



University Senate TRANSMITTAL FORM

Senate Document #:	10-11-36
PCC ID #:	N/A
Title:	Review of the Policy on Intellectual Property
Presenter:	Robert Dooling, Chair of the IP Subcommittee of the Research Council
Date of SEC Review:	September 17, 2015
Date of Senate Review:	October 7, 2015
Voting (highlight one):	<ol style="list-style-type: none"> 1. On resolutions or recommendations one by one, or 2. In a single vote 3. To endorse entire report
Statement of Issue:	<p>The current IP Policy is based on a USM template from 2003 that is both unwieldy and difficult to read. Some provisions in this policy have proven hard to implement and in addition, there have been recent court decisions (e.g. Stanford v Roche) that suggest changes to IP policy wording. The Senate Executive Committee received a request to review the IP Policy several years ago and asked the VPR to charge the Research Council with reviewing the IP Policy, considering whether it was current or should be revised, and advise on how requests for waivers should be handled.</p>
Relevant Policy # & URL:	http://president.umd.edu/policies/2014-iv-320a.html
Recommendation:	Replace the existing policy with the attached proposed policy.
Committee Work:	<p>On advice of the Research Council of the Senate, the VPR appointed an IP Committee several years ago to review and update the existing Campus IP Policy. The Committee consisted of faculty drawn from across the Campus, two staff, and two graduate students. The committee reviewed policies at other major research institutions, discussed problematical features of the current policy, reached agreement on core principles, and adopted new succinct language, which clarified and shortened the policy. The Committee Chair then used this penultimate draft to work with the legal office in producing an even shorter, more focused, final version which is presented here. The Research</p>

	Council of the Senate approved the attached amended version of the policy as did the IP Committee.
Alternatives:	The current policy could remain in place.
Risks:	The existing policy is lengthy, difficult to read, out of date, and therefore does not meet the needs of our campus community.
Financial Implications:	There are no financial implications
Further Approvals Required:	Senate Approval

Distinctions Between/Among Old Policy, Revised Committee Policy And Revision Of Committee Policy

- I. States the policy is a condition of employment or enrollment and includes language of a present assignment of IP rights from personnel to UMD (in revised committee policy; needed to resolve the Stanford issue)
- II. Only sets out UMD ownership of IP. Does not address when personnel own IP: they own when UMD does not own IP rights (new; revised committee policy addressed students and personnel explicitly).
 - A. Traditional scholarly works (lectures, books, course syllabi, etc.).
UMD owns (reflecting copyright law which says employers own works created by employees) but then transfers rights back to authors while UMD retains right to use all such works for UMD educational and administrative purposes. (Change from old policy and revised committee policy both of which gave personnel ownership and did not give UMD a right to use)
 - B. On-Line Courses, Programs and Materials: no significant changed other than simplifying terms
 - C. Inventions, software, data and tangible research materials: UMD owns when they are created:
 1. in the course of research/creative activities carried on by or under the direction of personnel in the scope of their employment (not included in the old policy or revised committee policy)
 2. In the course of sponsored research and other research/creative activities administered by UMD, supported by UMD funds or funds of affiliated foundation (not new)
 3. under a contract that requires UMD ownership (not new)
 4. with the use of Significant University Resources (not new)
- III. Responsibilities: Revised committee policy contained relatively long list of responsibilities of Personnel and OTC. This version eliminates all but most essential; eliminates prescription of OTC processes and decisions.
 - A. Personnel duty to disclose and cooperate
 - B. OTC: responsible for day to day management of UMD-owned IP that may be appropriate for formal IP protect or commercialization
- IV. Revenue (new; much simplified from revised committee policy): sets up 4 bands
 - A. 1st 5K to creators
 - B. 2nd reimbursement to OTC of unreimbursed patent costs
 - C. Next 100K: 25% to creator and OTC, 50% originating department/research unit
 - D. Over 100K: 28% to creator, 32% to OTC, 35% originating department/research unit, 5% originating college/school
- V. Expanded stand alone section on granting rights to creators
 - A. UMD may transfer or assign rights in IP to its creators, taking into account UMD's interest and technical and business acumen of creators to commercialize and demonstrated compliance with COI (COI reference new; not mentioned under old policy but required under revised committee policy)
 - B. Creators to whom OTC assigns rights must waive their right to revenue under the policy. Any creators who are not part of the startup continue to receive revenue under the policy. (new; not required under old policy but required under revised committee policy)
 - C. Assignment to creators conditioned on those creators reimbursing all out-of-pocket expenses UMD has incurred (unreimbursed patent costs) and payment of royalty, equity or other thing of value (new. Not addressed in old policy. Permissive under revised committee policy, mandatory now)

INTELLECTUAL PROPERTY POLICY FAQS

Q: What are the main changes from the current policy?

A: There are several changes:

- Shortens current policy from 40 pages to 9 pages primarily by eliminating redundant language and improving readability.
- Makes technical corrections to reflect 2011 Supreme Court decision in *Stanford v. Roche* case involving patents and Bayh-Dole Act.
- Eliminates faculty/staff distinction in ownership of IP/revenue sharing
- Clarifies that UMD owns all intellectual property created with federal funds or significant university resources
- Adds a new section on licensing Univ-owned IP to owners/creators who wish to commercialize it through a start-up.

Q: I am a student and created some software as part of a class assignment.

Who owns the rights to that intellectual property? What if I created the software while working as an RA paid by the University?

A: As in the current policy, students own all rights, title and interests in Inventions, Software, Research Data and Tangible Research Materials they create, conceive or reduce to practice in the performance of academic course work regardless of the resources they use. If students are working as an employee and paid by the University, the University owns the intellectual property.

Q: I may have the opportunity to receive research funding from a small business but it appears that they may want to own some of the intellectual property arising from the research. Can provisions of the IP policy be waived?

A: Yes, as with the current policy, waivers may be considered on a case-by-case basis upon the written request and agreement of the principle investigator, all persons expected to participate in the underlying project, the department chair or unit head and the Dean of the School or College.

Q: I'm thinking of developing an On-Line Course, how does the IP policy apply to me?

A: As in the current policy, there is a requirement that on-line courses/degree programs and ownership and rights to use related course materials (including MOOCs) must be specified in a contract between the instructor and university.

- Template contract guarantees instructor ownership of course materials, with minimum restrictions, and license to university to use materials
- Template developed by Office of the Provost and Office of General Counsel

Q: The current policy says the University does not claim copyright to my traditional scholarly works, the new one says the University owns copyright but then gives it back to me. Why the change?

A: This is a change from the current policy. The new policy says the university owns the copyright in traditional academic work that is created because that is what copyright law says. The next line in the policy says that the university is giving it all back to the faculty and students. The two-step process is important because it accurately reflects the law and thus protects you against any Supreme Court decisions.

IV-3.20(A) UNIVERSITY OF MARYLAND INTELLECTUAL PROPERTY POLICY

I. Introduction

Intellectual property issues regularly arise in academic activities and university operations, and the proper administration of such issues supports the University's mission to advance, preserve, and disseminate knowledge. This document describes the rights and obligations of the University, personnel, students, and collaborators who make use of University facilities and resources and seeks to provide practical guidance to all in the exercise of these rights and obligations according to the nature of the activity and the type of intellectual property.

II. Scope

The policy described herein applies to all of the University's units, personnel and students, as well as to collaborators who make use of University facilities and resources. It is considered a part of the conditions of employment for all employees and a part of the conditions of enrollment and attendance at the University for students.

Applicable laws and regulations will take precedence over any conflicting language in this policy. The terms of authorized contracts between the University and third parties will also take precedence, when applicable, over any conflicting language in this policy.

III. Policy Administration

- A. Authority.** The President has the authority to administer and interpret this policy as provided in section IV.G of the *University System of Maryland Policy on Intellectual Property* (Policy IV - 3.20, "*USM IP Policy*"). The President has delegated authority to the Vice President for Research to administer the provisions of the policy that affect research and commercialization activities.
- B. Waivers.** Subject to any legal or contractual limitations and only after any potential conflicts of interest have been properly managed, the President may waive any requirements of this policy when he /she finds that doing so would be in the best interest of the University. Waivers may be considered on a case-by-case basis upon the written request and agreement of the principle investigator, all persons expected to participate in the underlying project, the department chair or unit head and the Dean of the School or College. All waiver requests must be submitted to the Vice President for Research for consideration through the Office of Research Administration or the Office of Technology Commercialization (OTC).
- C. Retained Rights.** Any transaction granting rights in University-owned Intellectual Property (1) shall retain for the University, at a minimum, a royalty-free, irrevocable right to use, practice, and reproduce the Intellectual Property in support of University research and educational purposes; (2) shall be consistent with applicable private use restrictions, including bond covenants; (3) shall be subject to the rights of the United States government in the Intellectual Property, when applicable; and (4) may reserve other appropriate rights, including for the University to authorize other educational and research entities to use the University's Intellectual Property in support of their non-commercial research and educational activities.

- D. Modifications.** The President shall have authority to modify (with the Chancellor’s approval) this policy from time-to-time as experience deems appropriate or to comply with changes in applicable laws and regulations.
- E. Intellectual Property Committee.** The Vice President for Research, shall, in consultation with the University Senate, appoint a University Intellectual Property Committee. The Committee shall be an advisory committee, and shall be constituted with a majority of faculty members, a minimum of two students, and representatives from non-academic University departments that are involved in intellectual property issues (e.g., University Libraries, Research Administration, and Technology Commercialization and the Office of the Senior Vice President and Provost). A representative of the Office of General Counsel shall serve as an *ex-officio* member of the Committee. The President and Vice President for Research may consult the Committee on Intellectual Property matters, ask it to review and recommend revisions to this policy, and request its advice on the resolution of disputes arising under or on matters not addressed by this policy. Whenever the Committee considers this policy’s application in order to advise the President about specific intellectual property, the creator(s) of the intellectual property may make a written and/or oral presentation to the Committee.
- F. Reporting.** The Vice President for Research shall report annually to the President and Senior Vice President and Provost on intellectual property activities at the University. The report shall include data for the preceding year on waivers, releases of Intellectual Property to the public domain, patent applications, patent awards, licenses, and start-up companies, distinguishing, when appropriate, between Maryland-based companies and those outside the State; data on revenue and expenditures associated with the University’s technology transfer program and suggested changes to the Policy. In turn, the President shall report annually to the Chancellor and the Board of Regents as required by Section XIII of the *USM IP Policy*.

