

Division of Research

SUBJECT:

21, 2011. Name

Contents

10.6.1 General Comments

10.6.1 General Comments

The central mission of Florida Atlantic University (the University) is to promote effective teaching and research that foster innovation, stimulate a spirit of inquiry and problem solving, and lead to the discovery of new knowledge. While the vast majority of activity conducted at the University is not directed toward the production of commercial products or services, the University recognizes that marketable forms of intellectual property may result from research conducted by personnel of the University. The University has a responsibility to support personnel in fostering all forms of intellectual property but has a special obligation to serve the public interest by ensuring that marketable forms of intellectual property are appropriately developed into commercial products or services available to the public.

This Intellectual Property Policy (the Policy) discusses two classes of intellectual property, Inventions and Works, which are defined in Section 10.6.3.2. Generally, Inventions include patentable material and Works include copyrightable material. This Policy articulates the specific rights that accrue to the inventors or authors and to the University according to these two classes and creates both incentives and protections that will encourage the discovery and development of new knowledge and its application and transfer for the public benefit.

10.6.2 Legal Considerations

With the passage of the Bayh-Dole Act (Public Law 96-517 entitled The Patent and Trademark Amendments Act of 1980) and subsequent amendments, the federal government facilitated the retention of intellectual property, particularly inventions, by universities. In this act the federal government gives nonprofit organizations, including universities, the right to retain title to inventions they have made in the performance of government grants and contracts. The act reflects Congress' intention that these organizations use the patent system as a vehicle to effectuate the transfer of government-funded inventions to the public.

In accordance with the U.S. Constitution, the objective of copyright is to promote the progress of science and useful arts. Like the policies of many institutions of higher learning, the University interprets copyright law (excerpted in Appendix II) as a means of encouraging the discovery of new knowledge and its dissemination to students, to the profession, and to the public. Furthermore, this policy promotes the long-standing academic tradition, as described by the Statement on Copyright, issued by the American Association of University Professors (AAUP), that treats the faculty member as the copyright owner of works that are created independently and at the faculty member's own initiative for traditional academic purposes, regardless of the physical medium, whether on paper or in audiovisual or electronic form.

This Policy is based on Section 1004.23, Florida Statutes (Appendix I), which authorizes the University to protect, commercialize and otherwise deal with the work products of University Personnel. The University has implemented this authority through this Policy, which requires that all University Personnel disclose all inventions and certain works which that person may develop or discover while affiliated with the University. Such a disclosure requirement is also found in Article 18 of the Collective Bargaining Agreement between the Florida Atlantic University Board of Trustees and the United Faculty of Florida (Appendix III), which governs faculty members in the collective bargaining unit. The Collective Bargaining Agreement sets forth the standards under which the University's ownership of such inventions and works are

determined. These are explained in Appendix III of this Policy. This Policy will be kept consistent with the Collective Bargaining Agreement.

This policy is a University-level document and applies to all University Personnel, as that term is

provided by other public or private organizations when it is arranged, administered, or controlled by the University.

- h. Independent Efforts with regard to a Work shall mean that the ideas for the Work came from the Creator(s), the Work was not made with the use of University Support, and the University is not held responsible for any opinions expressed in the Work.
- i. University-Supported Work(s) shall mean a Work of a Creator(s) made using University Support, or for which the University is held responsible for any opinion expressed in the Work, or for which the ideas for the Work did not come from the Creator(s).
- j. Traditional Work(s) Of Scholarship shall mean University-Supported Works such as theses, dissertations, books, articles, plays, poems, musical compositions, and

