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4 95-08
5 June 5, 1995

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8 **POLICY ON INTELLECTUAL PROPERTY: INVENTIONS AND DISCOVERIES**
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10 This Policy Statement was recommended by the Academic Senate on May 11, 1995
11 and received the concurrence of the President on May 31, 1995.
12 This Policy Statement supersedes Interim Policy Statement 88-05.
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14 The primary purposes of California State University, Long Beach (University) are to teach, to expand
15 knowledge through scholarly studies and research, to disseminate the results of such studies and research,
16 and to perform community service consistent with the mission of the University. From time to time in the
17 conduct of these activities faculty members, staff, and students may make discoveries or invent new and
18 useful devices, processes, etc., of a patentable and of a marketable nature. This policy statement describes
19 principles and processes of the disposition of property rights to such forms of intellectual property.
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21 Full protection of the traditional rights of employee scholarship and productivity is intended in this policy.
22 The requirement for scholarly productivity as a requisite for retention or promotion will not be interpreted
23 as the sole necessary factor conveying proprietary rights to the University for the products of that
24 scholarship.
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26 OWNERSHIP OF DISCOVERIES AND INVENTIONS
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28 Ownership rights to discoveries and inventions rest entirely with the inventors, except when the shopright¹
29 of the University is applicable and establishes proportional rights in the discovery or invention.
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31 The University reserves the right to transfer its rights in discoveries and inventions to the California State
32 University Long Beach Foundation (Foundation) with instructions to the Foundation to patent (or have
33 patented) discoveries and inventions and make (or have made) good faith efforts to reduce concepts to
34 practice and arrange for production and sale.
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36 In the event of a determination that the University has no interest in a discovery, invention, or patent, or
37 only a small interest (typically one too small to justify the expense of pursuing the interest), it will provide
38 the discoverer or inventors with a release of University interest which entitles the employees to pursue
39 patent at their own initiative and expense.
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41 The University shall not relinquish without compensation a majority or other substantial interest in a
42 discovery, invention, or patent to an employee or third parties. However, the inventors and/or the
43 University may wish to declare an invention or discovery to be in the public domain. Both parties must
44 agree to such a declaration. Without such an agreement, the parties will conclude an agreement in which
45 the University is compensated for its interest in the invention or discovery.
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47 Provisions relating to ownership of discoveries and inventions involving external funding agencies, Federal
48 and others, are subject to frequent change. Appendix A to this document discusses these matters.
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50 All other provisions notwithstanding, employees making discoveries and inventions, regardless of whether
51 patented or not, which are marketed commercially and which produce a taxable income, must assure
52 repayment to the State of California for all costs incurred by the University in support of the research
53 leading to the discovery or invention, patent application, production, marketing, or sales of products
54 incorporating the discovery or invention.
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¹ University shopright (shop right) establishes the interest of the University in the intellectual property based on the use of University **funds** (including all research and creative activities grant programs), **facilities** (including computer time and utilities), **equipment**, or **supplies** at any time in the process of discovery or invention or reduction to practice of such a discovery or invention. University shopright may be shared with individuals or external funding agencies.

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DISCLOSURE OF DISCOVERIES AND INVENTIONS

Employees are required to disclose to the University all patentable discoveries or inventions made by them while under hire or contract for employment in the University, whether or not in the performance of their regular and special assignments in the University. In the event that University support in the form of financial assistance, the use of physical facilities, or other factors establishing University shopright is provided, the University may have an equity interest in any income derived from such activity.

A formal invention disclosure is a complete description of a discovery or invention, completed by the inventor on the attached form and delivered to the Office of University Research. A formal invention disclosure is most important to an inventor in establishing priority.

Discoverers and inventors should be able to provide proper notebook entries, sketches, descriptions, and be able to demonstrate the exercise of diligence in developing the concepts through successive stages, if possible the eventual reduction to practice of the invention, and finally the preparation of drawings, specifications and claims as a part of the disclosure and preparatory to the filing of patent applications or the making of a request to an appropriate agency to do so. The invention disclosure should be signed and dated.

ADVISORY COMMITTEE FOR PATENTS AND COPYRIGHTS (ACPC)

The review of individual cases with the potential for patents and copyrights² shall be conducted by a six-member Advisory Committee for Patent and Copyrights (ACPC). The Chair of the Graduate Council in consultation with the Dean of Graduate Studies shall appoint three members, at least one of which must be a current member of the Graduate Council, and the Chair of the Scholarly and Creative Activity Committee in consultation with the Director of Research shall appoint three members, at least one of which must be a current member of the Scholarly and Creative Activity Committee. Employees should consult with the ACPC whenever there is any question about policies or procedures.

Authority

The ACPC is charged to:

- (1) review each disclosure of discovery, invention, or copyrightable material submitted under the provisions of this policy by a University employee;
- (2) formulate a recommendation to the Provost regarding the University's interest based on the employee's use of University facilities and equipment; and
- (3) as necessary, make recommendations concerning University policies on discoveries, inventions, and patent and copyright matters for review by the Scholarly and Creative Activity Committee and Academic Senate.

All ACPC recommendations regarding individual cases of invention, discovery, and other forms of scholarly productivity will be sent to the Provost, who will in turn confer with the President of the University on those items requiring assertion of University rights to intellectual property.

In those matters where action is required as a consequence of a decision to proceed with legal patent or copyright activity, the Vice President for Administration and Finance shall provide a patent business plan. The President may proceed on behalf of the University and where appropriate on behalf of the discoverer or inventor; or he may recommend assignment of the University rights to the University Foundation which will subsequently continue to act on behalf of the University, the author or inventor, and any involved sponsors.