IV. Ownership of Intellectual Property

A. Traditional Scholarly Works

1. Under U.S. copyright law, the University holds the copyrights (as “works made for hire”) in copyrighted works authored by personnel who are acting within their scope of employment. Otherwise, the University does not hold the copyright in works, unless the copyright has otherwise been transferred to the University by law or contract.
2. In light of the foregoing default, the University hereby transfers any copyrights it holds in Traditional Scholarly Works to the personnel who authored those works—subject to the following conditions and exceptions:
 - a) **Reservation of Rights.** When the University transfers copyrights in Traditional Scholarly Works to a faculty member under this policy, it reserves the nonexclusive right to use Traditional Scholarly Works for educational or administrative purposes consistent with its educational mission and academic norms.
 - b) **Exceptions.** The University does not, under this policy, transfer its copyrights in Traditional Scholarly Works:
 - i. that are required as deliverables under any contract to which the University is a party; or
 - ii. when the transfer would breach a contract or be contrary to law or

- regulation; or
 - iii. that are specifically commissioned by the University or are created as part of an administrative assignment to, for, or on behalf of the University; or
 - iv. that have been created with the support of Significant University Resources.
3. **Students.** Students hold the copyrights in Traditional Scholarly Works they author, unless they have authored works as personnel or transferred their copyrights in writing to the University or other entity.
 4. **Collaborative and Joint Works.** When people collaborate to author a copyrighted work, it often results in a “joint work” in which all the creators jointly hold nonexclusive rights to use the work. Personnel and Students who collaborate with each other or with non-University third-parties (e.g., volunteers, visitors, and other collaborators) to create Traditional Scholarly Works are encouraged to describe or determine, in writing, the disposition of copyright prior to authoring the work.

B. Administrative Works

1. Under U.S. copyright law, the University holds the copyright (as “works made for hire”) in Administrative Works.
2. The University may allow Personnel and Students access to and use of an Administrative Work under appropriate terms.

C. On-Line Courses, Programs and Materials

1. On-Line Courses, Programs and Materials shall be developed pursuant to written agreements between the University and any necessary personnel, students and/or collaborators.
2. Such agreements must, at a minimum, grant the University a royalty-free right to use On-Line Courses, Programs, and Materials for University purposes.
3. Such written agreements shall also address the following issues:
 - a) how the On-Line Courses, Programs and Materials will be developed and any support (including financial, technical, staff and third-party copyright permissions/use) that any party will provide; and
 - b) how the On-Line Courses, Programs and Materials will be used, administered, taught, evaluated and modified; and
 - c) how the copyrights will be owned and exercised; and
 - d) the parties’ rights to use the On-Line Courses, Programs, and Materials for purposes (whether commercial or non-commercial) other than the purposes for which they were originally created.
4. The revenue sharing provisions of Section VI will not apply to On-Line Courses, Programs and Materials unless the Provost expressly approves their application in writing.

D. Inventions, Software, Research Data and Tangible Research Materials.

1. All rights, title and interest in Inventions, Software, Research Data and Tangible Research Materials shall be owned by the University when they are created, conceived or reduced to practice under one or more of the following conditions:
 - a) In the course of research or creative activities carried on by, or under the direction of, Personnel within their Scope of Employment, regardless of when or where the research occurs; or
 - b) In the course of Sponsored Research activities and other research, creative, or other activities administered by the University, supported by University funds or by funds controlled or administered by the University or an affiliated foundation of the University, or under a contract requiring University ownership; or
 - c) In whole or in part, by personnel or collaborators using Significant University Resources.
2. Students will own all rights, title and interests in Inventions, Software, Research Data and Tangible Research Materials they create, conceive or reduce to practice in the performance of academic course work regardless of the resources they use.
 - a) Under certain limited circumstances, students may be asked to assign their rights in Intellectual Property to the University or a third party in exchange for participating in a particular group project in a course. In this circumstance, any students who object to making such an assignment should be given without penalty an option of taking part in another project that does not require assignment of their Intellectual Property rights.
 - b) Notwithstanding any other language in this policy to the contrary, if Students are granted access to the proprietary data or information of a research sponsor in connection with academic course work, ownership and the right to use that information and derivative data shall be governed by the agreement between the research sponsor and the University.

E. Trademarks and Service Marks

1. All trademarks and service marks used to identify the University, its programs, goods, or services, shall be owned and managed by the University.
2. The University will develop guidelines for:
 - a) the registration and protection of University trademarks and service marks, their commercialization, and the distribution of any resulting revenue; and
 - b) the use of University trademarks and service marks by Personnel, Students, student organizations and departments and units of the University in connection with non-commercial activities.

F. Acquisition of Intellectual Property. The University may acquire title to or rights in Intellectual Property by assignment, license, gift, bequest, or any other legal means. The appropriate administrative offices, depending on the purpose of the acquisition, must be consulted prior to any such acquisition, and applicable processes must be followed.

V. Responsibilities

- A. **Protection of University's Interests.** Personnel hereby irrevocably assign to the University all rights, title and interest in intellectual property that is owned by the University under this policy. Personnel engaged in consulting and other activities with third parties must ensure their activities and agreements with such third parties are not in conflict with this policy or other University commitments, including use of Online Programs, Courses and Materials in a manner that competes with University offerings.
- B. **Duty to Disclose and Cooperate.** Personnel, Students and other collaborators who make use of University facilities and resources have an obligation to disclose all Intellectual Property that is or may be owned by the University to the OTC, and to reasonably cooperate with the OTC's Intellectual Property management efforts on the University's behalf.
- C. **OTC Responsibilities.** The OTC has the day-to-day responsibility to manage University-owned Intellectual Property that may be appropriate for formal protection and/or commercialization, or release to the public domain and/or open source licensing. The OTC works in consultation with creators, reports to the Vice President for Research, and is supported by the Office of General Counsel.
- D. **Retention and Use of Research Data and Tangible Research Materials.** University-owned Research Data and Tangible Research Materials and related information must be retained by the University to meet its legal and contractual obligations. The director of the lab where they originated or the principal investigator of the project through which they were developed serves as custodian of those data and materials on behalf of the University. Students have a right to publish in their dissertation or thesis information about University-owned Intellectual Property that students created either individually or jointly with others. The custodian of University-owned Intellectual Property may allow students who authored or created University-owned Intellectual Property to publish information about that Intellectual Property outside of their dissertation or thesis and/or to receive a copy of University-owned Research Data and Tangible Research Materials under such terms as are appropriate.

VI. Revenue

- A. **Distribution.** The University shall distribute cash revenue as follows:
 - 1. **First \$5,000**
100% to the Creator(s);
 - 2. **An amount equal to the University's unreimbursed patent costs**
100% to the University (OTC);
 - 3. **The next \$100,000**
25% to the Creator(s)
25% to the University (OTC)
50% to the Department/Research Unit where the research was conducted;
 - 4. **All additional revenue**
28% to the Creator(s)
32% to the University (OTC)
35% to the Department/Research Unit where the research was conducted

5% to the Dean of the College or School where the intellectual property originated.

OTC shall distribute cash revenue annually.

- B. Review.** The revenue distribution provisions shall be reviewed at least every five years and modified if necessary.
- C. Equity.** Consideration for a license may include equity in a business. If equity is liquidated, the proceeds shall be treated and distributed as revenue. Equity will be held, liquidated, or directly distributed to creators (to the extent permitted by law) at the discretion of the University. Neither OTC nor creators will control the timing and terms of the liquidation of such equity received by the University. The Office of the Vice President for Administration and Finance will manage the disposal of equity held by the University. Equity holding and trading is subject to applicable laws and policies, including those that regulate securities, ethics, and conflicts of interests.
- D. Distribution to Multiple Creators.** In the case of multiple creators, their share of revenue will be divided and distributed among them to reflect their relative intellectual contributions to the creation of the Intellectual Property, as specified in the written disclosure submitted to the OTC or, when the disclosure form does not differentiate the level of contribution made by creators, the share to creators will be distributed equally among them.
- E. Revenue Received from Commercialization of Administrative Works.** In those rare circumstances when Administrative Works have commercial potential, the University shall determine whether or not to attempt commercialization, and how resulting revenue, if any, shall be distributed.
- F. Alternative Distribution.** Requests to distribute revenue other than as set forth in this Section VI will be processed as waiver requests under Section III.B.

VII. Granting Rights to Creators

- A.** At the request of one or more creators and subject to applicable laws and policies, the University may, in its sole discretion, license or assign its rights in specific University-owned Intellectual Property to the creators of that Intellectual Property when such an action is deemed in the best interest of the University. In deciding whether to license or assign University-owned Intellectual Property to some or all of the creators, the OTC will take into account their technical and business acumen to commercialize the Intellectual Property and their demonstrated compliance with University conflict of interest policies and State Ethics laws.
- B.** The OTC will attempt to consult with all creators before making any such license or assignment, but need not obtain their approval. When Intellectual Property is assigned or licensed to fewer than all the creators, the non-participating creators will share in any revenue received by the University under Section VI, and the participating creators shall waive their right to share in revenue received by the University under Section VI.
- C.** The University shall condition the license or assignment of University-owned Intellectual Property to creators on their reimbursement to the University of any out-of-pocket expenses it has

incurred prior to the date of the license or assignment and payment of a royalty, issuance of an equity interest or other consideration by the creators.

