

## Policy on Patents (CA)

### RESEARCH

**Effective Date:**  
September 1, 2016

**Date Revised:** N/A

**Supersedes:** N/A

**Related Policies:**  
**Policy on Copyright  
(CA)**

**Responsible  
Office/Department:**  
**Center for Research  
Innovation (CRI)**

**Keywords:** Patent,  
Intellectual Property

### I. Purpose and Scope

It is the policy of the university to encourage the development of inventions, and where its resources permit, to reduce these inventions to practice and develop their full potential to the point of practical application. The university is a nonprofit educational institution devoted to teaching, research, and other scholarly activities in the public interest. The university's faculty, staff, and students, as part of their normally assigned duties and scholarly activities, carry on research which may be supported in part, or in whole, by the university from its own resources, or by grants or contracts with outside sponsors. The respective rights and obligations of the university, its sponsors, and its inventors relative to inventions resulting from research at the university are defined by this policy.

The principal objectives of this policy are:

1. to encourage creative research, innovative scholarship, and a spirit of inquiry leading to the generation of new knowledge;
2. to facilitate the transfer of university-developed research results to commerce and industry, and to encourage the broadest utilization of the findings of scientific investigation to provide the maximum benefit to the public;
3. to provide an orderly procedure for determining the potential economic significance of discoveries so that commercially valuable inventions may be brought to the point of public utilization;
4. to establish principles for determining the rights and obligations of the university, inventors, and research sponsors with respect to inventions, and to define the equitable disposition of interests therein;
5. to provide incentives to inventors in the form of professional recognition, continuing research support, and direct financial compensation;

6. to fulfill the terms of research grants and contracts;
7. to safeguard the intellectual property of both the inventor and the university until appropriate patent protection is achieved; and
8. to facilitate institutional invention and patent agreements with parties external to the university.

## **II. Definitions**

The term "**invention**" as used herein is an invention which is conceived or reduced to practice under the following circumstances:

- 1) where the invention involves any use of funds space, facilities, equipment, materials, or other resources of, or administered by, the university, including sponsored research projects;
- 2) where the invention arises out of the sponsored research project or is relevant to the subject matter of an agreement between the university and another party with which the inventors have been associated;
- 3) where charges relating to the invention were made to a sponsored research project or other activity involving agreement between the university and another party; or
- 4) where, although not falling within any of the foregoing categories, the inventor desires to make a disclosure of the invention to the university in order either to request a release as provided below or to interest the university in taking steps to commercialize the invention.

## **III. Policy**

### **Invention Reporting**

To protect the rights of the inventor and the university, timely invention reporting is required. Any inventor who is a Faculty member, staff member or student, shall make a timely disclosure of his/her invention in writing to the Chair of the Patent Committee. Inventions should be reported as soon after conception as possible to permit prompt evaluation and to avoid unnecessary delays in publication.

### **Failure to Make Timely Disclosure**

1) If the inventor fails to make a timely disclosure of an invention to the Chair of the Patent Committee, the university may require that an assignment of the invention be made to the university and any benefits that have accrued prior to the assignment shall be promptly paid to the university; and the inventor shall be obligated to comply with this requirement. Thereafter, unless the university shall otherwise agree in writing, all rights shall belong to the university.

2) A disclosure of any invention shall not be considered timely if it causes the university to lose domestic or foreign rights or business opportunities in an invention. Those acts which shall be considered untimely, shall include, without limitation, publication before patent application filing, filing a patent application prior to notifying the university, unauthorized prior filing in a foreign country, failure to disclose a business arrangement with a party other than the university which in any way involves the invention, provision of information which is later determined to be false or misleading in any material respect, and failure to disclose material facts or documentation relative to an invention.

## **Ownership and Disposition**

The rights and obligations of the university, Faculty, staff, and students are categorized as follows:

### **1) University-sponsored Inventions**

Inventions resulting from research which has involved significant use of funds, facilities, space, equipment, materials, or other resources of, or administered by, the university (i) shall belong to the university; (ii) shall be promptly evaluated by a university evaluation committee or outside organization designated by the university; and (iii) shall either be accepted for patenting and commercialization, or, if not accepted for patenting and commercialization, may be released to the inventor upon written request. If an invention is accepted for patenting and commercialization, such invention shall be assigned to the university as provided hereinafter and the inventor agrees to be compensated in accordance with the applicable provisions of this patent policy.

