



Policy on Patents

(Approved by the President on November 14, 2005; Revised on June 13, 2007)

PREAMBLE

The objectives of this policy are to encourage and aid research at the University of Maryland Biotechnology Institute (UMBI), to provide financial compensation as well as professional recognition to inventors, and to protect and best serve the public interest. To these ends, this policy encourages disclosure of inventions and discoveries and their evaluation for possible patenting and licensing and establishes principles for determining the rights of UMBI and inventors. UMBI continues to encourage scholarly publication of the results of faculty and student research.

This policy is promulgated pursuant to University System of Maryland (USM) IV-3.00 Policy on Patents, approved by the Board of Regents May 31, 1990. This UMBI policy applies to all personnel. As used in this policy, "personnel" means all paid and unpaid full-time and part-time faculty members and staff, and all paid employees (including those on approved leaves) and students and fellows.

I. POLICY

- A. UMBI has an interest in all inventions of personnel which are conceived or first actually reduced to practice as a part of or as a result of: a UMBI-administered program of research; activities within the scope of the inventor's employment UMBI; or activities involving the use, to a substantial degree, of UMBI time, facilities, or materials or of UMBI information not available to the public. "Invention" means any invention or discovery which is or may be patentable or which may be commercially licensable. At the time of appointment of visiting faculty and staff, a signed acknowledgment of this policy will be required. An invention shall be considered as resulting from activities "within the scope of the inventor's employment" whenever his or her duties include research or investigation or the supervision of research or investigation and the invention is relevant to the general field of inquiry to which the inventor was devoted or assigned. "Time, facilities and materials" paid for from funds administered by UMBI shall be considered UMBI time, facilities and materials whether the funds arise from federal or state appropriation, student fees, donations, grants, contracts or other sources.
- B. UMBI has a right to ownership of any invention in which it has an interest. Unless otherwise agreed, this policy also applies to any inventions in which UMBI has an interest under the terms of contracts, grants or other agreements. An invention in which UMBI does not have a legal interest may be offered to UMBI, and, if accepted, UMBI will administer such invention in accordance with this policy or as otherwise agreed.
- C. Except under special circumstances, UMBI will not agree to assign rights in future inventions to private corporations or businesses.

II. RESPONSIBILITIES OF UMBI AND DELEGATIONS OF AUTHORITY

- A. UMBI shall: (1) notify the inventor promptly whenever it decides not to pursue or to abandon the pursuit of patenting or commercialization of an invention, (2) execute, upon request, all contracts, assignments, waivers or other legal documents necessary to transfer to the inventor UMBI's interest in any invention which it has so chosen not to pursue, (3) act with reasonable promptness and in good faith on all inventions disclosed to it, and (4) remit to the inventors their shares of income from inventions as specified in

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Section IV of this policy. Subject to these responsibilities, UMBI may, at any time, decide not to pursue or to abandon the pursuit of patenting and/or commercialization of an invention in which it has an interest.

- B. Authority and responsibility for the USM Patent Policy has been delegated to the Chancellor (or designee) by the Board of Regents. The Chancellor (or designee) may seek the advice and assistance of the USM Intellectual Property Committee. The responsibility for administration of the UMBI Patent Policy (including subparts 1-4 of II.A) has been delegated to the UMBI President, except that rights in future inventions shall not be assigned unless the Chancellor (or designee) determines in writing that doing so is in the best interests of USM.

III. RESPONSIBILITIES OF PERSONNEL

- A. Personnel who, either alone or in association with others, make an invention in which UMBI has or may have an interest shall disclose to the UMBI Assistant Vice President, Office of Research Administration and Technology Development, such inventions reasonably promptly. As to an invention in which UMBI has an interest, the inventor, upon request, shall execute promptly all contracts, assignments, waivers, or other legal documents necessary to vest in UMBI, or its assignees, any or all rights to the invention, including complete assignment of any patents or patent applications relating to the invention.
- B. Personnel may not: (1) sign patent agreements with outside persons or organizations which may abrogate UMBI's rights and interests as stated in this policy or which otherwise conflict with this policy, nor (2) without prior authorization, use the name of UMBI or USM in connection with any invention.