- n. Development Expense(s) shall mean all moneys paid by the University and/or FAURC for goods and services to protect, develop, and/or enhance the marketability or any other aspect of a Work or Invention, including, but not limited to, patent preparation and prosecution expenses, patent filing fees, copyright registration fees, trademark registration fees, marketing expenses, patent maintenance fees, consulting fees, expenses incurred in dealing with equity interests, travel, attorneys' fees, litigation costs, and research costs. Not included, as Development Expenses are salaries and general operating expenses of University Personnel.
- o. Gross Revenue(s) shall mean: (1) proceeds from the sale, lease, transfer, or other conveyance of an Invention or Work by the University and/or FAURC, and (2) issue fees, royalties, milestone fees, maintenance fees, nonroyalty sublicensing consideration and equity interests paid to the University and/or FAURC by a commercializing entity of an Invention or Work, except that such equity interests, or any portion thereof, shall not be considered Gross Revenue unless and until FAURC sells, exchanges, or chooses to distribute the equity interests, or portion thereof.
- p. Net Income shall mean Gross Revenues less all Development Expenses for a Work or Invention and its improvements.
- q. Standing Advisory Committee shall be a committee comprised of at least 3 faculty members who are appointed by the Vice President for Research and a representative of the Office of General Counsel and other members appointed by the Vice President for Research and shall be chaired by the Vice President for Research or his/her designee. The Vice President for Research may consult the Standing Advisory Committee, if needed, to determine ownership of University Inventions and Works and other related intellectual property matters.

10.6.3.2 Inventions and Works: Overview of Rights and Obligations 2

Disclosure Obligations

University Personnel are required to disclose promptly, pursuant to the disclosure procedures set forth in Section 10.6.4.2, all Inventions and University-Supported Works, including all Regular Instructional Works but excluding Traditional Works of Scholarship. All Inventions must be disclosed, even those believed by the Creator to be unrelated to his or her University duties and not involving the use of University Support.

Requirement to Safeguard

University Personnel have the obligation to refrain from any act that would defeat the

commercialization agreements for Inventions and Works are separate and distinct from such sponsored research contracts, and sponsored research funds are not considered Net Income subject to distribution under subsection 10.6.3.5 of this policy.

Consulting Activities

Faculty and other University Personnel engaged in consulting work should use great care to ensure that their consulting agreement(s) are not in conflict with the University's policies on outside activities and financial interests. Consulting agreements sometimes require that the consultant waive intellectual property rights as a condition of service. Such agreements may conflict with this Policy concerning University ownership of Inventions and Works. University approval of such waiver requests will be based on a determination that the University does not possess an interest in such intellectual property rights. Any agreement entered into by University Personnel in a private capacity that attempts to waive intellectual property rights in which the University may have an interest without the University's prior written authorization is void. Only OTD, by the authority delegated to it by the Vice President for Research, has the authority to waive the University's interest in intellectual property rights. Where consulting activities involve a reduction to practice of Inventions or Works, or of potential Inventions or Works, conceived under federal sponsorship or with University Support, permission to waive rights to the company or the Creator will not be granted. A determination by the University must be initiated by submitting a Report of Outside Employment or Professional Activity (Appendix V). University Personnel engaged in approved consulting work are required to disclose any Invention or Work made in the course of the consulting work in accordance with the instructions of subsection 10.6.4.2 of this Policy.

10.6.3.3 Inventions: Relationships Between the Creator and the University Regarding Inventions

Two separate relationships between the Creator and the University regarding Inventions are recognized:

a. Inventions Made Outside the Creator's Field and Without University Support

If an Invention is made or developed in a field or discipline other than the field or discipline in which the Creator was engaged by the University to teach, do research, or perform other duties, and without any University Support, the rights to the Invention shall belong to the Creator. Under these conditions, the Creator is, nevertheless, required to make full disclosure of the Invention in accordance with subsection 10.6.4.2 of this P

Invention are at the discretion of OTD. Generally, OTD seeks to develop and market the Invention and may elect to seek patent or other legal protection. Once application for a patent has been made, OTD will be responsible for the development and negotiation of licenses or other commercialization agreements in order that the Invention is managed in a way that serves the public interest. In rare cases, the University may elect to license the Invention to the Creator, and the Creator may elect to obtain patent protection and pursue commercialization;

(ii) decide the Invention disclosure is premature or incomplete, in which case, the Creator will be asked to resubmit the Invention disclosure when additional information is obtained; or

(iii) elect to waive the University's rights to the Invention, thus allowing the Creator to protect the Invention as he or she may wish. If outside funds supported the work leading to the Invention, this waiver is subject to any provisions in the sponsoring agree5.45oe-1.7(8e l)-1.n. Oy tna1(ng agr)(ee)5.1(-1.1(ng 1.7

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Following an assessment by OTD that the Work is a Regular Instructional Work, the University will not assert rights to such Work.

