

UNIVERSITY POLICY

Policy Name:	Legacy UMDNJ policies associated with Intellectual Property: Patents				
Section #:	50.3.14	Section Title:	Governance & Legal Matters: Legal Matters	Formerly Book:	00 01 05 30:05, Former Policy 90.4.1
Approval Authority:	President of Rutgers University	Adopted:	07/01/1987	Reviewed:	06/10/2020
Responsible Executive:	Senior Vice President for Research and Economic Development	Revised:	11/08/2010; 07/01/2013; 07/17/2013 (Policy renumbering); 06/10/2020		
Responsible Office:	Office of Research and Economic Development	Contact:	Associate Vice President, Innovation Ventures		

1. Policy Statement

This policy sets forth the University's patent policies for all Legacy University of Medicine and Dentistry of New Jersey (UMDNJ) personnel, including faculty, employees, and students.

2. Reason for Policy

To provide guidelines to assist the University's administration of inventions and patents.

3. Who Should Read This Policy

All University personnel who are employed in legacy UMDNJ positions.

4. Resources

- A. [University Policy 90.2.5: Investigator Conflict of Interest](#)
- B. [Rutgers, The State University of New Jersey Code of Ethics: General Conduct](#)
- C. [University Policy 60.9.21: Outside Employment](#)
- D. Public Law 96-517, Bayh Dole Act
- E. Exhibit: Notice of Invention (NOI)

5. Definitions

- A. **Intern:** An individual who is placed in a University school or operating unit for a limited time period for the purpose of gaining exposure to, and experience in, a field of study or career of their interest.
- B. **Invention:** A process, method, discovery, device, composition of matter or other creation that reasonably appears to qualify for protection under the United States patent law, whether or not patented at any time under the federal Patent Act as now existing or hereafter amended or

supplemented. An invention may be the product of a single inventor or a collaboration of a group of inventors.

- C. **Licensing income:** All income arising from the licensing, sale, or assignment of inventions, materials, products, and patents.
- D. **Patent management organization:** A corporation or foundation that may be designated as the University's agent in the handling of certain patent matters.
- E. **Responsibility Center Management (RCM) Centers:** The School, Research Unit, Bureau Center, Institute, or Department in which the research that resulted in the subject invention was conducted and funded.
- F. **Scope of employment:** All activities in the field, discipline, or area of principal competence for which an individual is employed by the University, or in the individual's job description, including the general responsibilities of faculty to teach, conduct research, and other scholarly activities, provide clinical care, and perform community, School, and University service.
- G. **Sponsored research agreements:** Grants, contracts, cooperative agreements, and other agreements under which research or development activities will be carried out, or other agreements administered by the University that relate to intellectual property created under the agreement.
- H. **Surplus Adjusted Revenue:** Cumulative surplus Adjusted Revenue pro rata per invention.
- I. **University resources:** University funds, facilities, materials, equipment, services, and personnel.

6. The Policy

I. PURPOSE

To set University policy on patents and inventions that:

- fosters a University environment conducive to research, education, and the generation of new knowledge;
- facilitates the development and transfer of technology for public use and benefit;
- provides recognition to and shares financial benefits of inventions with inventors;
- complies with the requirements of research grants, awards, and contracts; and
- supports University research facilities and programs by means of income derived from royalties.

II. ACCOUNTABILITY

The Senior Vice President for Research and Economic Development shall ensure compliance with this policy. The Associate Vice President, Innovation Ventures of the Office of Research Commercialization shall implement this policy.

III. APPLICABILITY

- A. All University legacy UMDNJ personnel including, but not limited to, members of the faculty and staff holding appointments at or employed by the University, persons holding any form of research appointment, visiting professors and visiting scientists with or without salary, all students of the University (including postdoctoral appointees), all 100% coterminous faculty, and all volunteer (unpaid) faculty, volunteer non-faculty staff and interns.

- B. In the event that any person to whom this policy shall ordinarily apply is subject to an agreement or policy elsewhere under terms that prohibit assignment of patent rights to the University, it shall be the obligation of that person to so inform the Senior Vice President for Research and Economic Development, through their academic supervisor, before entering upon a program of study at, entering the employment of, accepting any form of support from, or using the facilities of the University. Upon such notification, the University will enter into a specific, written agreement respecting the rights and obligations of each involved party in regard to patentable discoveries. In the absence of such written agreement, the provisions of this policy shall apply.

IV. POLICY

A. Ownership of Inventions

1. The University shall own all domestic and foreign rights in and to any and all inventions made or developed by persons subject to this policy either in the scope of employment by the University or through the use of University resources.
2. All persons subject to this policy are required to assign their individual rights to inventions, discoveries, improvements, and reductions to practice to the University, including, without limitation, United States and foreign patent rights and the right to claim priority under the terms of any international agreement.