- VIII. Definitions:** The terms defined in this Section are given the following special meanings in this policy.
- A. Administrative Works:** All copyrighted works other than Traditional Scholarly Works created by personnel in their scope of employment.
 - B. Author:** Someone who contributes original expression to a copyrighted work as determined under U.S. copyright law.
 - C. Copyrighted Work:** An original work of authorship fixed in any tangible medium of expression.
 - D. Creator:** Anyone subject to this policy who is either (1) an author, or (2) an inventor.
 - E. Intellectual Property:** Traditional Scholarly Works, Administrative Works, On-Line Courses, Programs and Materials, Inventions, Software, Research Data, Tangible Research Materials, Trademarks and Service Marks, and legal rights to the same.
 - F. Invention:** Any potentially patentable new and useful process, machine, manufacture or composition of matter or any new and useful improvement to the same.
 - G. Inventor:** Someone who contributes to the conception of a potentially patentable invention as determined under U.S. patent law.
 - H. On-Line Programs, Courses and Materials:** Academic programs that have sought and received the necessary approvals to be principally taught as an on line degree program and the related courses and course content and/or massive open online courses sponsored by the University.
 - I. Personnel:** Individuals who receive a salary or other consideration from the University for performance of services, part-time or full time. University employees with less than a full year (e.g., 9-month) appointment shall be considered personnel for actions undertaken during their period of appointment. Students who receive wages for working on a University-administered scope of work or project are personnel when acting within the scope of that employment. Personnel also include University consultants, visitors and others using University resources.
 - J. Research Data:** Recorded information, regardless of the form or medium of recordation, including writings, films, sound recordings, pictorial reproductions, drawings, designs, other graphic representations, procedural manuals, forms, diagrams, flow charts, equipment descriptions, data files, statistical data that are commonly accepted in the scientific community to validate research findings.
 - K. Revenue:** Consideration paid in cash or equity by a third party in exchange for specific rights in specific University-owned Intellectual Property. Revenue does not include research support in

any form (e.g., sponsored research agreements, restricted grants, or unrestricted grants), tuition income, or reimbursement for patent costs of University-owned and University-licensed intellectual property.

- L. Scope of Employment:** All activities related to the field or discipline of the faculty member's appointment, including the general obligation of a faculty member to teach, to engage in creative work and conduct research, or related to the employment responsibilities of non-faculty Personnel, and for which Personnel receive compensation from the University, where compensation is any consideration, monetary or otherwise, including but not limited to, title and the ability to use University resources.
- M. Significant University Resources:** Funds received by the University or an affiliated foundation or corporation under a contract or grant, direct or indirect support from other funds administered by the University or an affiliated foundation or corporation, assistance of Personnel or students from outside one's home department or unit; assistance of Personnel or students in one's home department or unit or specialists (e.g., graphic designers, instructional designers, multimedia and other specialists) beyond the level of support that is generally provided to Personnel in one's home department or unit. In general, salary, office space, use of University Libraries, personal computers and facsimile machines that are customarily provided campus wide or are typically made available to all Personnel in one's home department will not qualify as Significant University Resources.
- N. Software:** A computer program (including, without limitation, microcode, subroutines, and operating systems), regardless of form of expression or object in which it is embodied, together with any users' manuals and other accompanying explanatory materials and any computer database.
- O. Sponsored Research Agreements:** Grants, contracts, cooperative agreements, and other agreements under which research and development activities are carried out that are executed and/or administered by the University or an affiliated University foundation or corporation.
- P. Student:** Person enrolled in the University and fulfilling his or her academic and research requirements and responsibilities including, but not limited to, undergraduate, graduate, professional, non-degree, not-for-credit and visiting student.
- Q. Tangible Research Materials:** Models, machines, devices, designs, computer programs and other software, cell lines, apparatus, instrumentation, circuits, antibodies, recombinant materials, laboratory animals, chemical compounds, compositions, formulations, plant varieties that comprise University Intellectual Property.
- R. Traditional Scholarly Works:** Original copyrightable works authored by Personnel in connection with their teaching, research, professional activities or scholarship, or authored by Students in the performance of their academic requirements and activities, including course work, dissertations, and theses. Traditional scholarly works include but are not limited to courses, course syllabi, course materials, lecture notes, literary works, non-fiction books, textbooks, professional articles and presentations, musical scores and libretto, dramatic and choreographic works, photographic, graphic, sculptural and architectural works, films, other audiovisual works,

sound recordings, models, and designs.

S. University: The University of Maryland, College Park.

IX. EFFECTIVE DATE: This policy will be effective beginning _____ (“Effective Date”) and will apply to all Intellectual Property disclosed to the University on or after the Effective Date, unless otherwise agreed by the University and all Creators of the Intellectual Property (or the heir or assignee of any Creator’s share of Revenue).

Unless otherwise agreed in writing by inventors or creators of Intellectual Property (or the heir or assignee of an individual inventor’s or creator’s share of revenue) and the University: (1) the former *University of Maryland Intellectual Property Policy* (IV-3.20A approved by the President on March 13, 2003 and approved by the Chancellor on July 18, 2005) applies to all Intellectual Property disclosed to the University on or after May 1, 2005; (2) the former *University of Maryland Interim Intellectual Property Policy* applies to Intellectual Property disclosed to the University from July 1, 2002, through April 30, 2005; (3) the former *University System of Maryland Patent Policy* applies to inventions that were disclosed to the University from May 31, 1990 through June 30, 2002; (4) the former *University System of Maryland Copyright Policy* applies to copyrighted works that were disclosed to the University from May 31, 1990 through June 30, 2002, and (5) the *University of Maryland College Park Procedures on Patent and Technology Transfer* applies to copyrighted works and inventions that were disclosed to the University from May 31, 1990 through June 30, 2002. (The Patent Policy is available online at <http://www.usmh.usmd.edu/Leadership/BoardOfRegents/Bylaws/SectionIV/IV300.html>. The Copyright Policy is available online at <http://www.usmh.usmd.edu/Leadership/BoardOfRegents/Bylaws/SectionIV/IV310.html>. Copies of the 2005 Intellectual Property Policy, the Interim Intellectual Property Policy, and the College Park Procedures on Patent and Technology Transfer are available from the OTC or Office of General Counsel.

IV-3.20(A) UNIVERSITY OF MARYLAND POLICY ON INTELLECTUAL PROPERTY

Approved by the President on March 13, 2003; Approved by the Chancellor on July 18, 2005

INTRODUCTION

The primary mission of universities is to advance, preserve, and disseminate knowledge. The University of Maryland has established this policy on intellectual property to: (1) assure that the benefits of University research and scholarship, which include intellectual property, are fairly and fully disseminated to benefit the public, (2) create an environment that encourages and recognizes the creative efforts of faculty, students and personnel, and (3) generate resources to support the University's primary mission.

I. PURPOSE

The purpose of this policy is to set forth the terms, conditions, and procedures whereby the University, Personnel and Students establish and maintain their interests in intellectual property created by or used at the University, taking into account intellectual property laws governing patents, copyrights, trademarks, and other forms of intellectual property. This policy governs the ownership and protection of such property at the University.

II. EFFECTIVE DATE

This policy will be effective beginning May 1, 2005 ("Effective Date"). It will apply to all intellectual property disclosed to the University on or after the Effective Date, unless otherwise agreed by the University and all creators of the intellectual property (or the heir or assignee of any creator's share of Revenue).

III. DEFINITIONS

The terms defined in this Section are given the following special meanings in this policy and appear capitalized throughout.

- A. Approved On-Line Studies Programs.** Academic programs that have sought and received the needed approvals from the responsible, officially designated University entities including, for example, individual college, senate, graduate school, and campus finance committees.
- B. Course Materials.** The fixed expression of ideas and resources that are used in a course and designed to explain course content, illustrate course concepts,

illuminate portions of a course, and convey the content of the course as a means for achieving course goals.

- C. Intellectual Property.** The intangible value developed by human creativity that is protected by the legal mechanisms of patents, trademarks, copyrights, service marks, trade secrets, mask works, computer programs and software and plant variety protection certificates and the physical embodiments of such human creativity.
- D. On-Line Studies.** A planned and directed teaching/learning process that extends learning to learners in a location separate from the instructor with the use of such technology as video, audio, satellite, computer, and multimedia communications. On-Line Studies may be the primary or supplementary means of learning.
- E. On-Line Studies Materials.** Course Materials that have been developed and are used in Approved On-Line Studies Programs or in courses approved by the University for On-Line Studies.
- F. Mask Work.** A series of related images representing a predetermined, three-dimensional pattern of metallic, insulating, or semiconducting layers of a semiconductor chip product.
- G. Personnel.** All University employees, full-time and part-time, including Student Employees, acting within their Scope of Employment, and other persons holding visiting or post-doctoral appointments or positions.
- H. Resources Beyond Those Usually and Customarily Provided.** Laboratories, research and other equipment that are purchased, in whole or in part, with funds administered or received by the University or an affiliated foundation or corporation of the University or that are not provided generally to all University faculty and all departments. In general, office space, library facilities and resources, personal computers, a minimal amount of unrestricted funds, and minimal use of significant University facilities, such as laboratories and equipment, will not qualify as Resources Beyond Those Usually and Customarily Provided.
- I. Revenue.** Consideration paid in cash or equity by a third party in exchange for specific intellectual property rights. Revenue does not include research support in any form (e.g., sponsored research agreements, restricted grants, unrestricted grants, or equity), tuition income, and contract income received by the University including contract income received in lieu of tuition.

- J. Scope of Employment.** All activities related to the employment responsibilities of non-faculty Personnel and all University activities related to the field or discipline of the appointment of faculty Personnel (including the general obligation of faculty Personnel to teach, to do creative work, to conduct research, and to participate in matters related to University governance and administration) for which Personnel receive compensation from the University, where compensation is any consideration, monetary or otherwise, including but not limited to title and the ability to use University resources.
- K. Sponsored Research Agreements.** Grants, contracts, cooperative agreements, and other agreements under which research and/or development activities are carried out, and other agreements administered by the University or to which an affiliated University foundation or corporation is a party and that relate to Intellectual Property created under the agreement.
- L. Student Employee.** A Student who is also a University employee acting within the Scope of Employment.
- M. Students.** Persons enrolled in the University and acting within the course of their academic work, including, but not limited to, undergraduates, graduate and professional students, non-degree students, and not-for-credit students.
- N. System Institution.** A constituent institution of the University System of Maryland (other than the University of Maryland, College Park); the University of Maryland Biotechnology Institute, the University of Maryland Center for Environmental Science, or the University System of Maryland Office.
- O. Tangible Research Property.** The physical embodiments of intellectual effort such as models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, biological materials, chemicals, other compositions of matter, plants, records of research, and research data.
- P. Technology Mediated (Enhanced) Courses.** Academic courses in which electronically mediated Course Materials supplement the primary means of learning.
- Q. Technology Mediated (Enhanced) Course Materials.** Course Materials that are electronically designed and supplement the primary means of learning.
- R. University.** The University of Maryland, College Park.

- S. Written Agreement.** Sponsored Research Agreements, gift agreements, direct assignments, employment agreements and other agreements executed by the University or an affiliated University foundation or corporation.

IV. GENERAL PROVISIONS

The following general principles and rules are in effect and shall control the administration of rights in Intellectual Property.

