

## Document XIII

### UNIVERSITY OF LOUISIANA AT LAFAYETTE INTELLECTUAL PROPERTY POLICY

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**Responsible Office: Vice President for Research**

**Reference: University of Louisiana System Policies**

#### **I. PURPOSE/PREAMBLE**

The University of Louisiana At Lafayette (UL Lafayette or University) recognizes the need for and desirability of encouraging the broad utilization of the results of academic research by bringing innovative findings to practical application. The primary purpose of this Intellectual Property Policy is to provide the necessary protections and incentives to encourage both the discovery and development of new knowledge and its transfer for the public benefit; a secondary purpose is to enhance the generation of revenue for the University and the creators.

UL Lafayette recognizes that research and scholarship should be encouraged without regard to potential gain from licensing fees, royalties, or other income; however, the University also recognizes that intellectual properties and discoveries may arise from the activities of faculty, staff, and students in the course of the duties or through the use, by any person, of institutional resources such as facilities, equipment, or funds. The policies governing the administration of such intellectual properties should provide adequate recognition and incentive to creators and, at the same time, ensure that the University will share in the rights pertaining to intellectual properties in which they have equity. UL Lafayette is committed to assisting its faculty and other researchers in properly disclosing their scholarly work, in complying with applicable laws and formal agreements, and in gaining the protection available under the United States laws governing patents, copyrights, trademarks, and other appropriate provisions.

#### **II. OBJECTIVES**

The University of Louisiana at Lafayette's Intellectual Property Policy provides the following objectives for the University as it develops and implements its intellectual property policies in compliance with applicable state and federal guidelines:

- A. To encourage research and scholarship as creative academic endeavors while recognizing that commercially valuable intellectual properties may result from such endeavors;
- B. To delineate procedures to encourage creators to report discoveries with broad commercial potential and public benefit and to assist them, while at the same time safeguarding the interests of all concerned parties;
- C. To make intellectual property developed in the course of academic research available to the public under conditions that will promote its effective and timely use and development;
- D. To provide adequate recognition and incentives to inventors through sharing proceeds from their inventions;
- E. To advance and encourage research, scholarly activities and creation of new knowledge within the University with resources resulting from the successes of the intellectual property program of the University;

- F. To recognize the equity of outside entities by allowing the reasonable grant of intellectual property rights to such entities consistent with the University's maintenance of tax exempt financing;
- G. To optimize the environment and incentives for research and scholarly activity and for the creation of new knowledge in the University;
- H. To ensure that the educational mission of the University of Louisiana at Lafayette is reinforced.

### III. DEFINITIONS/BACKGROUND

The following definitions shall govern throughout the UL Lafayette Intellectual Property Policy.

- A. Intellectual Property shall be defined as inventions, discoveries, know how, show-how, processes, unique materials, copyrightable works, original data, and other creative or artistic works that have value. Intellectual property includes that which is protectable by statute or legislation, such as patents, copyrights, trademarks, service marks, trade secrets, mask works, and plant variety protection certificates. It also includes the physical embodiments of intellectual effort and tangible research (e.g., models, prototypes, machines, devices, designs, drawings, apparatus, instrumentation, circuits, semiconductor chips, computer programs and visualizations, biological materials, chemicals, other compositions of matter, plants, and records of research).
  - 1. Technical Works shall include intellectual properties that are generally of a scientific, engineering, or technical nature such as patentable or unpatentable inventions, devices, machines, processes, methods, and compositions (including biological materials), computer software, and University collections.
  - 2. Academic Works include all intellectual properties not covered in Technical Works that are of an artistic, scholarly, instructional, or entertainment nature. Academic works do not include those productions of drama, music, athletics, and similar events that are managed by appropriate academic departments, colleges, or academic support units, and are expressly approved by the University as not being subject to this policy. Traditional academic publications, such as professional papers published in scholarly journals, are not included, except under specific and unusual circumstances. Likewise, the varied artistic creations or performances that are the academic, noncommercial equivalent of such scholarly publications are not included.
- B. Traditional Academic Copyrightable Works shall be defined as a subset of copyrightable works created independently and at the creator's initiative for traditional academic purposes. Examples include class notes; books, theses and dissertations; articles; non-fiction, fiction, and poems; musical works; dramatic works including any accompanying music; pantomimes and choreographic works; pictorial, graphic, and sculptural works; or other works of artistic imagination that are not created as an institutional initiative.
- C. Creator shall be defined as an individual or group of individuals who make, conceive, reduce to practice, author, or otherwise make a substantive intellectual contribution to the creation of intellectual property. Creator shall include, but not be limited to, faculty, professional staff, administrative and support staff, and students. Creator shall also include the definition of inventor as used in the U.S. patent law and the definition of author as used in the U.S. Copyright Act.
- D. Institution Resources Usually and Customarily Provided shall include such support as office space, library facilities, ordinary access to computers and networks, or salary and