Conversely, to assure effective commercialization of a Work, certain rights that the Creator reserves may be relinquished prior to commercializing the Work. Prior to the creation of a Work, especially when appreciable University Support may be used in its creation, the Creator may seek an agreement with OTD to establish or clarify certain ownership rights.

10.6.3.5 Distribution of Net Income from Inventions and Works

Regarding any Invention or Work owned by the University, Net Income, less any foreseeable Development Expenses OTD or FAURC deems necessary to protect or commercialize the Invention or Work, will be distributed as follows:

	To Cap A	From Cap A to Cap B	Above Cap B
Creator	100%	50%	35.0%
Creator's Research Use	0%	5%	6.5%
Creator's Center/Institute	0%	5%	6.5%
Creator's Department/Division	0%	5%	6.5%
Creator's College	0%	5%	6.5%
FAURC	0%	30%	39.0%

Director may be appealed to the Vice President for Research whose decision in this regard shall be final.

The portion distributed to the Creator's research use (as identified above) will be placed in a fund in the Creator's Center/Institute, Department/Division or College for the Creator's discretionary research use. If a Creator should leave the University, the portion allocated to the Creator's research use will be allocated to the Creator's Center/Institute, Department/Division or College. If there is more than one Creator, the portion allocated to the Creators' research use will be pro-rated among the Creators as OTD determines.

The portions distributed to the Center/Institute, Department/Division and College, which are the Center/Institute, Department/Division and College of the Creator(s) at the time of the creation of the Invention or Work, will be prorated when more than one Center/Institute or more than one Department/Division or more than one College is involved. OTD will make the final decisions on the pro-ration of such portions to Centers/Institutes, Departments/Divisions and Colleges. In the case of licenses or other commercialization agreements involving multiple Inventions or Works, OTD shall resolve any potential conflicts concerning the applicable distribution schedules after reviewing the technologies involved. If any Creator is not affiliated with a University recognized Center/Institute, that portion normally allocated to that Creator's Center/Institute will instead be allocated to that Creator's Department/Division. If any Creator is not affiliated with a Department/Division, that portion normally allocated to that Creator's Department/Division will instead be allocated to that Creator's College. Funds distributed to the Centers/Institute, Departments/Divisions and Colleges must be used solely for the support of research at the University.

OTD and FAURC will utilize their share of the Net Income distribution to support intellectual property and research activities at the University.

Equity in Lieu of Cash Payments

To the extent permitted by law, FAURC may elect to accept equity in lieu of cash payments for an upfront fee or royalty. The decision to accept equity in lieu of cash is made at the sole discretion of FAURC and does not constitute an obligation on behalf of FAURC to make a disbursement of equity to the Creator(s) or to the Center(s)/Institute(s), Department(s)/Division(s) and College(s) until the equity is sold.

Until distributed, FAURC will own and exercise all rights of ownership, including the rights to vote equity interests on all matters which are subject to the consent or approval of the holders of similar equity interests (including voting such equity interests for the election of the directors, approving or disapproving amendments to articles of incorporation, etc.). FAURC will retain and own the equity interest until the distribution, sale or exchange of the interest. The decision as to when to distribute, sell or exchange equity resides with the FAURC Board of Directors in its sole discretion.

The value received by FAURC from the sale or exchange or other disposition of any equity interests will be treated as Gross Revenues. Equity that FAURC chooses to distribute will be treated as Gross Revenue. When distributing, selling, exchanging or otherwise disposing of any equity interests, FAURC may agree to pay such commissions or other fees or charges and may incur such expenses, as it shall determine at its sole discretion. All such expenses are considered Development Expenses in determining Net Income to be distributed. Net Income

from equity will be distributed as described above; however, any Net Income that is distributed in the form of shares of equity, as against cash from the sale of equity, will be distributed as if it were Net Income in excess of Cap B.