- A. Scope of Application.** All Personnel and Students shall comply with this policy, as amended from time to time. This policy shall be included in paper and electronic versions of *University Policies and Procedures* and the Undergraduate and Graduate catalogs or their successor publications.
- B. Protection of University Interests.** Personnel and Students may not:
1. Sign agreements or other documents (e.g., invention reports, licenses, patent assignments, material transfer agreements, and confidential disclosure agreements) or take any other action on behalf of the University unless they are authorized agents of the University; and/or
 2. Sign agreements or other documents that abrogate any rights of the University; and/or
 3. Make unauthorized use of the name, trade marks, or service marks of the University; and/or
 4. Transfer material relating to Intellectual Property to third parties, except pursuant to a properly authorized Material Transfer Agreement.

In cases where Personnel or Students take such actions, the University is not bound to honor the action or agreement.

- C. Acquisition of Ownership in Intellectual Property by University.** The University may acquire ownership or use of Intellectual Property by assignment, license, gift, bequest, or any other legal means. The University shall administer such Intellectual Property in accordance with this policy unless otherwise required by the terms of the acquisition.
- D. Administration of Non-University Owned Intellectual Property.** At the request of the owner, the University may, but is not obliged to administer Intellectual Property that it does not own. In such cases, this policy shall govern

the administration unless the University agrees otherwise in writing.

E. Interests in Products of Sponsored Research. The following provisions will be included in Sponsored Research Agreements.

1. Sponsored Research Agreements shall provide that all Intellectual Property developed by Personnel or Students under such agreements and all Intellectual Property rights therein shall belong to the University unless an exception or waiver is granted in accordance with Section IV.F.
2. Any Sponsored Research project that is funded, in whole or in part, by a federal agency is subject to specific federal statutes and regulations. Those regulations require the University to disclose all such Intellectual Property to the federal agency and generally allow the University to elect title to any Intellectual Property that is developed, conceived of or first actually reduced to practice in the performance of federally funded research, subject to the government's rights, which include reservation of a nonexclusive license to use the Intellectual Property world-wide for government purposes.
3. Sponsored Research agreements will grant the Sponsor a nonexclusive, nontransferable, royalty-free license to use University Intellectual Property for internal research purposes.

F. Waivers. The University may grant a waiver of any provision of this policy, including provisions granting the University ownership of Intellectual Property, on a case-by-case basis upon the principle investigator's submission of a written request. This request shall be accompanied by a statement of support from the department chair or unit head and college dean to the Office of Research Administration and Advancement for review and forwarding to the Office of the Vice President for Research for decision. A waiver may be granted when it is determined it is in the best interests of the University and technology transfer, is not inconsistent with University obligations to third parties, and will not result in a conflict of interest. Any waiver of the University's ownership of Intellectual Property shall retain for the University, at a minimum, a royalty-free right to use and reproduce Intellectual Property for University research and educational purposes, will be consistent with applicable private use restrictions, including bond covenants, and will be included in the President's annual report to the Chancellor and the Board of Regents.

G. Authority to Administer Policy. The President of the University has the authority and responsibility to implement and coordinate the application of this

policy. Subject to other provisions of this policy and applicable law, the President or his designee, the Vice-President for Research, may enter into agreements with respect to the ownership, licensure and disposition of Intellectual Property, the disposition of royalty income, the resolution of disputes, and other matters related to Intellectual Property in which the University has an interest under this policy. The President may seek legal protection in Intellectual Property under copyright, trademark, patent and other applicable laws. The President may enforce, defend, manage, and take any action relevant to the University's Intellectual Property rights that is necessary for the proper administration of this policy.

- H. Intellectual Property Committee.** The President or his designee, the Vice-President for Research, shall, in consultation with the Senate, appoint a University Intellectual Property Committee which reports to the Vice-President for Research. The Committee shall be constituted with a majority of faculty members, a minimum of two students, and representatives from non-academic University departments that are involved in intellectual property issues (e.g., University Libraries, Research Administration and Advancement, and Technology Commercialization). University Counsel shall serve as an ex-officio member of the Committee. The Committee will identify educational needs of Personnel and Students on matters of Intellectual Property and assist in preparing and updating educational materials about such matters. The President or Vice-President for Research may consult the Committee on Intellectual Property matters, ask it to review and recommend revisions to the policy, and request its advice on the resolution of disputes arising under this policy. Whenever the Committee considers this policy's application in order to advise the President about specific Intellectual Property, the creator(s) or inventor(s) of the Intellectual Property or a representative may make a written presentation and oral presentation to the Committee.

V. COPYRIGHTS

Ownership and rights under copyright and the respective responsibilities of Personnel, Students and the University with regard to copyrightable works generally are set forth below. Ownership of software and computer programs is addressed separately in Section VII. Copyright in On-Line Studies Programs, On-Line Studies Program Materials, Technology-mediated (Enhanced) Courses, and Technology-mediated (Enhanced) Course Materials is addressed in Section VIII.

- A. Ownership.** Ownership and rights under copyright in copyrightable works are assigned between creators and the University as follows:
1. Creators' Ownership:

- (a) Personnel. Personnel shall own works and all rights under copyright in works they create that are not otherwise subject to University ownership under Section V.A.2 below.
- (b) Students. Students shall own works and all rights under copyright in works they create as part of their University academic and research activities, whether or not they use Resources Beyond Those Usually and Customarily Provided, provided the works are not otherwise subject to exclusive University ownership or joint ownership with the University under Section V.A.2 below.
- (c) Notice and Approval. In some situations involving the use of Resources Beyond Those Usually and Customarily Provided, the ownership by Personnel and Students of copyrightable works and rights therein will depend upon their satisfaction of the notice and approval requirements set forth in Section V.C. below.

2. University's Ownership:

- (a) Works Created by Non-faculty Personnel. The University shall own all works and all rights under copyright in works created by non-Faculty Personnel within the Scope of Employment.
- (b) Works Created Under Sponsored Research Agreements. The University shall own all works and all rights under copyright in works that Personnel or Students are required to produce under Sponsored Research Agreements and in all data and records that are created or collected under Sponsored Research Agreements.
- (c) Works Created Under Written Agreements Other than Sponsored Research Agreements. The University shall own all works and all rights under copyright in works created by Personnel or Students as stated in Written Agreements Other than Sponsored Research Agreements.
- (d) Works Created Using Resources Beyond Those Usually and Customarily Provided. Subject to Section V.C., the University shall own all works and all rights under copyright in:
 - i. Works created by Personnel require using Resources Beyond Those Usually and Customarily Provided; and

- ii. Works created by Students using Resources Beyond Those Usually and Customarily Provided when the works are not created as part of their University research and academic activities.
- (e) Works of Administration. The University owns all works and all rights under copyright in works created by Personnel in connection with University committees and administrative responsibilities.

B. Right to Use Copyrightable Works for Research and Education. The University shall have the right to use copyrighted works owned and created by Personnel and Students with the use of Resources Beyond Those Usually and Customarily Provided for University research and educational purposes. The University will execute a Written Agreement with Personnel or Students if it desires to secure additional rights in such copyrightable works or if it desires to secure rights in other copyrightable works owned by Personnel or Student.

C. Notice and Approval Requirements to Use Resources Beyond Those Usually and Customarily Provided. Personnel and Students may acquire ownership and copyright in works that the University will generally own under this policy because the works have been created with the use of Resources Beyond Those Usually and Customarily Provided under the following conditions:

1. Personnel and Students will submit a written request to the appropriate department chair or unit head for approval to use Resources Beyond Those Usually and Customarily Provided and to own works and copyright therein created with the use of Resources Beyond Those Usually and Customarily Provided prior to using those resources. The written request will:
 - (a) Describe the basis for the request; and
 - (b) Identify the resources desired to be used; and,
 - (c) Propose a schedule for using the resources.
2. The department chair or unit head will review the request and may grant approval to use Resources Beyond Those Usually and Customarily only by written agreement. The written approval will:
 - (a) Describe the basis for the approval; and

- (b) Identify the resources to be used; and
- (c) Establish a schedule for using the resources and describe any special conditions attached to using the resources; and
- (d) Acknowledge the creator's ownership of the work and copyright in the work; and
- (e) Grant the University, at a minimum, a non-exclusive, nontransferable, royalty-free right and license to exercise copyright in the work in support of University research and educational purposes; and
- (f) Describe the obligation, if any, of the creator to acknowledge the contributions of the University; and,
- (g) Establish a schedule to reimburse the University for costs it has incurred to provide Resources Beyond Those Usually and Customarily Provided when the department chair or unit head determines reimbursement is appropriate.

When the Scope of Employment of Non-faculty Personnel routinely involves or requires the use of Resources Beyond Those Usually and Customarily Provided, the employment agreement will satisfy the requirement of written approval under this Section.

3. The University shall have the right to claim ownership of works and all rights under copyright in works Personnel and Students create with the use of Resources Beyond Those Usually and Customarily Provided when prior written approval to use those Resources is required but not granted by the department chair or unit head.
4. Personnel and Students who have questions whether a project involves the use of Resources Beyond Those Usually and Customarily Provided should consult the department chair or unit head.

D. Responsibilities of Personnel and Students. To enable the University to comply with its responsibilities under Written Agreements, enhance the use of copyrightable works to benefit the public and protect the rights of Personnel and Students to share in Revenue under this policy, Personnel and Students will observe and take the following steps and procedures:

1. Disclosure of Copyrightable Works:

(a) When Required. Personnel and Students shall make a full and timely written disclosure to the Office of Technology Commercialization of copyrightable works they have created when:

- i. The works have been created, in whole or in part, with federal funding; or,
- ii. The University owns the works, whether exclusively or jointly, under this Section V. When uncertain about the University's ownership of copyrightable works, Personnel and Students shall make a disclosure.

(b) Content of the Disclosure. The written disclosure shall:

- i. Identify all persons who qualify as creators and specify their relative contributions to the creation of works. If disagreement exists regarding the creative status of an individual or the relative creative contribution of an individual to the creation of works and the matter cannot be resolved informally, it will be submitted to the Director of the Office of Technology Commercialization for referral and resolution by the University Intellectual Property Committee; and,
- ii. Describe the works; and,
- ii. Provide the date the works were created; and
- iii. Identify any publications of the works that have been made and the date and nature of those publications; and
- iv. Present the creators' confidential recommendation, developed in consultation with the department chair or unit head, whether the University should place the works in the public domain. The recommendation should address the commercial value, marketability, benefit to the public of releasing the works to the public domain, projected useful life of the works, and other relevant considerations.