### **2) Externally-sponsored, Non-government-related Inventions**

The ownership, disposition, and obligations respecting inventions resulting from research wholly or partially financed under contracts, grants, or written agreements by industrial, philanthropic or other organizations, or by individuals, are governed by the provisions of such contracts, grants or agreements. Inventions which are not required to be dedicated to the public or to be assigned to other parties by the provisions of such contracts, grants, or agreements shall belong to the university and shall be processed as university-sponsored inventions. If, when evaluated for patenting and commercialization by the University Patent Committee, an externally-sponsored invention is not accepted for patenting and commercialization, such invention shall be released to the sponsor or, if permitted by the sponsor, may be released to the inventor.

### 3) Externally-sponsored, Government-related Inventions

The ownership, disposition, and obligations respecting inventions resulting from research which has had any financial support from an agency of the Government (municipal, provincial or federal) are governed by the terms of the applicable agreement. Such inventions, if required by the applicable agreement, shall be promptly reported to the appropriate government agency for determination of the Government's rights and interests.

If reporting to the Government is not required by the applicable agreement, or if the Government does not retain or require all right, title, and interest in a government-sponsored invention, the university will have the invention evaluated as a university-sponsored invention.

For inventions released to the university by the Government, in the event the university evaluation with regard to patenting and commercialization is negative, the university may release the invention to the inventor if permitted to do so by the government agency, subject to the retention of any rights required by the university in order to fulfill its obligations to the Government.

### 4) Inventor-retained Inventions

Inventions resulting from research conducted without any use of funds, space, facilities, equipment, materials, or other resources of, or administered by, the university and not falling within (2) or (3) above, are the property of the inventor and are not reportable under this policy. If such inventions involve any, but not significant use of funds, space, facilities, equipment, materials, or other resources

of, or administered by the university, they are reportable but are the property of the inventor. At the option of the inventor, such inventions may be submitted for processing as university-sponsored inventions.

#### 5) Significant Use of University Funds, Facilities, Space, Equipment, or Other Resources.

The university will not normally construe the payment of salary from unrestricted funds nor the provision of office and library facilities as constituting significant use of funds, facilities, space, equipment, materials, or other resources of, or administered by, the university. Substantial advice or assistance from one or more Faculty or staff members to an inventor specifically pertaining to the invention constitutes significant use of university resources. Use of laboratory and/or computer facilities will be considered on a case-by-case basis.

### **Assignments of Inventions**

#### 1) Faculty, Staff, and Students

Any member of the Faculty or staff or any student who makes, as sole or joint inventor, an invention which involved significant use of funds, space, facilities, equipment, materials, or other resources of, or administered by, the university or which is subject to terms of a sponsored research or other agreement between the university and another party shall assign this invention and all associated applications and patents to the university or its designee unless the invention has been released to the inventor in accordance with the applicable provisions of the patent policy. Any member of the Faculty, staff, or any student, whether before or after terminating his or her association with the university, shall do whatever is necessary to enable the university or its designee to take out patents in any and all countries on such invention. The cost and expense of making such assignments and procuring such patents shall be borne by the university or its designee.

2) When a student makes an invention which has not involved significant use of funds, space, facilities, equipment, materials, or other resources of, or administered by the university, and which is not subject to the terms of a sponsored research project or other agreement between the university and another party, the university will waive its rights and the invention will be the exclusive property of the student,

provided the student's rights in the invention are not altered by the terms of any financial aid received, including external sponsorship, scholarships, fellowships, traineeships, thesis expenses, or other assistance, whether or not administered by the university.

## **Administration of Intellectual Property Matters**

### 1) Responsibilities

The Provost or his or her designee is responsible for the administration of intellectual property matters relating to inventions, patents, trade secrets, trademarks, copyrights, and publications. The Provost or his or her designee shall represent the university in all matters relating to intellectual property which affect the university's relations with government, industry, and the public. The Patent Committee is responsible for advising and making recommendations to the Provost or his or her designee concerning intellectual property matters which arise from activities of Faculty, staff, and students, including inventorship, the determination of rights between inventors, the determination of rights between the inventor and the university, and the disposition of patent rights which the university does not wish to exercise. The Patent Committee shall make recommendations regarding those inventions on which patent applications will be filed and the disposition of patent rights involved, shall recommend arrangements for prosecutions of patents and commercialization of inventions, and shall consider and make recommendations on special patent, trade secret, trademark, copyright, and publication matters submitted to it for resolution.

