

CHSU Intellectual Property Policy

I. Purpose

The purpose of this Intellectual Property policy of California Health Sciences University (the "University") is to balance the interests of the many contributors to the substantial creation of intellectual property at and by the University by: 1) providing certainty in research and technology-based relationships with third parties; 2) creating a positive environment in support of research, development and commercialization with private industry; and 3) encouraging the timely and efficient protection and management of intellectual property.

II. Application

The Intellectual Property policy as set forth herein applies to all types of Intellectual Property (defined hereinafter) conceived and/or reduced to practice or otherwise made, created, discovered, or generated, in whole in or in part, by a University Personnel (defined hereinafter), in the course of or as a result of performance of any of his or her University obligations, responsibilities, activities, and functions, or with use of any of the University facilities or resources, except when such use is insignificant and incidental, such as, occasionally answering a phone call or receive a facsimile and the like. All such Intellectual Property mentioned hereinabove shall be referenced hereinafter as "University Intellectual Property."

III. Use of University Facilities or Resources

No person or entity may use any of the University facilities or resources, including personnel equipment, supplies, lab space, etc., for any non-University purposes, including outside consulting activities or other activities for pursuit or personal gain, except in a purely insignificant and incidental way. For purposes of clarity, the facilities and resources of the University may not be used 1) to create, develop, or commercialize Intellectual Property outside the course and scope of employment or 2) to further or commercialize Intellectual Property that has been released to the creator.

IV. Definitions

1. "Intellectual Property," as used herein, is defined as works discovered, invented, made or created by one or more persons, jointly or separately, including but not limited to, any ideas, invention, design, discovery, creation, know-how, trade secret, scientific or technological improvement or development, including but not limited to research data, procedures, protocols, results, conclusions, compositions and materials generated during research, works of authorship, and computer software, regardless of whether subject to protection under patent, trademark, copyright or otherwise.
2. "University Personnel" as used herein, is defined to include: 1) all persons employed by the University, including but not limited to full-time faculty members, part-time faculty members, visiting faculty members, staff and researches; 2) anyone using any of the facilities or resources of the University, including but not limited to, graduate students enrolled at the University in any graduate degree or certificate program, and postdoctoral fellows; and 3) undergraduate students, non-employees, contractors, and other third parties engaged in University projects such as, without limitation, individuals participating in research projects, except when use of University facilities or resources under the circumstances is insignificant and incidental.

V. Ownership of Intellectual Property

1. **Title to University Intellectual Property**

Except as otherwise provided herein, title to all University Intellectual Property resides and vests in the University. The University owns all rights, title and interest to University Intellectual Property, including all laboratory notebooks, data, printouts, files, and folders in which University Intellectual Property is recorded or documented, electronically or otherwise, and all materials generated, biologically or chemically. Nothing herein shall limit the University from transferring any University Intellectual Property to another by license or by assignment, provided that the University shall maintain a nonexclusive right to use such University Intellectual Property for nonprofit educational, research, and scholarly purposes or for patient care.

2. **Title to Intellectual Property Involving Sponsored Research**

Intellectual Property resulting from research at the University and/or by a University Personnel that is supported by a grant or contract with the government (federal and/or state), or an agency thereof, or with a nonprofit or for-profit nongovernmental entity, or by a private gift or grant to the University, shall be owned by the University.

3. **Title to Non-University Intellectual Property**

Intellectual Property developed or created by a University Personnel entirely on his or her own time and without use of the University's facilities, resources, or confidential or trade secret information, shall be the exclusive property of the creator except for those Intellectual Property that either: 1) relate at the time of conception or reduction to practice to the University's business, or directly or indirectly anticipates research or development of the University; or 2) result from any work performed by the University Personnel for the University. University may promulgate rules, regulations, or policies defining the course and scope of employment for University Personnel or class of University Personnel, the amount of time such University Personnel may engage in non-University related consulting work, and the requirement for clearance with the Office of the President prior to entering into a relationship with a third party for conducting any paid non-University related work.

4. **Assignment**

All University Personnel must assign and do hereby assign his or her rights in any and all University Intellectual Property to the University effective as of commencement of employment by University. Each University Personnel who creates any University Intellectual Property (each, a "Creator") shall promptly sign and deliver any and all documents or other instruments as are reasonably necessary to reflect the University's ownership of such University Intellectual Property. Such University Personnel has no independent right or authority to convey, assign, encumber, or license such University Intellectual Property to any entity. Any attempt to convey, assign, encumber or license such University Intellectual Property without University authorization shall be deemed null and void.

VI. Copyright Policy

1. **Scholarly Works**

Scholarly Works (traditional or non-directed works) are pedagogical, scholarly, literary, or aesthetic works resulting from non-directed effort which may be embodied in a professional-, faculty-, researcher-, or student-authored scholarly, educational (i.e. course materials), artistic, musical, literary or architectural work in the author's field of expertise. Consistent with academic tradition, except to the extent set forth in this policy, Scholarly Works are owned by the creator, even though such a work may be within the scope of employment and even if some University resources were used, unless it is a Scholarly Work 1) created by someone who was specifically hired or required to create it, or 2) commissioned by the University, or 3) makes significant use of University resources or the services of University non-faculty employees working within the scope of their employment, or 4) that is part of an on-line course, in which case, the University, not the creator, will own the Intellectual Property.