IV. REVENUE SHARING

- A. UMBI shall share with the inventors revenue which it receives from patents or inventions. Specific provisions of grants or contracts may govern rights and revenue distribution regarding inventions made in connection with sponsored research. Consequently, revenues received from such inventions may be exclusive of payments of royalty shares to donors or contractors. Moreover, UMBI may contract with outside persons or organizations for the obtaining, managing and defending of patents, and any royalty share or expenses contractually committed to such persons or organizations may be deducted before revenues accrue or before the inventor's share is distributed.
- B. The revenues (net, if applicable per the preceding paragraph) which are received from a patent or invention will be applied first to UMBI for any specific, incremental expenses incurred by the Office of Research and Technology Development in obtaining and maintaining the patent and in marketing, licensing and defending the patent or licensable invention. After provision for such expenses, such revenues shall be shared as follows:
 - 1.) The first \$5,000 will be paid to the inventor or inventors.
 - 2.) Thereafter, the inventor(s) will receive fifty percent of such revenues. Applicable laws, regulations or provisions of grants or contracts may, however, require that a lesser share be paid to the inventor.
- C. To the extent consistent with State, USM, and/or UMBI budget policies, any net revenue received on account of an invention, after sharing with the inventor, will be dedicated to research and to the promotion of patenting and patents. If practicable, eighty-five percent of UMBI's share of new revenue from each invention will be designated for research in

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the inventor's Center or analogous unit up to \$100,000 in a fiscal year for a particular Center or analogous unit. The remaining part of the net revenues shall be devoted to research and the promotion of patenting and patents as directed by UMBI's Vice President for Academic Affairs.

- D. If use of such funds for research within the inventor's department of analogous unit is not practicable or for an amount in excess of \$100,000 per fiscal year, UMBI's Vice President for Academic Affairs may allocate funds for other use within UMB

V. SPECIAL CASES

UMBI recognizes that special cases will arise which are not specifically covered by this policy or which may justify waivers of this policy. Such cases may be submitted to the UMBI Vice President for Academic Affairs.

VI. ADMINISTRATION

- A. The UMBI Intellectual Property Committee consists of the Assistant Vice President, Office of Research Administration and Technology Development, as an ex officio member and chair and nine members selected and appointed by the UMBI Vice President for Academic Affairs from candidates nominated by Center Directors and analogous unit heads. Members are appointed for three-year terms with non-concurrent expiration dates and may serve one successive term.
- B. The UMBI Intellectual Property Committee convenes at least once each year and at the call of the Assistant Vice President, Office of Research Administration and Technology Development, who determines when implementation or interpretation of the UMBI and USM patent policies require consideration by the Committee. Among the matters which may be referred to the Committee for recommendation to the UMBI Vice President for Academic Affairs are: whether UMBI has an interest in an invention; questions not covered by this policy; and whether some part of this policy should be waived.
- C. When the Committee is considering a particular invention, the inventor and/or a representative designated by the inventor may examine all materials submitted to the Committee, may make written and oral presentation to the Committee, and may be present during the oral presentations of others.
- D. It is recognized that the evaluation of inventions and discoveries and the administration, development, and processing of patents involves substantial time and expense and requires talents and experience not ordinarily found in its staff. Therefore, UMBI may enter into a contract or contracts with third parties in connection with the administration of identified invention, disclosures of invention, and developed patents.
- E. Disputes on patent matters, including the interpretation of this Patent policy, shall be referred for resolution to the UMBI Vice President for Academic Affairs or, as appropriate, to the USM Intellectual Property Committee.

REVIEWED AND RECOMMENDED: S. Gaylen Bradley Vice President Academic Affairs

APPROVED: Rita R. Colwell President, University of Maryland Biotechnology Institute