shall be described in this policy as either “incidental” or “significant.” The phrase does not include use of students or employees as support staff to develop the work, or substantial use of specialized or unique facilities and equipment, or other special subventions provided by the University unless approved as an exception.

- E. Invention shall mean an invention or discovery that is either conceived or first reduced to practice, in whole or in part, during activities that are: (a) carried on by, or under the direction of University personnel, regardless of when or where conception or reduction to practice occurs; (b) supported by funds under the control of UL Lafayette; or (c) conceived, created, designed, developed, or conducted with the use of the University facilities, equipment, or supplies. The term Invention shall also include any patent application or issued patent containing at least one claim reading on such an invention or discovery. As a limited exception, the following shall not be considered an Invention of UL Lafayette: an invention or discovery that is wholly conceived and wholly first actually reduced to practice during activities that satisfy each of the following four conditions: (a) the activities occur during the personal, off-duty time of all involved University personnel; (b) the activities are not supported by funds under the control of the University; (c) the activities are not performed with the use of the University facilities, equipment, or supplies; and (d) the activities are unrelated to any current or past field or area of expertise, responsibility, or employment of any involved University personnel.
- F. Work shall mean any original work of authorship that is fixed in any tangible medium of expression, and that is created or produced during an activity that is supported by UL Lafayette, in whole or in part. The term Work shall also include any copyright or other legal rights derived from such a work. The support by the University may, for example, take the form of financial support, use of facilities, use of supplies, payment of salary, the consideration provided in a particular contract, or otherwise. Work shall include intellectual properties that are of a scientific, engineering, or technical nature such as patentable or unpatentable inventions (including biological materials), computer software, and institution collections.
- G. Scholarly Works shall include all intellectual properties not covered in Technical Works that are of an artistic, scholarly, instructional, or entertainment nature.
- H. Computer Software shall mean any software or computer programs, associated operational procedures, manuals, or other documentation, whether protectable or protected by patent or copyright, created or developed, in whole or in part, during activities that are: (a) carried on by, or under the direction of, UL Lafayette personnel, regardless of when or where the creation or development occurs; (b) supported by funds under the control of the University; or (c) conceived, created, designed, developed, or conducted with the use of the University facilities, equipment, or supplies. The term Software shall also include any source code pertaining to such software; any copyright derived from such software; any patent application or issued patent containing at least one claim reading on such software, or having at least one claim reading on a process or apparatus incorporating such software; and any other legal rights derived from such software.
- I. Digital Media is a collective term that encompasses all UL Lafayette Software, as well as some UL Lafayette Works. All Software is considered Digital Media. A Work is considered Digital Media if it is fixed in a tangible digital medium (including, by way of example, a magnetic tape, a floppy disk, a hard disk, a compact disk, a digital video disk/digital versatile disk/DVD, or other digital storage device, or an Internet website) that is intended to be used by third parties in digital form or that is intended to be distributed in digital form to third parties for consideration. A Work that is transmitted to a publisher in digital form at the request of the publisher or for the convenience of the author or

