

UB Office of Science, Technology Transfer and Economic Outreach Intellectual Property Ownership Determination Hospital Affiliations

BACKGROUND:

From time to time, the University at Buffalo Office of Science, Technology Transfer and Economic Outreach (STOR) Intellectual Property Division receives disclosures from inventors working at the various affiliated hospitals. The question of intellectual property ownership arises with respect to the nature of the inventor's employment and facilities used in making the invention. Similar intellectual property ownership issues arise in establishing sponsored research contracts, including clinical trial agreements.

The following guidelines should be used in determining intellectual property ownership with respect to research conducted in affiliated hospitals. Note that this process will apply to all hospital affiliations with the exception of the Veteran Administration Medical Center, which is the subject of a separate agreement. Relevant portions of the contract with Kaleida, and the Patents and Inventions Policy of SUNY are presented at the end of this document to illustrate the nature of the contract language defining this ownership determination process.

IP OWNERSHIP DETERMINATION

- 1) Does the inventor(s) have a UB faculty appointment?
 - a) YES, proceed to 2
 - b) NO - proceed to 4

- 2) What is the nature of the UB appointment?
 - a) Full-Time Faculty (FTF) (1.0 FTE), or Part-Time Faculty (less than 1.0 FTE), proceed to 3
 - b) Geographic Full Time (GFT) faculty, proceed to 3
 - c) Volunteer faculty, then volunteer owns
 - i) unless conducted at UB or a UB-leased facility, or by prior agreement with UB to the contrary – then proceed to 3

- 3) Was the research conducted as part of the faculty member's professional obligation to conduct University research?
 - a) YES, proceed to 4
 - b) if NO, faculty must provide proof (see *i-iv* below) satisfactory to UB that research was not conducted under the faculty member's research obligation

- i) adequate proof (including but not limited to time and place verification) must document dissociation from University or University-leased facilities and professional responsibilities
 - ii) if funding to support the research was from a non-UB source and not managed by UB, then this must be documented
 - iii) UB credentials must not have been used in obtaining support for or performing the research
 - iv) Would the research have been permitted if the researcher did not have a UB faculty appointment?
 - A) If the answer to *iv* is NO – then proceed to 4
 - B) If *i-iii* can be documented, then Researcher owns
- 4) Were Hospital facilities that are under a UB lease used in making the invention?
NOTE 1: Facilities leased solely by a practice plan corporation is not a University leased facility.
NOTE 2: Contact Suzanne Laychock for University-leased facilities under SUNY contracts for research.
- a) YES, then UB owns
 - b) NO, proceed to 5, except:
 - i) would the hospital space be available to the researcher if the researcher did not have a UB faculty appointment?
 - A) NO – then UB owns
 - B) YES – then proceed to 5
- 5) Was the research associated with the invention sponsored by UB (e.g. research funding was managed by the Research Foundation, UB Foundation, or State; or, privately funded or unfunded research)?
- a) YES, UB owns
 - b) No, Researcher owns

RELEVANT PORTIONS OF KALEIDA CONTRACT

B. Role of Faculty Members.

All research undertaken by Faculty Members utilizing the University-leased space at KALEIDA shall be considered University sponsored research. All sponsored programs and other funding associated with such research shall be processed through either UB Foundation Services, Inc., acting on behalf of the Research Foundation of State University of New York (Research Foundation), or through the Research Foundation.

H. Intellectual Property Rights.

All intellectual property rights associated with research conducted at KALEIDA shall accrue to the party sponsoring such research, except for rights arising out of research conducted within the University's leased space, in which case all rights accrue to the University. KALEIDA acknowledges and agrees that the University's policies (including, but not limited to, the regulations set forth in 8 NYCRR Section 335.28, as amended from time to time) shall govern the extent to which the University or its Faculty Members have any intellectual property rights or financial interest in University-sponsored research conducted at KALEIDA. Except as otherwise set forth herein, the parties agree that the economic benefit derived from research and technology development activities jointly sponsored by KALEIDA and the University shall be shared according to the pro rata share of each institution's investment. The University agrees that no part of any facility of KALEIDA shall be considered "university facilities" for purposes of SUNY Patent Policy unless the specific portion of such facility in question is, as of the time the invention is discovered, leased by the University for its exclusive use. The parties further agree that any research grants, contract agreement or patents that are initiated by KALEIDA or its related entities which are not University-sponsored (including, by not limited to, pharmaceutical contracts, community service grants, demonstration projects and joint ventures with entities other than SUNY) shall be administered by KALEIDA and shall not be governed by the Agreement. The terms "SUNY Patent Policy" shall mean the policy set forth in 8 N.Y.C.R.R. Section 335.28, or any successor policy.