The university may obtain services from one or a combination of the following sources to aid in the processing and/or commercialization of patents:

- a) Marketing organization(s);
- b) University Patent Counsel or other designated patent organization(s);  
and/or c) university personnel.

University inventors shall cooperate with representatives of the university and/or representatives of other organizations designated by the university to assist in the processing and commercialization of university-sponsored inventions.

## 2) Membership of the University Patent Committee

The membership of the committee shall, at a minimum, include a total of eight Faculty and/or staff representatives, at least one of whom has knowledge of technology transfer and commercialization, and the Patent Officer. The Patent Officer, a representative of the Office of Research Administration and Finance (RAF), will administer the Patent Committee and report to the director of RAF, who is the Patent Official. The Patent Officer is appointed by, and serves as the designee of, the Patent Official. The Patent Officer is responsible for the day to day operations of the Patent Committee. Normally, patent counsel will be invited to attend committee meetings in a non-voting capacity. Non-voting guests may be invited to attend meetings as needed to provide additional expertise regarding such matters as the technical aspects of a proposed invention or concerning patent processing.

The Patent Committee Faculty/staff appointment process begins with the Patent Official's soliciting Faculty/staff nominees from the College Deans. These nominees are presented to the Senate Agenda Committee and to the University Research Council for their recommendations, which may include the suggestions of additional and/or alternative nominees. After considering the recommendations of the Agenda Committee, the University Research Council and the Patent Official, the Provost will make the appointments. The appointed Faculty members will serve three-year staggered terms. Should any Patent Committee member have an interest in any matter coming before the committee, that member shall recuse him/herself both from participating in deliberations concerning and from voting on any such matter(s).

Collectively, Faculty/staff representatives should have multi-disciplinary backgrounds, knowledge related to important patent areas at

Northeastern University, institutional diversity, and involvement with external sponsors. A quorum of the committee must be present during deliberations and voting.

If any committee member resigns or fails to complete his or her appointment to the Committee or is otherwise removed, a replacement shall be selected by the Provost or his designee to fill the vacancy during the balance of the appointment. This Committee shall meet at regular intervals and at other times upon request of the Chair.

## Procedures

### 1) Processing

Inventors shall transmit disclosures of inventions to the Chair of the Patent Committee on disclosure forms provided for that purpose by the Office of Research Administration and Finance. The Chair shall place the disclosure on the agenda of the next Patent Committee meeting. Each reported invention shall be evaluated by the Patent Committee within six months of submission to determine if it is "releasable," as defined below, or if any other patent action will be taken. Any indicated patent action will be taken expeditiously so as to protect the rights of the inventor and the university and to further any contemplated publication. The Patent Committee shall recommend a consultant, agent or other organization(s) to evaluate a) the invention's suitability for patenting, and b) the commercial value of the invention.

If the Patent Committee concludes that an invention is suitable for patenting and has commercial value, it may be accepted for patenting and commercialization efforts. If accepted for patenting, the invention shall also be accepted for commercialization on a best efforts basis. The university shall determine at what point, after the filing of a patent application, commercialization efforts shall begin, what mechanisms will be employed, and to what extent funds, facilities, space, equipment or other resources of, or administered by, the university will be utilized.

If the Patent Committee concludes that the invention has little or no current commercial value, a patent application may be filed at the university's expense by the university if it is satisfied that justification has been provided to the Patent Committee to establish potential future commercial value.

### 2) Releases

Inventions resulting from research conducted without use of significant funds, space, facilities, equipment, materials, or resources of, or administered by, the university and not subject to any conflicting provisions of any externally sponsored research contract, grant, or agreement shall be deemed "releasable" and shall be released to the inventor upon the submission of a written request for such release.

Initial findings regarding significant use of funds, space, facilities, equipment, materials, or resources of, or administered by, the university shall be made by the Patent Committee and shall be communicated to and reviewed by the Patent Official. Releases shall be executed by the Provost upon recommendation of the Patent Official or his or her designee. At the option of the inventor, released inventions may be submitted for processing as university-sponsored inventions.