publisher, but that will not be distributed by the publisher to third parties in digital form (e.g., a conventional printed book whose text is prepared on a word processor) is not considered Digital Media; however, any digital media that otherwise satisfies the above definition, and that is intended to be distributed to third parties with a printed book (for example, a compact disk read-only-memory packaged with a book) is considered Digital Media. A Work that is published electronically as part of a peer-reviewed scholarly journal on the Internet shall not be considered Digital Media. Some Digital Media will be treated as Works, and some Digital Media will be treated as Software.

- J. Course Materials shall mean any copyrights in underlying educational materials or course content used in the *bona fide* teaching or instruction of a regularly scheduled course for credit offered by the University, to the extent that an author of those materials, himself or herself, uses those materials in teaching the course; including portions, subsets, drafts, revisions, updates, versions, and instructional components of such materials; whether printed, digital, Internet based, CD/DVD-based, audio- or video-based, or otherwise. Course Materials may include copyrights in items that would otherwise constitute UL Lafayette Works, UL Lafayette Software, or UL Lafayette Digital Media. Course Materials shall not, however, include rights in any patent, patent application, UL Lafayette Database, UL Lafayette Mark, or UL Lafayette Invention. Course Materials shall not include any rights that are derived from a co-author who is not also directly involved in the teaching or instruction of a regularly scheduled course for credit at the University using those materials.
- K. Database shall mean a digital database that has commercial value, or that reasonably may be considered to have potential commercial value, regardless of whether the database is the subject of copyright, where the database is created or developed, in whole or in part, during activities that are: (a) carried on by, or under the direction of, UL Lafayette personnel, regardless of when or where the creation or development occurs; (b) supported by funds under the control of the University; or (c) conceived, created, designed, developed, or conducted with the use of the University facilities, equipment, or supplies. The term UL Lafayette Database shall also include any source code pertaining to such database; any copyright derived from such database; any patent application or issued patent containing at least one claim reading on such database, or having at least one claim reading on a process or apparatus incorporating such database; and any other legal rights derived from such database, including by way of example any statutory legal protection for a database, whether the statute is enacted before or after the provisions of this Policy concerning UL Lafayette Databases take effect.
- L. University of Louisiana at Lafayette Mark shall mean any trade name, trademark, service mark, design, or trade dress: (a) that is associated with University of Louisiana at Lafayette; (b) that is created or produced during an activity that is supported by the University, in whole or in part; or (c) that is created or produced by the University personnel, and that is associated with any other UL Lafayette Intellectual Property. The term UL Lafayette Mark shall also include any goodwill associated with any such mark, and any registrations or other legal rights derived from such a mark.
- M. University Personnel shall mean all UL Lafayette Supervisors, Officers, Faculty, Staff, Research Associates, Postdoctoral Fellows, Instructors, Graduate Students, and other employees of the University, whether part-time or full-time. UL Lafayette personnel shall include, for example: (a) faculty or other University personnel who are on nine-month appointments, who shall be considered UL Lafayette personnel throughout the calendar year for purposes of this Policy; (b) visiting faculty; and (c) adjunct faculty, emeritus faculty, and University undergraduate and professional students employed by UL Lafayette when those persons act within the course and scope of their employment by the University. The term UL Lafayette personnel shall not include adjunct faculty and UL

Lafayette undergraduate and professional students when those individuals are not acting as employees of the University.