2. **Directed Works**

Directed Works (institutional works) are specifically funded or created at the direction of the University for a specific University purpose or are supported by a specific allocation of University funds. Such funding need not constitute exceptional use of University resources in order for the work to be considered a Directed Work. Directed Works also include works whose authorship cannot be attributed to one or a discrete number of authors but rather result from the simultaneous or sequential contributions over time by multiple faculty and students. The University shall own copyright in Directed Works.

3. **Works Made for Hire**

Works produced for the University by independent contractors shall be considered Works Made for Hire and shall be owned by the University. No unit or department shall enter into arrangements for work to be produced by an independent contractor without a written contract, signed by an authorized University official delegated by the president, including but not limited to, a provision that the University shall own copyrighted works produced by the independent contractor.

4. **Student Works**

Student Works are papers, computer programs, theses, dissertations, artistic and musical works, and other creative works made by University students. Students shall own copyright in Student Works except in the following cases: 1) copyright to scholarly Works authored by faculty with assistance from a student shall be owned by the University; 2) the University shall own a Student Work that is sponsored or externally contracted; 3) Student Works created in the course of the student's employment by the University shall be considered Works Made for Hire, and the University shall own such works.

5. **Limited License to Instructor Materials**

Notwithstanding the University's copyright policy as to Scholarly Works, and as reasonable required for the purpose of continuing the University's scheduled course offerings, the University retains a perpetual, royalty-free, nonexclusive worldwide license to use, copy, distribute, display, perform, and create derivative works of materials prepared by the University Personnel for use in teaching a course (including lectures, lecture notes, syllabi, study guides, bibliographies, visual aids, images, diagrams, multimedia presentations, examinations, web-ready content, and educational software).

VII. Patent Policy

1. **Invention Disclosure**

Each University Personnel who is a creator must individually or jointly with other creators, prepare and timely submit an invention disclosure on a form provided by the university for each University Intellectual Property. Each such invention disclosure must be submitted to the Provost (or designee) at the University before the invention is disclosed to any person or entity within or outside the University, such as, as part of an application for sponsored research or government funding, or to the public generally, or for commercial purposes, and before publishing same, in sufficient time to allow the University to evaluate the invention for potential patentability and commercial value, and determine the University's interest therein. The invention disclosure must provide information about the identity of the creator(s), what was invented, date of conception and/or reduction to practice, state of the art prior to the claimed invention, the technical advance in the state of the art made or created by the claimed invention, circumstances leading to the invention, and facts concerning subsequent activities, in sufficient detail on the form provided by the University to provide a basis for a determination of patentability and commercial value.

2. **Authority Over Inventions**

The University President's Executive Council shall be responsible for all actions relating to any new inventions disclosed to the University, and shall have all decision-making authority over any University Intellectual Property, including without limitation: 1) whether to seek patent protection; 2) the countries in which patent protection may be sought; 3) oversight and control over the prosecution of any patent application whether to discontinue any patent protection or abandon an application; 4) whether to market the invention including the manner of any such marketing; 5) whether to license the invention including the terms and conditions of any such license; 6) whether to maintain any patents obtained on the invention; and/or 7) whether to assign or release the invention to the individual creator(s) or others. The President's Executive Council shall adopt a process for receiving, evaluating, and acting on invention disclosures.

3. **Election Not to Assert Ownership Interest**

The University may elect not to assert its interest in any invention. In such an event, the creator or creators shall be notified in writing, and the University may, at its discretion, offer the Intellectual Property to the creator(s) to seek patent protection, provided, however, that the University retains a non-exclusive, irrevocable, non-transferable license to practice the invention for educational, research or scholarly purposes or for patient care.

4. **Patent Application Fees and Costs**

If the University decides to file a patent application based on an invention disclosure submitted by a University Personnel, unless funding for pursuing the patent application is provided by a licensee or by a sponsor (private or government), the University will advance the fees and costs for filing such patent application and shall designate the University as the applicant on such patent application. The University may specify the amount of funds it is willing to advance. Nothing herein shall require the University to continue prosecution of any patent application that is filed, and

the University may abandon any patent application filed at any time at its sole discretion. The University is also under no obligation to release the patent application to the Creator(s), unless such Creator(s) first reimburse the University for all the fees and costs paid by the University on account of such patent application. The University shall also be entitled to reimbursement of fees, costs, overhead, and administrative expenses it incurred on account of a patent application or patent from any licensing or royalty arrangement involving such patent or application. The University shall house and maintain all original Letters Patent and Assignments held by the University.