B. Joint Inventions with Outside Inventors

1. Where an invention covered by this policy has been developed jointly with individuals not covered by this policy, the terms of any existing contractual agreement between the University and the non-University inventors will govern. If no agreement exists or the terms of the existing agreement are not complete, an agreement regarding patent rights and obligations shall be negotiated by the Associate Vice President, Innovation Ventures with the co-inventor(s) or the pertinent institution or corporation.
2. University employees who, through allowable consulting activities, are required to enter into agreements concerning intellectual property shall not assign to others rights to any invention or discovery that was conceived or reduced to practice in whole or in part using University resources. When working as an outside consultant, University employees must comply with [University Policy 60.9.21: Outside Employment](#) and [Rutgers, The State University of New Jersey Code of Ethics: General Conduct](#).

C. Externally Sponsored Work

1. Ownership of patents arising from federally sponsored research shall be governed by Public Law 96-517, the Bayh-Dole Act as amended (which enables universities to retain right, title, and interest to and to license inventions made in performance of federally funded programs), other applicable law, and the provisions of this patent policy.
2. All inventions or disclosures thereof resulting from research funded by other (i.e., non-federal) external sponsors shall be owned by the University; specific provisions and restrictions contained in contracts and agreements with these sponsors must receive prior review and approval by the University in accordance with University policies.

D. Administration of Patents

1. The University's Office of Research Commercialization shall be responsible for providing information and assistance on patent matters to inventors, and for managing the patenting and licensing of inventions under this policy after consultation with inventors.
2. The Associate Vice President, Innovation Ventures at the Office of Research Commercialization shall constitute and chair an Intellectual Property Committee (IPC) comprising faculty members representing all the pertinent Schools of the University. Members of the IPC shall be selected by the Associate Vice President, Innovation Ventures with approval of the Research Deans. The IPC may, at the request of the Associate Vice President, Innovation Ventures, review invention disclosures and advise the Associate Vice President concerning submission of patent applications.

V. PROCEDURES

A. Disclosure of Inventions

1. All persons subject to this policy shall promptly and fully disclose to the Associate Vice President, Innovation Ventures at the Office of Research Commercialization all inventions covered by this policy on the Notice of Invention (NOI) (see EXHIBIT).
2. The disclosure shall be signed by all individuals involved in the discovery or development of the invention.
3. Inventions and discoveries, including improvements and reductions to practice, must be disclosed to the University in accordance with this policy before public disclosure is made by publication, presentation, or any other medium, and prior to discussion with a third party. Moreover, disclosure must be made to the University far enough in advance of public disclosure to permit timely filing of a patent application in the United States and in foreign countries. Copies of any manuscripts containing descriptions of unpatented inventions shall be submitted to the Associate Vice President, Innovation Ventures at the Office of Research Commercialization prior to submission for publication.
4. Where there is any question as to whether an invention is covered by this policy, the invention must be disclosed through the usual mechanism, described above, with a request for determination of whether the invention is subject to this policy. In cases where the inventor seeks to establish that an invention is not covered by this policy, the burden of proof shall be with the inventor.

B. Patent Protocol

1. The Associate Vice President, Innovation Ventures shall acknowledge receipt of invention disclosures in writing within seven (7) calendar days of receipt by the Office of Research Commercialization.
2. Within three (3) months of their receipt by the Office of Research Commercialization, disclosures will be evaluated for patentability and licensing potential and the inventor will be notified in writing of the University's decision whether or not to pursue patent protection. If the University decides to pursue patent protection, an application will be filed no later than one (1) year from the date of the receipt of the disclosure by the Office of Research Commercialization. If the University decides not to pursue patent protection, or if the University does not file an application within one (1) year from the date of the receipt of the disclosure, rights to the invention in the disclosure will be released to the inventor upon the inventor's written request. However, nothing in this section will preclude

an inventor from re-submitting an invention disclosure together with additional data.

3. The University may, at its sole discretion and under terms it deems appropriate:

- a. undertake the timely filing of patent prosecution, development and marketing of the invention, and shall bear all related costs;
- b. seek support for the costs of patent prosecution through a licensing or other agreement;
- c. at any time, and notwithstanding any previous decision to file a patent application or otherwise protect or commercialize an invention, elect to release to the inventor all rights to the invention, unless such rights revert to the sponsor of the program or to the federal government. In every case, the University will retain a non-exclusive, royalty-free license to practice the invention for internal non-profit University purposes.