A Creator may receive equity from a commercializing entity outside of the equity that FAURC receives from the commercializing entity in consideration for a license or other commercialization agreement for an Invention or Work. Any equity received by the Creator may not be in consideration for a license or other commercialization agreement for an Invention or Work. Such equity must be for Creator activities outside the scope of their University employment. If a Creator receives equity from a commercializing entity outside of the equity received by the University, such Creator will not share in the distribution of the Net Income associated with the equity received by the University except with the approval of the Vice President for Research. If one or more Creators receive equity directly from a commercializing entity, the portion of equity to be received by the other Creators will be reduced in proportion to the contribution to the Invention or Work, as determined by OTD, made by the Creators who receive equity directly from a commercializing entity. A Creator who receives equity directly from a commercializing entity may share in the distribution of Net Income derived from non-equity fees and royalties paid by such entity. For example, this may arise when the Creator receives certain considerations directly from the commercializing entity. In such cases the University may determine that such Creator does not receive some or any of the distribution of Net Income. The OTD Director will make a recommendation in this regard to the Vice President for Research who shall decide in consultation with the relevant Dean.

10.6.3.6 Relationships Between Employees and the University Regarding Business Transactions

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Department/Division Chair or College Dean does not approve the disclosure, OTD will return the disclosure to the Creator(s) as an incomplete disclosure. If the disclosure is deemed incomplete, the “120 calendar days” referred to in Section 10.6.4.4 of this Policy for “complete disclosure” will not commence. Timely disclosure prior to publication is required to prevent the loss of patent rights in countries outside the United States and the potential loss of patent rights in the United States. Therefore, Creators may wish to send a preliminary copy of the original disclosure, prior to review by the Chair and Dean, directly to OTD. Disclosures should be made on Inventions even if the Creator is uncertain as to whether the Invention has commercial value.

University Personnel are required to disclose all University-Supported Works, excluding Traditional Works of Scholarship. The procedures for disclosing Regular Instructional Works should be determined in discussions with the head of the Creator’s Center/Institute or Department/Division. All other University-Supported Works should be disclosed to OTD. Appendix VIII contains a Work Disclosure Form that shall be used to disclose each Work. Relevant manuscripts describing the Work can be attached to the disclosure. The disclosure should be signed and dated by .7(houl)-1.1(d be-1.7-1(s)-1.7(or)0.7x)0.7(and D)1.77(ur)0.7ted bbJ 0 Tc 0 Tw.

Advisory Committee. The Director of OTD shall inform the Creator(s) of the University's decision regarding ownership and the University's legal rights as soon as practicable, within 120 calendar days from receipt by OTD of the complete disclosure in the case of an Invention and 60 days from receipt of the complete disclosure by OTD in the case of a University-Supported Work. It shall be the obligation of the Creator to provide additional information as needed in all stages of this procedure.

If the University's ownership interest in an Invention or Work is waived to the Creator(s), it is the policy of the University that the Creator(s) must disclose any potential conflict of interest created by the ownership interest when proposing research to be conducted using University resources that could reasonably appear to influence the financial value of the Invention or Work. In such cases the University, through the Creator(s) and appropriate administrators, must establish the means to manage any conflict prior to conducting the research. It is the sole prerogative of the University to deny the proposed research if the conflict of interest is deemed to be unmanageable or of too high a degree of risk for the University.

