net Royalties will be apportioned in accordance with the percentage distributions allocated to the Innovators who are associated with the participating colleges and departments, school, or programs.

There may be instances where there are agreements developed in the course of commercialization that change the royalty distribution percentages.

Upon the Innovator's death, royalties will continue to be paid to the deceased's estate for as long as they are generated.

G. RESEARCH AGREEMENTS INVOLVING INTELLECTUAL PROPERTY RIGHTS

It is not uncommon for university investigators to conduct research that is funded by private industry and/or foundations. It is also not uncommon for investigators to conduct research in cooperation with colleagues at other universities. The University recognizes that to continue these relationships, it must be willing to consider a variety of contractual terms and conditions. In order to protect the academic freedom tradition within the University, to assist investigators in evaluating proposals, and to protect the University's interest in Inventions, to the extent possible, the following policies shall apply to these relationships:

1. For the purpose of assuring any rights the University may have and may choose to retain in Inventions are appropriately protected, all agreements with private industry, with foundations, or with other universities utilizing University resources to conduct research shall be reviewed and approved by the Office of Graduate Education, Research and Outreach.
2. Consulting: It is the responsibility of individual members of the NKU community to ensure that the terms of their consulting agreements with third parties do not conflict with this policy or any of their other commitments to NKU. Such individuals do not have the right to assign ownership of or to license Inventions that are owned by the University, unless otherwise agreed in writing in advance by the Office of Graduate Education, Research and Outreach. Each individual should (a) make clear the nature of their obligations to NKU to any third party for whom the individual expects to consult and (b) inform such third parties of NKU's Inventions and Patents policy and Copyrights policy, and further inform third parties that such policies are available online on the [NKU policy website](#). More specifically, the scope of any consulting services should be expressly distinguished from the scope of research commitments at NKU and should not utilize any NKU facilities or resources without first consulting with the Office of Research, Grants and Contracts to establish an appropriate Sponsored Research Agreement. Rights to inventions arising from a business or industry sponsored research project should be prescribed in the Sponsored Research Agreement.
3. The University shall protect the right to publish as provided in the NKU Copyrights policy [\(add link\)](#).
4. The University shall agree that proprietary information or materials received from a private entity remain the property of that entity, subject to the terms of a written agreement, which shall provide for clear designation of information that is considered to be proprietary in nature, the scope of the information or material, and the method of protection.

H. PUBLIC DOMAIN PREFERENCE

NKU will not assert intellectual property rights when Innovators have placed their inventions in the public domain, provided the Innovator(s) disclosed the invention(s) first to NKU, along with the Innovator's request that they be allowed to disseminate the intellectual property by placing it in the public domain, and NKU has agreed to the request. After review by NKU, and with written permission, the Innovator (or Innovators acting collectively when there are more than one) is free to place an invention in the public domain for non-commercial, academic dissemination purposes if that would be in the best interest of the invention, and if doing so is not in violation of the terms of any agreements that supported or governed the work. NKU reserves the right to use inventions for student engagement and educational purposes.

II. RESPONSIBILITIES/ADMINISTRATION

The Office of the Provost is responsible for overseeing administration of the University's patent program and designates the Office of Graduate Education, Research and Outreach to be primarily responsible for the following functions:

- A. Act upon recommendations of NKURF.
- B. Authorize commitment of resources necessary to carry out NKURF recommendations.

- C. Annually, or at such other intervals as the NKURF Board shall direct, provide the Board with a summary report of the University's intellectual property and licensing activity, including total revenues derived from all outstanding technology transfer contracts for the period covered by the report as well as current problems, issues, and trends.
- D. Function as a contact point and resource with regard to NKU's Patents and Inventions policy and Copyrights policy, and as the liaison to Kentucky Commercialization Ventures or any other third-party commercialization partner.
- E. Receive reports of all Inventions.
- F. Exercise responsibility for assessing the commercial potential of Inventions.
- G. Control the preparation and prosecution of intellectual property applications and maintenance of any issued intellectual property assets on Inventions governed by this policy, in collaboration with the Office of General Counsel and outside contracted vendors as appropriate.
- H. Exercise responsibility for marketing Inventions.
- I. Approve terms for licensing, sale, assignment, transfer, or other disposition of the University's intellectual property rights in Inventions.
- J. Comply with legal and sponsor obligations related to the intellectual property.

III. POLICY DETERMINATIONS; INTELLECTUAL PROPERTY COMMITTEE

Determinations to be made by the University under this policy shall be made by the Provost or designee.

In addition, there shall be established a University Intellectual Property Committee, which shall report to the Provost or designee. The committee shall be composed of no more than five (5) members, three (3) appointed by the Provost or designee, and two (2) appointed by the president of the Faculty Senate, and shall be chaired by one of the members. Specific functions of the Intellectual Property Committee shall be the following:

- A. Provide advice, as requested, to the Provost or designee as to whether the University should:
 - 1. Prepare and prosecute a provisional patent or other intellectual property application on an Invention.
 - 2. Determine if a reported invention or discovery falls outside the scope of this policy (i.e., is not an Invention).
 - 3. Waive some or all University rights in an Invention to the Innovator(s).
- B. Act as a fact-finding body and make recommendations to the Provost or designee on any disagreements arising out of the administration of this policy.
- C. Resolve disputes between the Innovator and the University that cannot be resolved by NKURF.

The Provost designates the Vice Provost of Graduate Education, Research and Outreach as its designee for purposes of this section.

IV. REFERENCES AND RELATED MATERIALS

REFERENCES & FORMS

Intellectual Property Disclosure Form

RELATED POLICIES

Copyrights

REVISION HISTORY

REVISION TYPE	MONTH/YEAR APPROVED
Revision & Name Change – Intellectual Property policy revised to be this policy & Copyrights policy	
Revision - Policy (Intellectual Property) also in Faculty Handbook Appendix F & Sec. 16.16	November 11, 2009
Formerly Administrative Regulation AR-II-2.0-4 & Faculty Handbook Section 16.16	November 9, 2005

INVENTIONS AND PATENTS

PRESIDENTIAL APPROVAL

PRESIDENT

Signature

Date

Cady Short-Thompson

BOARD OF REGENTS APPROVAL

BOARD OF REGENTS (IF FORWARDED BY PRESIDENT)

- ☐ This policy was forwarded to the Board of Regents on the ***Presidential Report (information only)***.
Date of Board of Regents meeting at which this policy was reported: ____/____/____.
- ☐ This policy was forwarded to the Board of Regents as a ***Presidential Recommendation (consent agenda/voting item)***.
- ☐ The Board of Regents approved this policy on ____/____/____.
(Attach a copy of Board of Regents meeting minutes showing approval of policy.)
- ☐ The Board of Regents rejected this policy on ____/____/____.
(Attach a copy of Board of Regents meeting minutes showing rejection of policy.)

EXECUTIVE SECRETARY TO THE BOARD OF REGENTS

Signature

Date

Tammy Knochelmann