- N. Distributable Royalties shall mean any money, corporate stock or other equity in a business organization, or other property actually received by and in the control of the University under an authorized contract granting any rights in any UL Lafayette Invention, Work, Software, Database, Digital Media, or other University Intellectual Property. However, consideration received by the University in reimbursement of or allocated for past, present, or future attorneys fees or other legal expenses associated with UL Lafayette Intellectual Property shall not be included as part of Distributable Royalties. No expenses other than reimbursed attorney's fees and legal expenses shall be deducted in calculating Distributable Royalties. Distributable Royalties shall not include any consideration deemed a Research Grant or deemed Litigation Proceeds; nor shall Distributable Royalties include any amounts received by the University that are attributable to a UL Lafayette Mark. Furthermore, no activity conducted by the University for educational, research, or non-commercial purposes shall be deemed to give rise to Distributable Royalties.
- O. Research Grant shall mean (for purposes of this Policy) any consideration received by the University under an authorized sponsored research contract that, along with any other provisions, grants another party any rights in any UL Lafayette Intellectual Property, where the University's disposition of that consideration is restricted by that contract to use for conducting research. A Research Grant shall not be considered Distributable Royalties.
- P. Litigation Proceeds shall mean any money or other property received by the University as a result of any resolution of a dispute over another's use, infringement, or licensing of any UL Lafayette Intellectual Property, whether received by way of judgment, arbitration, or settlement -- and in the case of a settlement, regardless of whether any arbitration or lawsuit has been instituted. Litigation Proceeds shall not be considered Distributable Royalties.
- Q. UL Lafayette or University shall mean the University of Louisiana at Lafayette, including all of its campuses, centers, institutions, facilities, and other property.

#### **IV. RIGHTS TO OWNERSHIP/DISCLOSURES**

The intellectual property rights of UL Lafayette arise from research, academic and other endeavors. These rights vary depending upon the proportionate contribution of the University in the discovery and development of the intellectual property. Those contributions can be expressed in terms of personnel, funds, facilities, equipment and supplies. The University's contributions can vary from those wholly financed by the University or by a University-administered fund to projects which receive no significant University support. The following principles shall govern decisions of the "Intellectual Property" ownership by the University.

- A. Principles
  - 1. The University shall have partial or full ownership of Intellectual Property when that property was conceived, developed, or constructively reduced to practice, and it involved: (a) a University employee within the scope of his or her employment; (b) a University employee who is hired or commissioned to create a specific work; (c) more than incidental use of institution resources usually and customarily provided occurs; (d) the intellectual property results from research supported by federal funds or third-party sponsorship; or (e) that intellectual property, or portion thereof, that was purchased by or donated to the University.

2. This policy shall apply to all persons employed by the University, to anyone using University facilities under the supervision of University personnel, to undergraduate students and to graduate students
3. To the extent that intellectual property is conceived, developed, and/or reduced to practice by a member of University personnel on his/her own time, outside the scope of his/her employment or association with the University and without University facilities, supplies, materials, or resources, ownership of such intellectual property shall belong to the creator(s). He/She may submit his/her exploration and management under terms to be agreed upon by the creator(s) and the University.
4. The provisions of this policy are subject to any applicable laws, regulations, or specific provisions of the grants or contracts which govern the rights in intellectual property created by or in connection with the sponsored research.
5. In order to avoid any questions concerning the tax exempt status of financing used for certain University facilities, the University of Louisiana at Lafayette shall seek to: (a) retain ownership of inventions arising during performance of research sponsored by any private sponsor at the University and/or government sponsor; and (b) grant to such sponsor(s) any right in the invention only under compensation terms that are set after the time when the invention comes into existence and that are at a fair market level of compensation to UL Lafayette. Under the terms of certain contracts and agreements between the University and various agencies of government, private and public corporations, and private interests, UL Lafayette may be required to license intellectual property rights to the contracting party. The University retains the right to enter into such agreements whenever such action is considered to be both in its best interest and in the public interest. The University will not agree to grant any rights in future inventions to private corporations or businesses unless such provision is included in the contract that sponsored the work leading to the invention.
6. Special cases not covered by the above statements or which arise because of conflict of interest shall be considered by the Intellectual Property Committee and an appropriate recommendation submitted to the University administration.