10.6.4.5 Commercialization

Inventions and Works in which the University has asserted its ownership interest, may be protected, marketed, and commercialized as appropriate. OTD will play a primary role in taking appropriate action on such disclosure, in close collaboration with the Creator(s) and appropriate Centers/Institutes, Departments/Divisions or Colleges at the University. All final decisions regarding Inventions and Works in which the University has asserted its ownership interest are made by the Vice President for Research or his/her designee. At any stage in the commercialization of an Invention or Work, OTD may elect to withdraw from further involvement in the protection or commercial application of the Invention or Work including but not limited to withdrawing from financing or prosecuting patent applications. At the request of the Creator in such case, OTD may transfer the intellectual property rights to the Creator. The transfer shall not affect the right of the University and the State of Florida to royalty-free use of the Invention or Work.

10.6.5 Effective Date

This policy is effective as of August 16, 2001 and includes amendments made on December 18, 2001, January 23, 2004, and July 1, 2020, with the exception of those provisions concerning distribution of proceeds as set forth in Section 10.6.3.5 of this policy, which shall become effective as follows: The proceeds from any Inventions or Works that are the subject matter of any license or other commercialization agreement entered into by the University or FAURC before August 16, 2001 shall continue to be distributed pursuant to the previous patent policy or any previous agreehe trentermie Universi.

(3) **DOING BUSINESS WITH ONE'S AGENCY:** No employee of an agency acting on his or her official capacity as a purchasing agent, or public officer acting in his or her official capacity, shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for his or her own agency from any business entity of which the officer or employee or the officer's or employee's spouse or child is an officer, partner, director, or proprietor or in which such officer or employee of the officer's or employee's spouse or child, or any combination of them, has a material interest. Nor shall a public officer or employee, acting in a private capacity, rent, lease, or sell any realty, goods or services to the officer's or employee's own agency, if he or she is a state officer or employee, or to any political subdivision or any agency thereof, if he or she is serving as an officer or employee of that political subdivision. The foregoing shall not apply to district offices maintained by legislators when such offices are located in the legislator's place of business or when such offices are on property wholly or partially owned by the legislator. This subsection shall not affect or be construed to prohibit contracts entered into prior to:

- (a) October 1, 1975.
- (b) Qualification for elective office.
- (c) Appointment to public office.
- (d) Beginning public employment.

(4) **UNAUTHORIZED COMPENSATION.** No public officer, employee or an agency, or local government attorney or his or her spouse or minor child shall, at any time, accept any compensation, payment, or thing of value when such public officer, employee, or local government attorney knows, or, with the exercise of reasonable care, should know, that it was given to influence a vote or other action in which the officer, employee, or local government attorney was expected to participate in his or her official capacity.

(5) **SALARY AND EXPENSES:** No public officer shall be prohibited from voting on a matter affecting his or her salary, e-4.1(N)1.7(D)eompo.7(y)-DTJ 0 -1.191h,-1.1(h gov)3.Teco nowBa.

Appendix II

Sections of US Copyright Law (U.S. Code as of 02/08/2011)

(A) to prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and any intentional distortion, mutilation, or modification of that work is a violation of that right, and

(B) to prevent any destruction of a work of recognized stature, and any intentional or grossly negligent destruction of that work is a violation of that right.

(b) SCOPE AND EXERCISE OF RIGHTS. — Only the author of a work of visual art has the rights conferred by subsection (a) in that work, whether or not the author is the copyright owner. The authors of a joint work of visual art are co-owners of the rights conferred by subsection (a) in that work.

(c) EXCEPTIONS. —

(1) The modification of a work of visual art which is the result of the passage of time or the inherent nature of the materials is not a distortion, mutilation, or other modification described in subsection (a)(3)(A).

(2) The modification of a work of visual art which is the result of conservation, or of the public presentation, including lighting and placement, of the work is not a destruction, distortion, mutilation, or other modification described in subsection (a)(3) unless the modification is caused by gross negligence.

(3) The rights described in paragraphs (1) and (2) of subsection (a) shall not apply to any reproduction, depiction, portrayal, or other use of a work in, upon, or in any connection with any item described in subparagraph (A) or (B) of the definition of “work

(4) All terms of the rights conferred by subsection (a) run to the end of the calendar year in which they would otherwise expire.

(e) TRANSFER AND WAIVER.

other public or private organizations when it is arranged, administered, or controlled by or through the University or any University Direct Support Organization.