² As referred to in this document, copyright is included as a possible outcome for those situations which may, under the development of legal precedent, now be or become ambiguous, such as computer software. This document is not intended to govern copyright of intellectual property in non-ambiguous cases, like books, films, videos, etc.

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BUSINESS AGREEMENTS WITH UNIVERSITY EMPLOYEES

The realization of profits from patents is problematic and occurs over long periods of time. Each patent administered by the University Foundation on behalf of the inventor and the University will have unique circumstances relating to the application, perfection, and extension of the patent as well as the costs of patenting, reducing to practice, commercialization, and negotiation of royalty rates.

Royalties will be paid to inventors in accordance with the Foundation patent business plan policy and to the extent of inventor's rights in the discovery or invention, taking into consideration the formal advice of the ACPC.

All income in excess of that used to recover costs of patent application and management of defined costs in the business plan shall be assigned to the University and be directed to support of research, scholarship, and creative activities. The Vice President for Administration and Finance will report annually to the Academic Senate concerning such funds.

APPENDIX A -- Involvement of External Funding Agencies
ATTACHMENT -- Disclosure of Discovery or Invention Form

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APPENDIX A

INVOLVEMENT OF EXTERNAL FUNDING AGENCIES

Under conditions imposed by Federal, State, and other public grant and contract funding agencies, University employees may, as a condition of funding, enter (be entered) into agreements to assign inventions to the University or to the funding agency in conformance with the sponsoring agency's policy.

All Federal grants and contracts require disclosure of inventions and discoveries to the funding agency and convey a restricted right to use of the invention or discovery to the U.S. government.

Industrial Support

In accepting funding from industry for the purpose of research, it is the general policy of the University that the funding be used for educational purposes, public service, and/or the extension of the boundaries of knowledge. If the University accepts funding from an industrial corporation for these purposes, it shall be with the following written understandings:

Agreements covering such projects shall state the following:

"It is understood by the Sponsor (industry supporting the research) that any inventions, patentable or otherwise, conceived or first reduced to practice in the course of the sponsored activity by University employees shall be governed by University patent policy which requires that title to any of said inventions be vested in California State University, Long Beach or its designee, which designation must be handled specially and in accordance with the aforesaid University patent policies."

If an outside industrial sponsor proposes a procedure at variance with that outlined in previous paragraphs, the Director of University Research is authorized to reach an agreement with the sponsor and University employees which will not violate the general principles set forth here and which will protect the equities and satisfy the requirements of all involved parties.

Those sponsored projects involving testing of materials, compounds, or apparatus should be specially handled. Among the additional special provisions which are recommended for those sponsored projects, in addition to the patent provision as set forth above, the covering agreement should state the following:

"California State University, Long Beach does not accept any materials, compounds, and/or apparatus hereunder or information with respect thereto under any restrictions whatsoever. It is assumed by the University that to the degree that the Sponsor's intent is to file patent applications on said materials, compounds, and/or apparatus supplied hereunder, the Sponsor will have done so prior to the delivery of the same to University employees or University property.

"The Sponsor hereby agrees that he/she shall not use information derived by the University or its employees in pursuance of the work of the sponsored project in the prosecution of a patent application in either the United States Patent Office or that of other jurisdictions without the written permission of the University."

In agreements between business firms and the University covering work not of a predominately research nature in which the sponsoring firm bears a major portion of the cost, the patent policy of the University shall apply.

Conflicts

Conflicts involving patentable inventions and discoveries may arise when employees of the University enter into agreements to do private consulting for firms and organizations outside the University. Such agreements frequently contain provisions as to the licensing or assignment of the consultant's inventions

238 and patents. Unless this provision is narrowly worded, it usually will include areas in which the consultant's
239 University work lies and thus comes into conflict with the obligations of the University employees under the
240 main body of this policy, either with respect to the rights of the University itself, the employee in his/her
241 invention, or the rights of a sponsor of research in the same field of subject matter.
242 Because of the possibility of such conflicts and of future misunderstanding, litigation, or embarrassment, it
243 is urged that, with this point in mind, University employees carefully examine consulting agreements before
244 they sign them. If problems arise or the issues are not clear, University employees are urged to consult
245 with the Director of University Research.

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247 The contribution of ideas and assistance to University employees from sources outside the University can
248 lead to subsequent problems of equity if patentable concepts evolve.
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CALIFORNIA STATE UNIVERSITY, LONG BEACH

Disclosure of Discovery or Invention

TO: Director, Office of University Research

FROM: _____

(address) _____

(telephone) _____

This is to inform you that I (we) have produced/ discovered/ invented: (describe, giving a formal title to the material or concept)

If copyrightable, the materials were completed on _____

If patentable, the discovery or invention was first conceived on _____;

developed during the period _____ to _____;

and reduced to practice on _____.

Description:

Classify the work; if a discovery or invention, please indicate whether the concept is "a new process," "a composition of matter," "a device," "one or more products," "a new use or improvement to an existing product or process."

Describe the basic characteristics: _____

(attach additional sheets as necessary)

362 Comment on possible uses for the materials, discovery or invention:

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382 Describe the resources and circumstances of their use in the production, discovery, or invention (including
384 University and third party funds identified by grant, contract, or award).

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404 I understand that additional information may be required by the University to resolve questions of
405 ownership, equity, and to provide for copyright or patent applications.

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409 signature(s) _____ date _____

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EFFECTIVE: Fall 1995