Patents and Inventions Policy of State University of New York

The patents and inventions policy of the State University of New York as approved by the Board of Trustees on September 19, 1979 and amended on November 16, 1988, reads as follows:

Title 8, Chapter V, Subchapter B, Section 335.28 of the Official Compilation
of Codes, Rules and Regulations of the State of New York.
(Article XI, Title J, Section 1. of the Policies of the Board of trustees.)

335.28 Patents and inventions policy.

(a) - Purpose.

(1) State University recognizes that the three primary missions of an educational institution are teaching, research, and public service. While carrying out its research mission, State University further recognizes that inventions of value to the public will be made by persons working in its facilities. It is the policy of State University to encourage such inventors and inventions and to take appropriate steps to aid the inventor and ensure that the public receives the benefit. Appropriate steps include securing research support, identifying inventions, securing appropriate patents, marketing inventions through licensing and other arrangements, and managing royalties and other invention-related income. These activities are undertaken in a spirit of cooperation with governmental agencies and private industry as part of State University's contribution to the economic well-being of the State of New York and of the nation.

(2) In implementing its policies State University will take appropriate steps to ensure that its faculty may freely publish the results of scholarly research pursuant to the State University board of trustees policy on unrestricted disclosure of research activities as set forth in trustees' resolution number 66-258. In conformance with this principle, all concerned shall cooperate so that essential rights to inventions shall not be lost.

(3) All net proceeds after payment of the inventor's share as defined in subdivision (c), and other appropriate costs associated with the university technology transfer program, realized from the marketing of State University inventions shall be used for the support of State University research programs.

(b) All inventions made by faculty members, employees, students, and all others utilizing university facilities at any of the State-operated institutions of State University shall belong to State University and should be voluntarily disclosed, or shall be disclosed to State University upon request of the university. The inventor or inventors shall make application for patents thereon as directed by State University and shall assign such applications or any patents resulting therefrom to or as directed by State University. However, non-university organizations and individuals who utilize university research facilities under the trustees' policy on cooperative use of research equipment, or policy and guidelines on use of State University facilities by emerging technology enterprises, will retain ownership of all patentable inventions. Also, an invention made by an individual wholly on such individual's own time, and without the use of such university facilities, shall belong to the individual even though it falls within the field of competence relating to the individual's university position. For purposes of this provision, an individual's "own time" shall mean time other than that devoted to normal and assigned functions in teaching, university service, direction and conduct of research on university premises and utilizing university facilities. The term "university facilities" shall mean any facility available to the inventor as a direct result of the inventor's affiliation with State University, or any facility available under the trustees' policy on cooperative use of research equipment, or policy on use of facilities by emerging technology enterprises, and which would not otherwise be available to a non-State University-affiliated individual. Where any question is raised as to ownership of an invention or patent under these provisions, the matter shall be referred to a committee of five members to be named by the chancellor of State University. At least three of such members shall be members of the academic staff of the university. Such committee shall make a careful investigation of

the circumstances under which the invention was made and shall transmit its findings and conclusions to the chancellor for review. If the committee determines that the invention has been made without the use of university facilities and not in the course of the inventor's employment by or for the university, and the chancellor concurs in such determination, the university will assert no claim to the invention or to any patent obtained thereon.

(c) With respect to any invention obtained by or through State University or assigned to or as directed by it in accordance with the foregoing provisions, the university, in recognition of the meritorious services of the inventor and in consideration of the inventor's agreement that the invention shall belong to the university, will make provision entitling the inventor and the inventor's heirs or legatees to a nonassignable share in any proceeds from the management and licensing of such invention to the extent of 40 percent of the gross royalty paid, unless this exceeds the limits fixed by applicable regulations of the relevant sponsoring agency, which will control in such cases. State University may make suitable arrangements with non-profit patent management agencies for the purpose of obtaining services and advice with respect to the patentability of inventions, the obtaining of patents thereon and the management and licensing of inventions. Such arrangements may provide for division of the net income from any invention after payment of the inventor's share between the management agency and State University.