## **V. ORGANIZATION/MANAGEMENT/ADMINISTRATION**

### **A. Acknowledgment of Institutional Impact and Authority**

The UL Lafayette recognizes that the evaluation of inventions and discoveries and that the administration, development, and processing of patents and licensable inventions involve substantial time and expense and require special talents and experience.

### **B. Institution Office**

The Vice President for Research shall encourage research and scholarly activity, review and recommend to the President changes in procedures, resolve questions of intellectual property ownership, and make such recommendation as are deemed appropriate to encourage disclosures and ensure prompt and effective handling, evaluation and prosecution of intellectual property opportunities and to protect the interests of the University and the public.

### **C. Disclosure**

University personnel who believe they have patentable inventions (ideas, concepts, methods, materials, processes) in which the University has ownership rights shall bring them to the attention of UL Lafayette by submitting the Invention Disclosure Record Form.

All intellectual property in which the University has an ownership interest under

the provisions of this policy and that has the potential to be brought into practical use for public benefit or for which disclosure is required by law shall be reported promptly in writing by the creator to the designated University officer through the appropriate unit executive officer(s) using the UL Lafayette Intellectual Property Disclosure Form provided by the University (See Appendix for sample). The disclosure shall constitute a full and complete disclosure of the subject matter of the discovery or development and identify all persons participating therein. Annually, the creator shall report to the University proceeds and/or units distributed for all copyrightable works and intellectual property, regardless of the University's ownership interests.

When a potential intellectual property application is received by UL Lafayette, the University, acting on the recommendation of the Intellectual Property Committee and with the approval of the President, shall proceed with one of three courses of action: (a) pursuit of commercialization by the University; (b) return to the inventor(s) for further research and development before further action; and (c) return of the idea/invention to the inventor(s) for his/her/their own intellectual property pursuits by license or assignment as appropriate, relinquishing University responsibilities for costs and retaining a royalty interest.

D. Cooperation

The creator shall furnish such additional information and execute such documents from time to time as may be needed or desired to perfect the invention or patent, market or license the invention, technology or patent or as may be reasonably requested. The creator shall execute any documents requested by the University to assign all rights, title and interest to the University of any invention or technology. The creator shall cooperate in executing declarations, assignments or other documents as may be necessary or desired in the course of invention evaluation, patent prosecution and/or protection of patent or analogous property rights, to assure that title to such rights are held by the University. The creator shall cooperate in litigation involving the University arising in any manner from the invention, patent, patent application or assignment of rights involving the invention and/or patent. The creator shall cooperate in reasonable marketing efforts related to the invention, discovery or patent.

E. Evaluation and Exploitation Decisions

After evaluation of the intellectual property and review of applicable contractual commitments, the University may develop the property through licensing, may release it to the sponsor of the research under which it was made (if contractually obligated to do so), may release it to the creator if permitted by law, or may take such other actions as are determined to be in the public interest. Exploitation by the University may or may not involve statutory protection of the intellectual property rights, such as filing for patent protection, registering the copyright or securing plant variety certification.

No assignment of or license for (or option to assign or license) any invention developed in the course of research supported by funds or utilizing facilities administered by the University may be entered into by any University personnel without the written consent of the University. The University shall have the ultimate right to resolve any conflict of interest arising in this connection with third parties or organizations. The basic objectives of the intellectual property policy stated above shall serve as the criteria for approval of assignments, licenses, and agreements to assign or license.

F. Foreign Applications

Foreign intellectual property applications will not be filed unless: a) substantial justification exists relative to the commercial potential of the invention; b) one or more firms have expressed their intent to license the technology; or c) the inventor's college/department/unit assumes all filing and prosecution costs of such foreign applications.

There will be an annual review of foreign application/intellectual property status. Foreign applications/intellectual property that are not active with respect to license or license potential may be dropped.