4. The University may, with the written consent of the inventor, assign the domestic or foreign patent rights, or both, to a patent management organization.

C. Distribution of Licensing Income

1. To recognize the creativity of inventors and to provide incentive for them to engage in the disclosure, patenting and marketing of their inventions, licensing income received by the University ("Gross Revenue") will be shared with inventors as additional compensation over and above all other forms of University compensation according to the schedule presented below. Inventors will be allowed, in accord with the [University's Code of Ethics policy](#) and where due consideration has been given to [University Policy 90.2.5: Investigator Conflict of Interest](#), and [University Policy 60.9.21: Outside Employment](#), to seek financial recognition for their invention through an equity interest in a company that licenses the technology.
2. The University reserves the sole right to enter into licensing agreements for inventions, discoveries, improvements, reductions to practice, and related intellectual property. These agreements may include terms, such as non-exclusive, royalty-free, and assumption of responsibility for prior and future patent prosecution expenses, that could influence or even obviate licensing income.
3. In the case where the invention has been assigned to a patent management organization, any share of income to the patent management organization will be deducted before revenues for distribution are calculated.

4. Formulas for Distribution of Licensing Income:
- a. Distribute inventor share of Gross Revenue. Effective July1, 2020, Gross Revenue shall continue to be distributed to the inventor(s) according to the following formulas, as applicable. This distribution protocol will remain in effect until replaced by a new negotiated protocol that is approved by the President of Rutgers University.
 - b. Where the inventor has no equity interest or an equity interest of 10% or less of outstanding shares in a company that licenses the invention:
 - 35% to the inventor,
 - The remainder of the Gross Revenue shall be distributed in accordance with Section 4.f-h below.
 - c. Where the inventor has an equity interest or fiduciary responsibility in the company licensing the invention that exceeds 10% of outstanding shares (determined at the time of licensing the Invention):
 - Gross Revenue shall be distributed in accordance with Section 4.f-h below.
 - d. Where the inventor elects to use licensing income for support of continued research and the inventor has no equity interest in the company licensing the invention:
 - Fifty percent (50%) of the Gross Revenue to the inventor's research account
 - The remainder of the Gross Revenue shall be distributed in accordance with Section 4.f-h below
 - e. Where the inventor elects to use part of licensing income for support of continued research at and to accept a reduced personal distribution, and has no equity interest in the company licensing the invention:
 - 32.5% to the inventor's research account,
 - 17.5% to the inventor,

The remainder of the Gross Revenue shall be distributed in accordance with Section 4.f-h below
 - f. Following the distribution to the Inventor and/or inventor's research account, as set forth above, then, distribute five percent (5%) of the remaining Gross Revenue to the early stage licensing accelerator fund established by the Office of Research and Economic Development to arrive at Adjusted Revenue.
 - g. The Adjusted Revenue shall first be used to pay operating costs attributable to the Office of Research Commercialization.
 - h. Then, at the end of each fiscal year, all Surplus Adjusted Revenue remaining after Step (g) above shall be distributed pro rata per invention as follows:

Surplus Adjusted Revenue	<u>First \$1M</u>	<u>Above \$1M</u>
Office of the President	10%	10%
Office of the Chancellor	30%	28%
RCM Center	30%	28%
Department	30%	28%
Office of Research & Economic Development	—	6%

“Surplus Adjusted Revenue” shall mean cumulative surplus Adjusted Revenue pro rata per invention.

The Responsibility Center Management (RCM) Centers are defined as the School, Research Unit, Bureau, Center, Institute or Department in which the research that resulted in the subject invention was conducted and funded. The Chancellor shall have discretion to define the applicable schools, units and departments for purposes of revenue distribution. Primary Consideration in the allocation of these funds shall be given to the support of the inventor’s research with the approval of the appropriate Dean, Vice President, or Chancellor.

The staffing and expenses of the Office of Research Commercialization will be evaluated on an annual basis by the Senior Vice President for Research and Economic Development in consultation with the Executive Vice President for Finance and Administration & University Treasurer, the Chancellor of Rutgers Biomedical and Health Sciences (RBHS) and the Chancellor of New Brunswick.



Notice of Invention (NOI) Confidential

Imminent Publication Date:

INTERNAL USE ONLY

Docket # _____

Legacy Rutgers

Legacy UMDNJ

Questions

Call: 848-932-4524

Email: otc-disclosures@ored.rutgers.edu

Supplemental Documentation

For any question that requires explanation, feel free to attach relevant supplemental documentation.