A University of Maryland Intellectual Property Disclosure is available for this purpose in the Office of Technology Commercialization.

2. Execution of Documents:

For works the University owns and/or in which it holds rights under copyright under this policy, Personnel and Students shall, upon request, execute promptly all documents the University deems appropriate to effect, prove or benefit from its ownership and rights. The failure of Personnel and Students to execute such documents may disqualify them from receiving revenue that they might otherwise qualify to receive under Section XI of this policy.

3. Joint Ownership:

When works are jointly owned by creators and the University, neither shall exercise any rights under copyright in such works for any purpose other than internal University uses without the prior written agreement of the others. The Office of Technology Commercialization shall be responsible to negotiate and execute such written agreements on behalf of the University.

4. External Collaborations:

The participation of Personnel and Students in external collaborations is limited by Section IV.B of this policy and the Board of Regents Policy on Professional Commitment of Faculty, BOR II-3.10, as amended from time to time.

5. Fair Use of Copyrighted Materials:

All Personnel and Students are responsible for complying with University guidelines on the fair use of copyrighted material and all requirements of copyright law, including obtaining permissions to use copyrighted material when required.

E. Responsibilities of the University. The University shall assume and perform the following responsibilities in connection with the evaluation, commercialization and assignment of ownership of copyrightable works and sharing of Revenue.

1. Commercialization by University:

- (a) Timely Evaluation. The University shall evaluate copyrightable works disclosed in accordance with Section V.D.1 with reasonable promptness and in good faith. In consultation with the creator(s), the University shall decide whether to place copyrightable works in the public domain, whether *to* register its copyright in such works and/or whether and how to commercialize them. The University may decide in its sole discretion, at any time not to register copyright and/or to commercialize any copyrightable works it owns.
- (b) Timely Information to Creators. The University shall consult creators in a timely manner prior to making substantive decisions regarding the placement of works in the public domain and the protection, commercialization and/or disposition of copyrightable works disclosed in accordance with Section V.D.1 and shall advise them of the final decision on such matters. The University may treat terms in agreements that constitute proprietary business information as confidential in accordance with applicable law. The University shall notify creators promptly of any decision it makes not to register or commercialize the works.

2. License to Creators to Commercialize:

The University, at its discretion and consistent with the public interest, may license copyrightable works to creators on an exclusive or non-exclusive basis, provided the creators demonstrate technical and business capability to commercialize the works. Agreements with creators shall be subject to review and approval of conflict of interest issues in accordance with applicable University policy.

3. Assignment of Ownership to Creators:

The University may assign, upon its own initiative or the written request of creators, any or all of its rights in copyrightable works it owns to their creators as allowed by law and subject to preexisting rights of third parties, including sponsors, the federal government and other institutions with ownership rights, provided the University retains, at a minimum, the right to use copyrightable works for University educational and research purposes on a perpetual, royalty-free, non-exclusive basis. The University may retain additional rights and may condition the assignment on other

terms and conditions such as Revenue sharing with the University or reimbursement to the University of costs it may have incurred in the creation or protection of the work.

4. Sharing Revenue with Creators:

The University shall remit to creators or their assignees or heirs the creators' share of Revenue derived from the commercialization of copyrightable works they created in accordance with Section XI.A of this policy.

- F. Use of Copyrighted Materials.** Personnel and Students shall not exercise any rights under copyright in works created and owned by third parties unless the work is in the public domain, they have obtained the prior written permission of the holder of copyright in the works, or the proposed use of the works qualifies as a fair use or other authorized use under copyright law. The University will develop guidelines regarding the lawful use of copyrighted works that will be made available to Personnel and Students in paper and electronic versions of *University Policies and Procedures* and the Undergraduate and Graduate catalogs or their successor publications and as an appendix to this policy.

VI. INVENTIONS AND PATENTS

The ownership of and rights to use and practice inventions and patents and the respective responsibilities of Personnel, Students and the University with regard to inventions and patents are set forth below.

- A. Ownership.** Ownership in inventions and patents are assigned between the inventor and the University as follows:

1. Inventors' Ownership:

- (a) Personnel. Personnel shall own all inventions and all rights, including those under patent law, in inventions that are not subject to University ownership under Section VI.A.2.
- (b) Students. Students shall own all inventions and all rights, including those under patent law, in inventions they create as part of their University academic and research activities, whether or not they use Resources Beyond Those Usually and Customarily Provided, provided the inventions are not otherwise subject to exclusive University ownership or joint ownership with the

University under Section VI.A.2.

- (c) Notice and Approval. In some situations involving the use of Resources Beyond Those Usually and Customarily Provided, ownership by Personnel and Students of inventions they develop or conceive of and rights therein will depend upon their satisfaction of the notice and approval requirements set forth in Section VI.C, below.

2. University's Ownership:

- (a) Inventions Created by Non-faculty Personnel. The University shall own all inventions and all rights, including those under patent law, in inventions created by non-faculty Personnel within the Scope of Employment.
- (b) Inventions Created Under Sponsored Research Agreements.
The University shall own all inventions and all rights, including those under patent law, in inventions reduced to practice or first conceived of in the performance of Sponsored Research Agreements and in all data and records that are related thereto.
- (c) Inventions Created Under Written Agreements Other than Sponsored Research Agreements. The University shall own all inventions and all rights in inventions, including those under patent law, created by Personnel and Students and in all data and records that are related thereto as stated in Written Agreements other than Sponsored Research Agreements.
- (d) Inventions Created Using Resources Beyond Those Usually and Customarily Provided. Subject to Section VI.C., the University shall own all inventions and all rights, including those under patent law, in:
 - i. Inventions created by Personnel using Resources Beyond Those Usually and Customarily Provided; and
 - ii. Inventions created by Students using Resources Beyond Those Usually and Customarily Provided when the inventions are not created as part of their University research and academic activities.

B. Right to Use Inventions and Patents for Research and Education.

The University shall have the right to use and practice inventions and patents owned and developed or conceived of by Personnel and Students using Resources Beyond Those Usually and Customarily Provided for University research and education purposes. The University will execute a Written Agreement with Personnel or Students if it desires to secure additional rights in such inventions and patents or to secure rights in other inventions and patents owned by Personnel or Students.

C. Notice and Approval Requirements to Use Resources Beyond Those Usually and Customarily Provided. Personnel and Students may acquire ownership and use rights in inventions and patents that the University will generally own under this policy because the inventions have been created using Resources Beyond Those Usually and Customarily Provided under the following conditions.

1. Personnel and Students will submit a written request to the appropriate department chair or unit head for approval to use Resources Beyond Those Usually and Customarily Provided and to own any inventions created with the use of Resources Beyond Those Usually and Customarily Provided and rights therein prior to using those resources. The written request will:
 - (a) Describe the basis for the request; and
 - (b) Identify the resources desired to be used; and
 - (c) Propose a schedule for using the resources.
2. The department chair or unit head will review the request and may grant approval to Personnel and Students to use Resources Beyond Those Usually and Customarily Provided only by written agreement. The written agreement will:
 - (a) Describe the basis for the approval; and
 - (b) Identify the resources to be used; and
 - (c) Establish a schedule for using the resources and describe any special conditions attached to their use; and
 - (d) Acknowledge the inventor's ownership of and rights to use inventions and patents that result from the use of Resources

Beyond Those Usually and Customarily Provided; and

- (e) Grant the University, at a minimum, a nonexclusive, nontransferable, royalty-free right and license to use and practice the inventions and patents for University research and educational purposes; and
- (f) Describe the obligation, if any, of the inventor to acknowledge the contributions of the University in the creation of the inventions and patents; and
- (g) Establish a schedule to reimburse the University for costs it has incurred to provide Resources Beyond Those Usually and Customarily provided when the department chair or unit head determines reimbursement is appropriate.

When the Scope of Employment of non-faculty Personnel routinely involves or requires the Use of Resources Beyond Those Usually and Customarily Provided, the employment agreement will satisfy the requirement of a Written Agreement under this Section.

- 3. The University shall have the right to claim ownership of inventions and patents Personnel and Students create with the use of Resources Beyond Those Usually and Customarily Provided when prior written approval to use those Resources is required but not granted by the department chair or unit head.
- 4. Personnel and Students who have questions whether a project requires prior University approval under this Section shall consult the department chair or unit head.

D. Responsibilities of Personnel and Students. To enable the University to comply with its responsibilities under Written Agreements, enhance the transfer of inventions and patents to the public's benefit, and protect the rights of Personnel and Students to share Revenue derived from the commercialization of inventions and patents, Personnel and Students will observe and satisfy the following procedures:

- 1. Disclosure of Inventions:
 - (a) When Required. Personnel and Students shall make a full and timely written disclosure to the Office of Technology

Commercialization of all inventions they have created when:

- i. The inventions have been created, in whole or in part, with federal funding; or,
- ii. The University owns the inventions, including patent rights, whether exclusively or jointly under this Section VI. When uncertain about the University's ownership in inventions, Personnel and Students shall make a disclosure.

(b) Content of the Disclosure. The written disclosure shall:

- i. Identify all persons who qualify as inventors and specify their relative contributions to the creation of the inventions. If disagreement exists regarding an individual's status as an inventor or the relative creative contribution of an individual to the creation of an invention and the matter cannot be resolved informally, it will be submitted to the Director of the Office of Technology Commercialization for referral and resolution by the University Intellectual Property Committee; and
- ii. Describe the inventions; and,
- iv. Provide the date the inventions were reduced to practice or first conceived; and
- v. Identify any publications that have been made about the inventions and the date and nature of such publications; and
- vi. Present the inventors' confidential recommendation, developed in consultation with the department chair or unit head, whether the University should place the inventions in the public domain. The recommendation should address the technical maturity, commercial value, marketability, benefit to the public of releasing the inventions, projected useful life of the inventions, and other relevant considerations.

A University of Maryland Intellectual Property Disclosure is available for this purpose in the Office of Technology

Commercialization.

2. Execution of Documents:

For inventions the University owns or in which it has a right to practice or use under this policy, Personnel and Student inventors, upon request, shall execute promptly all documents, including for example, assignments of rights in inventions, patents and patent applications, that the University deems appropriate to effect, prove or benefit from its ownership and rights. The failure of Personnel and Students to execute such documents may disqualify them from receiving Revenue they might otherwise be qualified to receive under Section XI of this policy.