5. **Release of Invention to Creators**

The University may allow the Creator(s) to take over the responsibility for payment of any patent prosecution or maintenance fees and costs if the University determines, in its sole discretion that it does not wish to continue the pursuit of such patent application. If the University makes such a determination, it shall inform the Creator(s) in writing, and the Creator(s) shall thereafter be responsible for all future fees and costs for such patent application, which shall be billed directly to the Creator(s). Failure to make timely payments for such bills may result in a decision by the University to discontinue pursuit of such patent application. The University shall be entitled to reimbursement of all advanced fees and costs: 1) from the first payments made from any licensing or royalty arrangement involving the invention; or 2) as a condition of releasing the invention back to the creator.

6. **Geographic Scope of Patent Protection**

A decision by the University to seek patent or other available protection for University Intellectual Property shall not obligate the University to pursue such protection in all national jurisdictions. The University's decisions relating to the geographic scope and duration of such protection shall be final.

7. **Later Release of Invention**

Except where prohibited by law or contractual obligations or requirements, the University may elect to release an invention to its creator at any time after asserting the university's interest; provided, however, that such release must include provisions for the recovery by the University of patent and licensing expenses, if any, as well as the retention of income rights, retention of non-exclusive rights to the invention for educational, research or scholarly purposes and for patient care, and may include certain other limitations or obligations.

VIII. Commercialization

1. **Creator Input**

Any person who creates University Intellectual Property may give reasonable input on commercialization of their invention; provided however, that the University President's Executive Council will make final decisions concerning whether and how, when, where and under what circumstances such Intellectual Property is to be protected, developed and/or commercialized. The University President's Executive Council shall have full authority to negotiate and enter into any and all licenses for any University Intellectual Property.

2. **Reimbursement of Patent and Licensing Costs and Allocation of Income**

In those instances where the University licenses rights in University Intellectual Property to one or more third parties, the costs of obtaining and maintaining patent or other protection for such University Intellectual Property must first be recaptured from the income generated thereby, including but not limited to, fees, prepaid royalties, minimum royalties, running royalties, upfront and milestone payments, and sublicense payments. The remainder of such income, as it is collected, shall be divided as follows:

- A. 10% to cover the administrative costs of licensing and operating a technology transfer department;
- B. 30% to all the creator(s) of the relevant University Intellectual Property;
- C. 30% to the college, school or department from which the invention was generated;
- D. 30% to the University;

Provided, however, that a creator may disclaim their interest in such income, in which case the University shall receive such creator's share and shall decide, in its sole discretion, if, how, and when to disburse such income. The department or school indicated on the Invention Disclosure form submitted by the Creator shall be deemed the department or school that supported the development of the invention. Unless the University is notified otherwise, the indicated department or school will receive the department or school's share of income.

3. **Research Collaboration or Grants**

License agreements are separate and distinct from sponsored research agreements or research grants. Sponsored research funds and grant funds are not shared among creators or school or department except as specified therein.

4. **Monitoring Licensees**

The University President's Executive Council shall monitor the performance of any license of University Intellectual Property for the duration of the license, including periodic financial or development reports from the licensees.

IX. Government Grants/Sponsored Research

1. **Prior Approval Required for Sponsored Research or Government-Funded Research**

All University Personnel must disclose to the University any intention to seek outside sponsorship or government funding for any research or other project that may result in the development of Intellectual Property. No application for such outside sponsorship or government funding shall be made without prior review and approval per University policy.

2. **U.S. Government-Funded Inventions**

The University, along with all universities that undertake federally funded research, is governed by the Bayh-Dole Act (P.L. 95-517 as amended) which sets out the disposition of inventions made with Federal assistance. The law provides that nonprofit organizations and small businesses may elect to retain title to inventions conceived or first actually reduced to practice in the performance of work under a funding agreement. The University must disclose each subject invention in a timely manner and comply with other regulatory actions. In addition, the University must grant the U.S. government a royalty-free license for governmental purposes, give preference to U.S. manufacturers, give preference to small businesses and share royalties with creators. The University must periodically report its licensing activity to the government. By submission of an application for the U.S. government funding, a University Personnel agrees to assist the University in complying with all government law and regulations to which the funding is subject.

3. **Waiver**

To the extent that any rights and obligations provided by one or more provisions of this Intellectual Property policy differs from that provided in any state and/or federal grants and contracts, or grants and contracts with nonprofit for-profit nongovernmental entities or private donors, the University reserves the right to waive any inconsistent provision in this Intellectual Property policy.

4. **Cooperation with Necessary Assignments**

Those University Personnel whose Intellectual Property creations result from a grant or contract with the government (federal and/or state), or any agency thereof, or with a nonprofit or for-profit nongovernmental entity, or by private gift, shall promptly execute and deliver such documents and other instruments as are reasonably necessary for the University to assert its rights or discharge its obligations, expressed or implied, under the particular agreement or grant, as determined by the University in its sole discretion.

X. Modifications

The University reserves the right to amend this Intellectual Property policy at any time, with or without notice.

XI. Violations

Violation of any of the provisions of this Intellectual Property policy may be grounds for discipline up to and including termination.