Submission Instructions

Email the completed form to: otc-disclosures@ored.rutgers.edu --and--

Send a hard copy with signatures via Campus Mail to:

Office of Research Commercialization

ATTN: Notice of Invention

33 Knightsbridge Road

2nd Floor East

Piscataway, NJ 08854

OVERVIEW

1. Invention Title:
2. One paragraph summary description of your invention. Please attach descriptions, manuscripts or drawings if available.
3. Has the invention been made and tested ("reduced to practice")? Yes No
When?
4. What steps are required to validate the invention both scientifically and commercially?
Please include anticipated approximate timing.
5. Is this invention related to a previous invention? Yes No
Identify the earlier invention:
6. What are potential applications and/or uses of this invention? Please identify the commercial products or services a company could develop using this technology.
7. What are the unmet **commercial/market** needs that your invention addresses (economic benefits, competitive performance, raw materials, market and industry, safety, etc.)?

8. What are the **technical** aspects of this invention that are novel relative to existing technology or products? (For a sound patent position, it is essential to demonstrate usefulness, novelty and non-obviousness.)

ENCUMBRANCE

9. Has the invention been publicly disclosed? (Public disclosures include a publication, abstract, thesis, web-posting, poster presentation, oral presentation, awarded NIH grant or non-confidential conversation with persons outside of Rutgers that include essential details of the invention.) Yes No

Describe the circumstances, including with whom and the exact date. If applicable, attach a copy of the disclosure.

If not, will the invention be publicly disclosed in the near future? Yes No

When and how?

10. Was the initial idea written down or recorded? Yes No

11. Date the invention was conceived:

Original records for the first complete description of the invention, oral or written, are (include dates):

12. Have you performed literature and/or patent searches? Yes No

What were your findings?

What keywords did you use?

13. In the table below, provide the full contract or grant number used for your research in development of this invention. Please include industry sponsored research, non-profit funding, governmental funding, applicable fellowships, etc., for each inventor.

Funding Source/Sponsor	Contract or Grant Number	Principal Investigator/Supervisor or Fellow to whom awarded

14. Does this invention use/involve data or materials obtained/or derived from outside Rutgers? Yes No

Was the data or material obtained under a Material Transfer Agreement (MTA)?

Yes No

Entity and Date:

Assignment

15. By signing this Notice of Invention, the contributors listed below that are subject to the Rutgers Patent Policy, hereby sell, assign and transfer to Rutgers, The State University of New Jersey, including its successors and assigns, their entire right, title and interest to the intellectual property disclosed herein, including all rights to claim priority therefrom.

Contributor Information

16. List all of the key contributors for this invention. Include contributors from other institutions, and add as many as needed.

Name: Signature_____	Is the principal contact for this disclosure? <input type="checkbox"/> Yes <input type="checkbox"/> No
Citizenship:	Institutional Affiliation:
Work Address:	Position:
Work Phone:	Department:
Email:	<input type="checkbox"/> Legacy Rutgers <input type="checkbox"/> Legacy UMDNJ

Name: Signature_____	Is the principal contact for this disclosure? <input type="checkbox"/> Yes <input type="checkbox"/> No
Citizenship:	Institutional Affiliation:
Work Address:	Position:
Work Phone:	Department:
Email:	<input type="checkbox"/> Legacy Rutgers <input type="checkbox"/> Legacy UMDNJ

Name: Signature_____	Is the principal contact for this disclosure? <input type="checkbox"/> Yes <input type="checkbox"/> No
Citizenship:	Institutional Affiliation:
Work Address:	Position:
Work Phone:	Department:
Email:	<input type="checkbox"/> Legacy Rutgers <input type="checkbox"/> Legacy UMDNJ

Name: Signature_____	Is the principal contact for this disclosure? <input type="checkbox"/> Yes <input type="checkbox"/> No
Citizenship:	Institutional Affiliation:
Work Address:	Position:
Work Phone:	Department:
Email:	<input type="checkbox"/> Legacy Rutgers <input type="checkbox"/> Legacy UMDNJ

Name: Signature_____	Is the principal contact for this disclosure? <input type="checkbox"/> Yes <input type="checkbox"/> No
Citizenship:	Institutional Affiliation:
Work Address:	Position:
Work Phone:	Department:
Email:	<input type="checkbox"/> Legacy Rutgers <input type="checkbox"/> Legacy UMDNJ

COMMERCIALIZATION

17. Have you discussed the invention with any companies under a confidentiality agreement?
 Yes No

Please list each company:

18. List any relevant competing technologies and products:

19. Are you aware of any companies that would be good commercialization partners for your invention? If you have contacts at these companies, please provide.

Company	Contact	Email

20. Do you want to create a start-up company around this invention? Yes No