For inventions other than those categorized as "releasable" as defined above, the inventor may request a release. The invention is automatically released to the inventor one year after the Patent Committee has approved it for release, should the university fail to act further on the invention during this period.

Whenever the university determines that it has no further interest in an invention, the university shall release such invention to the inventor.

Upon the grant of any release, the inventor shall agree: a) not to use funds, facilities, space, equipment, materials, or other resources of, or administered by, the university, or the university's name in the exploitation of such invention; b) that the university may retain a non-exclusive, royalty-free license for university purposes if university and/or other sponsorship was involved; and c) that the inventor will convey to the university such rights as are necessary to fulfill any obligations that the university may have to other parties.

### 3) Disputes and Appeals

Disputes involving invention and patent matters other than those which are entrusted by this document to any other person or entity shall be referred to the Patent Committee. The Committee shall make a written advisory recommendation to the Provost or his or her designee, who shall render a final and binding decision in any such dispute.

### 4) Consulting Agreements

Any Faculty or staff member who is engaged in consulting work or in business is responsible for ensuring that clauses in his or her agreements do not conflict with the patent policies of the university or with university commitments. Upon request, the Division of Research Management will provide assistance in this respect. The university's rights and the individual's employment obligations to the university shall in no way be abrogated or limited by the terms of such agreements. Faculty

and staff members should clearly communicate their university obligations to those with whom they make independent agreements, and they should ensure that other parties to the agreement are provided with a current statement of the University Patent Policy.

## **Royalty Income and Incentive Awards**

1) Division of Licensing Fees and Royalty Income Gross Licensing Fees and Royalty Revenues, hereafter referred to as "royalty," subject to any deductions as follows, derived from university-sponsored inventions and paid to the university, shall be distributed as follows:

- a) 30% directly to the Inventor;
- b) 30% but not in excess of \$100,000, divided equally between direct support to the inventor for his or her research and the inventor's unit to foster research in the unit. If distribution of this 30% is greater than \$100,000 per year, the inventor and involved unit head shall negotiate with the Provost or his or her designee regarding the distribution of amounts in excess of \$100,000/year between support of the inventor's research and the unit; and
- c) 40% to the Provost's Office and the University's General Fund.

If the invention is joint, then the direct 30% royalty distribution designated for an inventor shall be to the joint inventors as a group, to be divided equally between the inventors, unless the inventors provide the university with an alternative royalty distribution agreed upon by them. If the inventors are associated with different units, the royalty distribution to the units shall be to the units jointly to be divided equally, unless the university is provided with an alternative royalty distribution agreed upon by the heads of the respective units and the Office of the Provost.

If the inventor's employment with the university terminates, the inventor's share of the distribution for direct support of his or her research shall be redistributed, 5% to his or her unit and 10% to the Provost's Office and the University's General Fund.

In the event a unit ceases to exist, the distribution of the unit's funds shall be

determined by the Senior Vice President for Administration and Finance upon recommendation of the Provost of his or her designee.

The term "unit" as used herein shall include, without limitation, college, department, administrative unit, group, center or institute, the functions of which are separately budgeted.

Prior to any distribution under this Section, the university reserves the right to deduct from gross royalty revenues, at its discretion, at such times and in such amounts as it deems appropriate under the circumstances, costs and expenses associated with litigation and other activities which may be incurred either in obtaining rights to inventions, in marketing inventions, or in enforcing or defending patents filed as a result of university-sponsored inventions.

If the university has entered into an agreement with a third party concerning the disposition of rights to any invention arising from research financially supported by such party, the distribution of royalty income received from any patent(s) based on said research will be governed by the terms of that agreement.

With respect to distributions of royalties made by the university, the university shall make royalty distributions in accordance with this patent policy unless directed otherwise by a court order, and the university shall be held harmless against good faith payment of royalties made in accordance with this patent policy.

## 2) Licensing and Royalty Income

License and Royalty Income balances in excess of \$50,000, after distributions required by the University Patent Policy, shall be disbursed at the close of the university's fiscal year.

### **IV. Additional Information**

N/A

### **V. Contact Information**

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