3. Joint Ownership:

When inventions are jointly owned by the University and Personnel or Student inventors, neither shall exercise any rights in the inventions for any purpose other than internal University uses without the prior written agreement of the others. The Office of Technology Commercialization shall be responsible to negotiate and execute such Written Agreements on behalf of the University.

4. External Collaborations:

The participation of Personnel and Students in external collaborations is limited by Section IV.B of this policy and the Board of Regents Policy on Professional Commitment of Faculty, BOR II-3.10, as amended from time to time.

E. Responsibilities of the University. The University shall assume and perform the following responsibilities in connection with the evaluation, commercialization, and assignment of ownership of inventions, and sharing of Revenue.

1. Commercialization by University:

- (a) Timely Evaluation. The University shall evaluate inventions disclosed in accordance with Section VI.D.1 with reasonable promptness and in good faith. In consultation with the inventors, the University shall decide whether to place the inventions in the public domain, whether to seek patent or other legal protection in such inventions and the scope of any such protections to be sought, and/or whether and how to commercialize the inventions. The

University may decide, in its sole discretion, at any time not to pursue or to abandon the pursuit of patenting or commercializing any inventions it owns.

- (b) Timely Information to Inventors. The University shall consult inventors in a timely manner prior to making substantive decisions regarding placement of the inventions in the public domain, the protection, commercialization and/or disposition of inventions disclosed in accordance with Section VI.D.1 and shall advise them of the final decision on such matters. The University may treat terms in agreements that constitute proprietary business information as confidential in accordance with applicable law. The University shall notify inventors promptly of any decision it makes not to pursue or to abandon the pursuit of patenting or commercializing an invention.

2. License to Inventors to Commercialize:

The University, in its discretion and consistent with the public interest, may license inventions to the inventors on an exclusive or non-exclusive basis provided the inventors demonstrate technical and business capability to commercialize the inventions. Agreements with inventors shall be subject to review and approval of conflict of interest issues in accordance with applicable University policy.

3. Assignment of Ownership to Inventors:

The University may assign, upon its own initiative or the written request of the inventors, any or all of its rights in inventions the University owns to inventors as allowed by law and subject to preexisting rights of third parties, including sponsors, the federal government and other institutions with ownership rights, provided the University retains, at a minimum, a perpetual, royalty-free, nontransferable right to use and practice the inventions for University research and education purposes. The University may retain additional rights and may condition the assignment on other terms and conditions such as Revenue sharing with the University or reimbursement to the University of costs it may have incurred in connection with the creation and/or protection of inventions.

4. Sharing Revenue with Inventors:

The University shall remit to inventors, or their assignees or heirs, their

share of Revenue derived from the commercialization of inventions they created in accordance with Section XI.A of this policy.

VII. COMPUTER PROGRAMS AND SOFTWARE

The ownership of and rights to use computer programs and software and the respective responsibilities of Personnel, Students and the University with regard to computer programs and software are set forth below.

A. Ownership of Computer Programs and Software. Ownership of computer programs and software are assigned between the creators and the University as follows:

1. **Creators' Ownership:**

- (a) Personnel. Personnel shall own all rights, including those under copyright and patent law, in computer programs and software that are not subject to University ownership under Section VII.A.2.
- (b) Students. Students shall own all rights, including those under copyright and patent law, in computer programs and software they create as part of their University academic and research activities whether or not they use Resources Beyond Those Usually and Customarily Provided, provided the computer programs and software are not otherwise subject to exclusive University ownership or joint ownership with the University under Section VII.A.2 below.
- (c) Notice and Approval. In some situations involving the use of Resources Beyond Those Usually and Customarily Provided, ownership by Personnel and Students of computer programs and software they develop and rights therein will depend upon their satisfaction of the notice and approval requirements set forth in Section VII.C below.

2. **University's Ownership:**

- (a) Computer Programs and Software Created by Non-Faculty Personnel. The University shall own all rights, including those under copyright and patent laws, in computer programs and software created by Non-faculty Personnel in the Scope of Employment.

- (b) Computer Programs and Software Created Under Sponsored Research Agreements. The University shall own all rights, including those under copyright and patent laws, in computer programs and software required to be created by Personnel and Students under Sponsored Research Agreements.
- (c) Computer Programs and Software Created Under Written Agreements Other than Sponsored Research Agreements. The University shall own all rights, including those under copyright and patent laws, in computer programs and software created by nonfaculty Personnel and Students as stated in Written Agreements other than Sponsored Research Agreements and by Faculty Personnel, whether within or outside the Scope of Employment, only as stated in Written Agreements other than Sponsored Research Agreements.
- (d) Computer Programs and Software Created Using Resources Beyond Those Usually and Customarily Provided. Subject to Section VII.C, the University shall own all computer programs and software and all rights therein, including those copyright and patent law, in:
 - i. Computer programs and software created by Personnel using Resources Beyond Those Usually and Customarily Provided; and
 - ii. Computer programs and software created by Students using of Resources Beyond Those Usually and Customarily Provided when the computer programs and software are not created as part of their University academic and research activities.

B. Right to Use Computer Programs and Software for Research and Education. The University shall have the right to use computer programs and software owned and created by Personnel and Students using Resources Beyond Those Usually and Customarily Provided for University research and educational purposes. The University will execute a Written Agreement with Personnel or Students if it desires to secure additional rights in such computer programs and software or to secure rights in other computer programs and software owned by Personnel or Students.

C. Notice and Approval Requirements to Use Resources Beyond Those Usually and Customarily Provided. Personnel and Students may acquire ownership of computer programs and software and rights therein that the University will generally own under this policy because the computer programs and software have been created using Resource Beyond Those Usually and Customarily Provided under the following conditions:

1. Written Request:

Personnel and Students will submit a written request to the appropriate chair or unit head for approval to use Resources Beyond Those Usually and Customarily Provided and to own computer programs and software created with the use of Resources Beyond Those Usually and Customarily Provided prior to using those Resources. The written request will:

- (a) Describe the basis for the request; and
- (b) Identify the resources desired to be used; and
- (c) Propose a schedule for using the resources.

2. Written Approval:

The department chair or unit head will review the request and may grant approval to Personnel and Students to use Resources Beyond Those Usually and Customarily Provided only by written agreement. The written agreement will:

- (a) Describe the basis for the approval; and
- (b) Identify the resources to be used; and,
- (c) Establish a schedule for using of the resources and any special conditions attached to their use; and,
- (d) Acknowledge the creator's ownership of the computer programs or software and rights therein; and
- (e) Grant the University, at a minimum, a nonexclusive, nontransferable, royalty-free right and license to use the computer programs and software for University research and educational purposes; and

- (f) Describe the obligations, if any, of the creators to acknowledge the contributions of the University in the development of the computer programs and software; and
- (g) Establish a schedule to reimburse the University for costs it has incurred to provide Resources of Beyond Those Usually and Customarily Provided when the department chair or unit head determines reimbursement is appropriate.

When the Scope of Employment of Non-faculty Personnel routinely involves or requires the Use of Resources Beyond Those Usually and Customarily Provided, the employment agreement will satisfy the requirement of a written approval under this Section.

- 3. The University shall have the right to claim ownership of computer programs and software developed by Personnel and Students with the use of Resources Beyond Those Usually and Customarily Provided when prior written approval to use those Resources is required but is not granted by the department chair or unit head.
- 4. Personnel and Students who have questions whether a project requires prior University approval under this Section shall consult with the department chair or unit head.

D. Responsibilities of Personnel and Students. To enable the University to comply with its responsibilities under Written Agreements, enhance the transfer of computer programs and software to benefit the public, and protect the rights of Personnel and Students to share Revenue derived from the commercialization of computer programs and software, Personnel and Students will observe and satisfy the following procedures:

- 1. Disclosure of Computer Programs and Software:
 - (a) When Required. Personnel and Students shall make a full and timely written disclosure to the Office of Technology Commercialization —of all computer programs and software they have created when:
 - i. The computer programs and software have been created, in whole or in part, with federal funding; or,

- ii. The University owns the computer programs and software, whether exclusively or jointly, under this Section VII. When uncertain about the University's ownership rights, Personnel and Students shall make a disclosure.

(b) Content of Disclosure. The written disclosure shall:

- i. Identify all persons who qualify as creators and specify their relative contributions to the creation of the computer programs and software. If disagreement exists regarding an individual's status as a creator or the relative creative contribution of an individual to the creation of computer programs and software and the matter cannot be resolved informally, it will be submitted to the Director of the Office of Technology Commercialization for referral and resolution by the Intellectual Property Committee; and,
- ii. Describe the computer programs and software. A digital-time-stamped copy of the computer programs and software with appropriate annotations may be deposited with the disclosure; and,
- vi. Provide the date the computer programs and software were created; and
- v. Identify any publications that have been made of the computer programs and software and the date and nature of such publications; and
- vi. Present the creators' confidential recommendation, developed in consultation with the department chair or unit head, whether the University should release the computer programs and software in to the public domain. The recommendation should address the technical maturity, commercial value, benefit of a public release, marketability, and projected useful life of the computer programs and software and other relevant considerations.

A University of Maryland Intellectual Property Disclosure is available for this purpose in the Office of Technology Commercialization.

2. Execution of Documents:

For computer programs and software the University owns or has rights to use under this policy, the creators, upon request, shall execute promptly all documents including, for example, assignments of rights in the computer programs and software and in any patents, copyright registrations, or patent applications, that the University deems appropriate to effect, prove or benefit from its ownership or rights. The failure of Personnel and Students to execute such documents may disqualify them from receiving revenue they might otherwise be qualified to receive under XI.A of this policy.

3. Joint Ownership:

When computer programs and software are jointly owned by the University and the creators, neither shall exercise any rights in the computer programs and software for any purpose other than internal University uses without the prior written agreement of the others. The Office of Technology Commercialization shall be responsible to negotiate and execute such Written Agreements on behalf of the University.

4. External Collaborations:

The participation of Personnel and Students in external collaborations is limited by IV.B of this policy and the Board of Regents Policy on Professional Commitment of Faculty, BOR II-3.10, as amended from time to time.

E. Responsibilities of the University. The University shall assume and perform the following responsibilities in connection with the evaluation, commercialization, assignment of ownership of computer programs and software, and sharing of Revenue.