(d) Field of Employment is broadly defined to reflect the fact that employees often work outside their academic disciplines.

(e) A Creator is an employee as defined in this collective bargaining agreement who creates a Work or creates or discovers an Invention.

18.3 Disclosure.

(a) Inventions. Upon creation or discovery, and prior to public disclosure, a Creator shall provide full and complete written disclosure to the University Office of Technology Transfer of any (1) Invention in his/her field of employment; (2) Invention using

- (c) Consistent with law and the legitimate interests of the University, Employees shall control their personal correspondence and notes. Employees shall serve as the University's agent for purposes of maintaining and controlling laboratory notebooks, raw data, and other working papers, all of which are the property of the University. Employees who leave the University shall be permitted to copy laboratory notebooks and take copies with them, although they may be required to maintain confidentiality of the data contained within the notebook when appropriate. The original notebooks will remain at the University.
- (d) The University shall have a policy regarding the division of proceeds between Employees and the University for University owned Inventions and Works.
- (e) The terms and conditions of a grant or contract administered by the University may supersede this Article with the written agreement of the affected initial Principal Investigator.

18.5 Release of Rights.

- (a) Unless prohibited by law or contract, the University may withdraw from involvement in the protection or commercial application of an Invention or Work at any stage and relinquish its interests to a third party. If the University assigns its interests to a Creator, costs incurred by the University or on its behalf shall not be assessed against the Creator, unless otherwise agreed upon in writing by the Creator and the University.
- (b) All assignments or releases of Inventions or Works by the University to employees shall contain a provision that such Invention or Work, if patented or copyrighted by the employee, shall be available royalty-free for educational or research purposes by the University, or consistent with law, by the United States Government or the State of Florida.

(b) "Conflict of Interest" shall mean:

- (1) any conflict between the private interests of the employee and the public interests of the University, the Board of Trustees, or the State of Florida, including conflicts of interest specified under Florida Statutes;
- (2) any activity which interferes with the full performance of the employee's professional or institutional responsibilities or obligations; or
- (3) any outside teaching employment with any other educational institution during a period in which the employee has an appointment with Florida Atlantic University, except with written approval of the Dean.

19.3 Conflicts of Interest Prohibited.

Conflicts of interest are prohibited and employees are responsible for resolving them by working with their supervisors and other University officials.

19.4 Reportable Outside Activity.

An employee who proposes to engage in outside activity shall provide his or her supervisor a detailed written description of the proposed activity. The report shall include where applicable, the name of the employer or other recipient of services; the funding source; the location where such activity shall be performed; the nature and extent of the activity; and any intended use of University facilities, equipment, or services. A new report shall be submitted for outside activity previously reported at the beginning of each academic year for outside activity of a continuing nature and whenever there is a significant change in an activity (nature, extent, funding, etc.) The reporting provisions of this section shall not apply to activities performed wholly during a period in which the employee has no appointment with the University. Any outside activity which falls under the provisions of this Article and in which the employee is currently engaged but has not previously reported, shall be reported within sixty (60) days of the execution of this Agreement and shall conform to the provisions of this Article.

19.5

19.7 University Affiliation.

As specified in Article 5.3(d), an employee engaging in outside activity shall indicate that he/she is not an institutional representative unless specifically authorized as such. The employee will take reasonable precautions to ensure that the outside employer or other recipient of services understands that the employee is engaging in such outside activity as a private citizen and not as an employee, agent, or spokesperson of the University.

FORMS:

[Appendix IV Disclosure of Financial Conflict of Interest Status Form](#)

[Appendix V Report of Outside Employment or Professional Activity Form](#)

[Appendix VI Report of Specified Interest Form](#)

[Appendix VII Invention Disclosure Form](#)

[Appendix VIII Work Disclosure Form](#)

POLICY APPROVAL

Policy Number: 10.6

Initiating Authority

Signature: _____

Name: Daniel C. Flynn

Title: Vice President for Research

Date: July 1, 2020