(d) Upon recommendation of the patents and inventions policy board, the chancellor may grant exclusive licenses for a fixed period for the marketing of inventions, since it is recognized that in the absence of such a condition some inventions may not reach the marketplace for the public benefit. Granting of exclusive licenses for a fixed period may be accepted by the chancellor as a condition for industrial sponsorship of research programs, within guidelines recommended by the patents and inventions policy board.

(e) Grants made available to State University by or through The Research Foundation of State University of New York shall be subject to the policy herein stated except in special instances as hereinafter provided. Nothing in the policy herein stated shall prevent the acceptance of research grants from, or the conduct of research for, agencies of the United States, either directly or through the Research Foundation, upon terms and conditions under applicable provisions of Federal law or regulations which require a different disposition of inventions or patent rights, nor shall anything herein contained prevent cooperative arrangements with other agencies of the State of New York for research.

(f) The chancellor, acting with the advice of the patents and inventions policy board or State University's designated patent management agent, may determine not to file a patent application in the case of any specific invention or continue efforts at marketing. The university's decision shall be arrived at, in consultation with the inventor, within a period not to exceed six months from the date of first submission of the inventor's properly executed statement of disclosure of invention to the university or its designee. In every instance in which the university determines not to file a patent application or continue efforts at marketing, or fails to elect to do so within six months from the date of submission of said disclosure statement, all of the university's rights to the invention shall be released to the inventor, who may then file for a patent, subject only to those restrictions that may be required by an external sponsor, if any. In every instance in which the university determines to file a patent application or continue efforts at marketing, the inventor may, at any subsequent time, request the patents and inventions policy board to recommend such release. For any invention so released to an inventor, State University, at its option, shall receive 10 percent of the net proceeds, in recognition of the contribution of the State and people of New York to the support of the research which resulted in said invention. For purposes of this provision, the term "net proceeds" shall mean earnings to the inventor from the invention over and beyond reasonable costs incurred in the process of patent application and management.

(g) In all cases, any person is entitled to request an exception or waiver to the provisions of this patents and inventions policy. The person requesting an exception or waiver shall have the right to appear, accompanied by representatives of the person's choice, before the patents and inventions policy board for consideration of the request for an exception or waiver. The patents and inventions policy board shall

prepare a report of its findings and an advisory recommendation to the chancellor for review. The decision of the chancellor on the findings and recommendations of the patents and inventions policy board shall be final.

(h) The chancellor shall establish and appoint a patents and inventions policy board of the State University of New York and designate the chair thereof in accordance with the following:

(1) The patents and inventions policy board shall have no more than 10 members, and shall include one representative of the central administration, two from the university centers, one from the health sciences centers, one from another major research institution of the university, one from the colleges of arts and sciences, one from the agriculture and technology colleges, one from The Research Foundation of State University of New York, and two representatives from business and industry.

(2) The patents and inventions policy board shall have full powers of organization.

(3) The members of the patents and inventions policy board shall serve without extra compensation and at the pleasure of the chancellor. The normal term of appointment shall be for three years.

(4) The patents and inventions policy board shall meet at least once annually.

(5) The patents and inventions policy board shall advise the chancellor in the following matters:

(i) guidelines and procedures for the implementation of these policies;

(ii) exceptions to these policies in unusual circumstances;

(iii) determining the extent of the university's interest in inventions;

(iv) determining whether or not to grant exclusive licenses or to commit the university to the future granting of exclusive licenses as a condition of sponsorship for particular research projects; and

(v) such other matters as the chancellor may deem appropriate.

(6) The patents and inventions policy board shall undertake continual review of these policies and advise the chancellor and the board of trustees thereto.

(7) The patents and inventions policy board shall maintain current information concerning patent and invention activities within the university, disseminate information to the faculty of State University concerning such activities, and encourage general awareness of and interest concerning patents within the university community.

(8) The patents and inventions policy board, through the chancellor, shall report annually to the board of trustees concerning its activities and recommendations during the preceding year.