1. Commercialization by University:

(a) Timely Evaluation. The University shall evaluate computer programs and software disclosed in accordance with VII.D with reasonable promptness and in good faith. The University shall decide whether to release the computer programs and software to the public domain or whether and what kind of legal protection (copyright, patent or other) to seek for them, the scope of such protection, and whether and how to commercialize the computer

programs and software. The University may decide, in its sole discretion at any time, not to pursue or to abandon the pursuit of copyrighting, patenting, or commercializing computer programs and or software the University owns.

- (b) Timely Information to Creators. The University shall consult creators in a timely manner prior to making substantive decisions regarding the release to the public domain, protection, and commercialization of computer programs and software disclosed in accordance with VII.D and shall advise them of the final decision on such matters. The University may treat terms in agreements that constitute proprietary business information as confidential in accordance with applicable law. The University shall notify creators promptly of any decision it makes to release computer programs and software in the public domain or not to pursue or abandon the pursuit of patenting or commercializing computer programs and software.

2. License to Creator to Commercialize:

The University, in its discretion and consistent with the public interest, may license computer programs and software to their creators on an exclusive or non-exclusive basis, provided the creators demonstrate technical and business capability to commercialize the inventions. Agreements with creators shall be subject to review and approval of potential conflict of interest issues in accordance with applicable University policy.

3. Assignment of Ownership to Creators:

The University may assign, upon its own initiative or the written request of the creators, any or all of its rights in computer programs or software to the creators as allowed by law and subject to preexisting rights of third parties, including sponsors, the federal government and other institutions with ownership rights, provided the University retains, at a minimum, a perpetual, royalty-free, nonexclusive and nontransferable right to use the computer programs and software for University research and educational purposes. The University may acquire additional rights and may condition the assignment on other terms and conditions such as Revenue sharing with the University or reimbursement to the University of costs it may have incurred in connection with the creation and/or protection of the computer programs or software.

4. Sharing of Revenue with Creators:

The University shall remit to creators, or their assigns or heirs, their share of Revenue derived from the commercialization of computer programs and software they developed in accordance with XI.A of this policy.

VIII. ON-LINE STUDIES AND TECHNOLOGY-MEDIATED (ENHANCED) COURSES

Ownership of and rights to use and commercialize Approved On-Line Studies Programs, On-Line Studies Materials, Technology-Mediated (Enhanced) Courses, and Technology-Mediated (Enhanced) Course Materials are set forth below.

A. **Ownership of On-Line Studies Programs and On-Line Studies Program Materials.** Ownership and rights of the University, Personnel and Students to use On-Line Studies Programs and On-Line Studies Program Materials shall be specified in a Written Agreement executed with the Personnel and/or Students who create On-Line Studies Program Materials that are used in an Approved On-Line Studies Program or in courses approved by the University for On-Line Studies.

1. Content of Written Agreement:

(a) Ownership and rights to use. The agreement shall specify ownership and rights under copyright of the University and Personnel and Students in On-Line Studies Programs and On-Line Studies Program Materials. Specifically, the agreement will:

- i. Identify the basis of ownership (e.g., work-for hire, joint ownership, exclusive ownership) and the nature and duration of the rights of the University, Personnel and Students under copyright in On-Line Studies Program Materials in an Approved On-Line Studies Program or in courses approved by the University for On-Line Studies; and
- ii. Ensure the royalty-free right of the University to use On-Line Studies Program Materials in an Approved On-Line Studies Program or in courses approved by the University for On-Line Studies for a specific duration; and

- iii. Specify the rights of the University and of Personnel and Students who created On-Line Studies Program Materials or Approved On-Line Studies Programs to use those Materials and/or Approved Programs, in whole or in part, outside of Approved On-Line Studies Programs and/or courses approved by the University for On-Line Studies for commercial or non-commercial purposes and any conditions or limitations place on those rights; and
- (b) Financial responsibility. Financial responsibility for the development of On-Line Studies Program Materials; and
- (c) Intellectual Property Protection. Responsibility for seeking appropriate protection for On-Line Studies Program Materials and Approved On-Line Studies Programs; and
- (d) Compensation. Compensation to Personnel and Students who develop On-Line Studies Program Materials and/or Approved On-Line Studies Programs; and
 - i. Compensation shall not be based on enrollment in courses that are part of an Approved On-Line Studies Program or that are approved by the University for On-Line Studies without the prior written approval of the Provost.
 - ii. Unless expressly agreed to by the parties pursuant to a Written Agreement, XI of this Policy shall not apply to On-Line Studies Program Materials, Approved On-Line Studies Programs, or courses approved by the University for On-Line Studies.
- (e) Modifications. Responsibility to evaluate and modify On-Line Studies Program Materials, Approved On-Line Studies Programs, and courses approved by the University for On-Line Studies; and
- (f) Teaching. Responsibility for teaching Approved On-Line Studies Programs or courses approved by the University for On-Line Studies and compensation of instructors; and
- (g) Copyright compliance. Responsibility for complying with copyright law, including obtaining any necessary permissions.

B. Technology Mediated (Enhanced) Courses and Technology Mediated (Enhanced) Materials.

1. Creators' Ownership:

Personnel and Students shall own all rights, including those under copyright, in Technology Mediated (Enhanced) Courses and Technology Mediated (Enhanced) Materials they create that are not subject to University ownership under Section VIII.B.2 below.

2. University's Ownership:

The University shall own all rights, including those under copyright, in Technology Mediated (Enhanced) Courses and Technology Mediated (Enhanced) Materials that are created:

- (a) Written Agreement. Pursuant to a Written Agreement, unless the terms thereof direct otherwise, in which case the terms of the agreement shall govern; and/or
- (b) Resources Beyond Those Usually and Customarily Provided. Using Resources Beyond Those Usually and Customarily Provided. For the purpose of this Section VIII, the definition of Resources Beyond Those Usually and Customarily Provided shall be supplemented to also include:
 - i. Individual assistance or support from technical or artistic involvement of graphic designers, instructional designers, and multimedia specialists beyond that which is generally provided to Personnel to create Technology Mediated (Enhanced) Course Materials; and,
 - ii. Reduced credit load to produce Technology Mediated (Enhanced) Courses and Technology Mediated (Enhanced) Materials; and,
 - iii. Compensation to produce Technology Mediated (Enhanced) Courses and Technology Mediated (Enhanced) Materials.

3. Rights to commercialize Technology Mediated (Enhanced) Course Materials:

- (a) Exclusive copyright in Personnel and Students. Personnel and Students may license, sell or otherwise commercially distribute Technology Mediated (Enhanced) Course Materials in which they hold exclusive ownership and copyright provided they do not use the name of the University or any trademark or service mark of the University in connection with such commercial uses without the prior written approval of the University.
- (b) Joint Copyright. Personnel and Students may license or distribute, commercially or non-commercially, Technology Mediated (Enhanced) Course Materials in which they hold ownership and copyright jointly with the University only with the prior written consent of the University.

IX. OTHER TYPES OF INTELLECTUAL PROPERTY

The ownership of Tangible Research Property, Mask Works, Plant Varieties, Trademarks, Service Marks, and Trade Dress; their use, and the respective responsibilities of Personnel, Students and the University in these types of intellectual property are set forth below.

- A. Tangible Research Property.** The respective rights, interests and responsibilities in Tangible Research Property shall be the same as for inventions and patents and shall be handled in the manner established in Section VI of this policy.
- B. Mask Works.** The respective rights, interests and responsibilities in Mask Works shall be the same as for inventions and patents and shall be handled in the manner established in Section VI of this policy.
- C. Plant Varieties.** The respective rights, interests and responsibilities in Plant Varieties shall be the same as for inventions and patents and shall be handled in the manner established in Section VI of this policy.
- D. Trademarks, Service Marks, and Trade Dress.**

- 1. Ownership:

The University exclusively owns all trademarks, service marks, and trade dress that it creates or commissions and uses to identify the University, its programs, services, products and intellectual property.

2. Commercialization:

The University may commercialize or license its trademarks, service marks and trade dress pursuant to guidelines it establishes to protect the integrity of its reputation and good will.

3. Registration:

All applications for federal or state registration for trademarks and service marks used to identify and represent the University, its programs, services, products and intellectual property must have the prior written approval of the President or designee, the Vice-President for Research.

X. INSTITUTIONAL AGREEMENTS

The disposition and management of interests in inventions and other works owned by the University and one or more System Institutions shall be determined in the following manner.

A. Creators With Joint Affiliations or Support. When a creator or inventor holds an appointment or is enrolled or receives support for research or creative work from the University and one or more System Institutions, the rights and responsibilities shall be as follows.

1. Ownership:

When the University and one or more System Institutions may claim ownership of Intellectual Property under their respective Intellectual Property policies, they shall own it jointly.

2. Management:

When the University and one or more System Institutions jointly own Intellectual Property, they will select one institution to serve as the managing institution. The respective responsibilities of each shall be established in a signed managing agreement. The University may negotiate a standard agreement with System Institutions.

(a) Managing Agreement. The managing agreement between the University and System Institutions shall at a minimum address:

i. Which institution has responsibility for prosecution of

patent applications and other forms of Intellectual Property protection; and

- ii. The manner in which costs will be reimbursed and revenues shared between the institutions:
 - (A) How costs allocable or specific to the creation, protection and management of the Intellectual Property, including those general costs and project specific costs described in Section XI.A and B, will be apportioned, paid or reimbursed by and between the institutions prior to the receipt of Revenue derived from the commercialization of the Intellectual Property or in the event Revenue is not sufficient to cover these costs; and
 - (B) How the general costs and project specific costs deducted from Revenue pursuant to Section XI.A and B will be allocated between the institutions; and
 - (C) How net Revenue available for distribution pursuant Sections XI.A.3 and XI.B.3 will be allocated between the institutions.
- iii. Which institution has responsibility for managing Intellectual Property that is created by a Student but jointly is owned by the University either as the degree-granting institution or as institution supporting, in whole or part, the Student's work at a System Institution, and a System Institution.

(b) Management Responsibilities. In addition to such other responsibilities as may be assigned to the managing institution under the management agreement, the managing institution will have the following administrative responsibilities:

- i. It shall promptly inform the other institution about steps it has taken to protect ownership of the Intellectual Property and furnish copies to the other institution of the disclosure form; documents associated with filing for statutory protection, assignments and licensing of rights, and such other information as needed to offer a reasonably complete

understanding of the actions taken.

- ii. It shall promptly inform the other institution when the managing institution decides not to protect or to abandon actions to protect or patent Intellectual Property. The other institution shall then have the right to assume responsibility as the managing institution and seek protection.
- iii. To distribute Revenue and net Revenue to the creators or inventors, in accordance with Sections XI.A. and B of this policy; distribute the institutional deductions from Revenue, as established in Sections XI.A.2 and B.2 of this policy, and the institutional shares of net Revenue, as established in Sections XI.A.3. and B.3 of this policy, in the manner set forth in the managing agreement.

B. Creators from Different Institutions. When University Personnel and Students collaborate with Personnel and Students from a System Institution, the rights and responsibilities shall be as follows:

1. Early Notification:

As soon as the collaborators recognize their efforts are likely to result or have resulted in the creation of Intellectual Property subject to this policy, they shall inform the appropriate persons at their respective institutions that a managing agreement is needed.

2. Managing Agreement:

In addition to the matters described in Section X.A.2(a), the managing agreement will establish ownership of the Intellectual Property.

C. Disputes. The President may ask the Chancellor to intercede if the University and a System Institution are unable to successfully negotiate a managing agreement or differ in its interpretation. The Chancellor's decision shall be final and binding on all parties.

XI. REVENUE SHARING

A. Intellectual Property Other than University Trademarks and Service Marks. Distribution of Revenue and net Revenue the University receives each fiscal year from the exploitation of all University-owned Intellectual Property other than

Trademarks, Service Marks and Trade Dress [addressed in Section XI.B] shall be shared with the creators/ inventors of particular Intellectual Property consistent with the following exclusions and deductions and in accordance with the following procedures.

1. Exclusions from Revenue:

- (a) Revenue Generated in Scope of Employment. Revenue from Intellectual Property in the form of a copyrightable work produced by non-faculty Personnel within the Scope of Employment is excluded from Revenue sharing. However, the University may elect, pursuant to a written agreement, to pay up to fifty percent (50%) of the Net Revenue to such non-faculty Personnel.
- (b) Alternate Distribution Pursuant to Contract. When a third party contract specifies an apportionment of Revenue different from that established in this policy, the terms of the contract shall govern.
- (c) Equity Revenue. Revenue in the form of equity shall be distributed in the manner set forth in Section XI.G.

2. Deductions from Revenue:

The first distributions shall be deducted from Revenue and made in the following order and manner:

- (a) Creator's/Inventor's Share. The first payment from Revenue shall be made to the creator/inventor. Ten percent (10%) of the Revenue received each fiscal year shall be distributed to the creator/inventor until the cumulative total reaches the limit set pursuant to this Section that was in effect during the fiscal year in which the University first received Revenue from the copyright. The limit in fiscal year 2003 is \$10,000. The Chancellor shall establish a new limit for each succeeding fiscal year by adjusting the previous year's limit by an amount reflecting the change in the Consumer Price Index during the last prior calendar year, rounded to the nearest \$100.
- (b) University's General Costs. The second payment from Revenue shall be made to the University. Unless otherwise agreed in writing between the University and the creator/inventor, thirty percent (30%) of the Revenue received each fiscal year shall be

distributed to the University to cover the general cost of developing, obtaining, managing, and defending the Intellectual Property.

- (c) University's Project Specific Expenses. Up to sixty percent (60%) of the Revenue received during a fiscal year shall be applied to reimburse the University any specific, incremental expenses it has incurred to obtain, maintain, defend, develop, market, and/or license the Intellectual Property. After reimbursement of the University's specific expenses, Revenue may be used to reimburse expenses incurred by the creator/inventor but only if the University had authorized these expenses in advance in writing.
- (d) Residual Creator's Share. A fourth payment from Revenue shall be made to the creator/inventor of remaining Revenue. After the University has been reimbursed all project specific expenses, any remaining Revenue shall go to the creator until the limit dollar amount set forth in Section XI.A.2(a) has been paid.

3. Distribution of Net Revenue:

Net Revenue remaining after the exclusions and distributions made pursuant to Sections XI.A.1 and 2, above, shall be distributed in the following manner:

- (a) Creator's Share. Fifty percent (50%) of the Net Revenue received each fiscal year by the University shall be distributed to the creator/inventor unless applicable laws, regulations, or provisions in Written Agreements with the creator/inventor provide otherwise.
- (b) University's Share. Fifty percent (50%) of the Net Revenue received each fiscal year by the University shall be retained by the University. The University's share shall be distributed within the University in the following manner:
 - i. Eighty five percent (85%) of the Net Revenue received from particular Intellectual Property shall be dedicated to the creation of Intellectual Property and scholarship in the department or analogous unit of the creator/inventor of the particular Intellectual Property work up to One Hundred Thousand Dollars (\$100,000) each fiscal year.

- ii. The remaining fifteen percent (15%) of the Net Revenue shall be used to support the creation of Intellectual Property and scholarship in other departments and units as directed by the President or his designee, the Vice-President for Research.
- iii. When it is not practicable to dedicate \$100,000 to a particular department each fiscal year, or when the amount exceeds \$100,000 for particular Intellectual Property, the President or designee, the Vice-President for Research, may allocate funds for use within another department.

4. Distribution To Multiple Creators:

In the event there is more than one creator/inventor of Intellectual Property, the creator's/inventor's share of Revenue and net Revenue set forth in Section XI.A.2 and 3 will be divided and distributed by the University among the creators/inventors to reflect their relative contributions to the creation of the Intellectual Property, as specified in the written disclosure submitted to the Office of Technology Commercialization or, when the disclosure form does not differentiate the level of contribution made by creators/inventors, the University will divide and distribute Revenue and net Revenue equally among the creators/inventors. Disputes regarding the distribution of revenue and net revenue among multiple creators or inventors that are not resolved informally will be referred to the Director of the Office of Technology Commercialization for submission to the University Intellectual Property Committee, which shall decide the matter.

B. Trademarks, Service Marks, and Trade Dress. Unless otherwise agreed to by the University in advance and in writing:

1. Independent Use of Marks and Dress:

Fees and other compensation received by the University from the commercialization of University trademarks, service marks, and trade dress independently of other intellectual property owned by the University shall be retained by the University.

2. Use in Connection with Other Intellectual Property:

Fees and other compensation received by the University from the

commercialization of University trademarks, service marks, and trade dress in connection with other University-owned intellectual property shall be distributed in accordance with Section XI.A if the underlying intellectual property involves copyrightable work and Section XI.B. if the underlying intellectual property involves an invention, a computer program, or software, Mask Works, Tangible Research Property, or Plant Varieties.

C. Joint System Institution Works. Revenue received from Intellectual Property jointly owned by the University and a System Institution as set forth in Section X, above, shall be divided equally between the University and the System Institution(s) unless otherwise established in the managing or other prior Written Agreement between the parties.

D. Administration and Distribution of Equity Interests. Equity interests shall managed in the following manner:

1. Distribution of Shares:

Equity in a commercial venture that is received as consideration for Intellectual Property rights shall be shared equally between the University and the creators/inventors, unless otherwise agreed to in writing, in advance by the University and the creators/inventors of the Intellectual Property.

2. Issuance of Shares:

Equity may be issued separately to the University and to the inventors/creators.

3. Timely Distribution:

When the University is issued all the shares, as soon as practicable after the University receives the equity, and subject to the inventors/creators receiving any conflict of interest exemptions that must be granted and complying with any conditions therein, the University shall transfer the appropriate amount of equity shares to the inventors/creators. The University and the inventors/creators shall be independent and autonomous in their exercise of their equity shareholder rights and privileges within the constraints of law (including the Maryland Public Ethics Act), University policy, and applicable contractual agreements.

4. Unqualified Persons:

Personnel or Students not qualified to hold the equity under applicable law shall designate a qualified person to receive the equity. If no designee is named within thirty (30) days of a written request by the University, the right to a share of the equity shall be forfeited to the University.

XII. ADMINISTRATION AND REPORTING

- A. **Issues not addressed.** The President or his designee, the Vice-President for Research, shall decide how to address matters that are not specifically covered by this policy.
- B. **Authority to Modify Policy.** The President shall have authority to modify this Policy from time-to-time as experience deems appropriate; provided, however, such modifications must be submitted to the Chancellor for review and approval.
- C. **Reporting.** The President shall report annually to the Chancellor and the Board of Regents on Intellectual Property activities at the University. The report, in a format to be determined by the Chancellor, shall include data for the preceding year on waivers, modifications to the policy, disclosures, releases of Intellectual Property to the public domain, patent applications, patent awards, licenses, and start-up companies, distinguishing, when appropriate, between Maryland-based companies and those outside the State. The report shall also include data on revenue and expenditures associated with the University's technology transfer program.

This Policy replaces the *Interim University of Maryland Intellectual Property Policy (2002)* and UMCP IV-3.00(A) *UMCP Procedures on Patent and Technology Transfer* in their entirety.

The University of Maryland Intellectual Property Policy applies to all intellectual property disclosed to the University on or after the Effective Date of May 1, 2005.

Unless otherwise agreed in writing by inventors or creators of intellectual property (or the heir or assignee of an individual inventor's or creator's share of revenue) and the University: (1) the University of Maryland Interim Intellectual Property Policy applies to intellectual property disclosed to the University from July 1, 2002, through April 30, 2005 (A copy of the Interim Policy is available from the Office of Technology Commercialization or Office of Legal Affairs.); (2) the former University System of Maryland Patent Policy will apply to inventions that were disclosed to the University from May 31, 1990 through June 30, 2002 (The Patent

Policy is available online at <http://www.usmh.usmd.edu/Leadership/BoardOfRegents/Bylaws/SectionIV/IV300.html> ; (3) the former University System of Maryland Copyright Policy will apply to copyrightable works that were disclosed to the University from May 31, 1990 through June 30, 2002 (The Copyright Policy is available online at <http://www.usmh.usmd.edu/Leadership/BoardOfRegents/Bylaws/SectionIV/IV310.html>); and (4) the University of Maryland College Park Procedures on Patent and Technology Transfer will apply to copyrightable works and inventions that were disclosed to the University from May 31, 1990 through June 30, 2002 (These procedures are available from the Office of Technology Commercialization or Office of Legal Affairs.).