G. Questions Related to Institution Ownership

In the event there is a question as to whether the University has a valid ownership claim in intellectual property, such intellectual property should be disclosed in writing to the University by the creator. Such disclosure is without prejudice to the creator's ownership claim. The University will provide the creator with a written statement as to the University's ownership interest.

H. Abandonment of Intellectual Property

Should the University decide to abandon development or protection of University-owned intellectual property, ownership may be assigned to the creator as allowed by law subject to the rights of sponsors and to the retention of a license to practice for University purposes. The minimum terms of such license shall grant the University the right to use the intellectual property in its internally administered programs of teaching, research, and public service on a perpetual, royalty-free, non-exclusive basis. The University may retain more than the minimum license rights, and the assignment or license may be subject to additional terms and conditions, such as revenue sharing with the University or reimbursement of the costs of statutory protection, when justified by the circumstances of development.

I. Commercialization by Creator

The University may, at its discretion and consistent with the public interest, license intellectual property to the creator on an exclusive or nonexclusive basis. The creator must demonstrate technical and business capability to commercialize the intellectual property. Agreements with creators will be subject to review and approval of conflict-of-interest issues in accordance with applicable University policy.

J. Decision-Making Timeline

After completion of an intellectual property disclosure form, the University will inform the principal creator within a reasonable time of its substantive decisions regarding protection, commercialization, and/or disposition of the intellectual property that the creator has disclosed. The University shall be bound by any confidentiality agreement made with any external parties.

## **VI. INTELLECTUAL PROPERTY COMMITTEE**

The University of Louisiana at Lafayette recognizes the need for and desirability of encouraging the broad utilization of the results of academic research by bringing innovative findings to practical application. In order assist the University in the appropriate development of intellectual property, the University hereby creates an Intellectual Property Committee which will assist the University in determining which ideas merit intellectual property protection and commercial development.

The Intellectual Property Committee shall act as an advisory committee, reporting to and advising the Vice President for Research on policies and procedures related to the development, advancement, utilization, protection and commercial enhancement of the intellectual property efforts of the faculty, staff and students of the University of Louisiana at Lafayette.

Intellectual property activities shall be under the general cognizance of UL Lafayette. The Intellectual Property Committee shall function as an advisory committee in the University and shall have the following responsibilities: (a) Advise the Vice President for Research, the President, and UL Lafayette on institutional intellectual property policies, the implementation of

policies, and the status and conduct of the institution's technology transfer efforts; (b) Advocate to the University's personnel the institution's technology transfer efforts; and (c) Assist UL Lafayette in the conduct of the technology transfer program by performing the following duties: evaluate invention reports from University personnel, and recommend whether the University should accept the invention and attempt to obtain proper protection; conduct a preliminary assessment of viability, and make a recommendation to: (1) forward the proposal to an advisory entity to determine patentability and/or marketability and/or (2) take other actions as deemed necessary; recommend the equity of the University and of the inventor(s) within the limits specified in this policy; and (3) recommend how the intellectual property of UL Lafayette shall be assigned.

The duties of the Intellectual Property Committee shall be to advise the Vice President for Research as to appropriate and particular policies and procedures for University personnel to adhere to and follow in the development of intellectual property, inventions, technology and other ideas.

The Intellectual Property Committee shall advise the Vice President for Research of procedures to advance, disseminate and protect information related to intellectual property, inventions, technology and/or patentable claims and ideas.

The Intellectual Property Committee shall advise the Vice President for Research as to which invention, technology, or idea should receive the benefit of protection of intellectual property laws and patents, as well as which invention, technology or idea should be commercially developed.

The Intellectual Property Committee shall be composed of the Director of Research and Sponsored Programs (chair), the Director of Contractual Review, the Dean of the College of Business Administration, the Dean of the College of Engineering and the Dean of the College of Sciences, and two (2) faculty members of the University appointed by the Vice President for Research. A majority of the committee shall constitute a quorum for all actions of the committee. A majority vote of members present shall constitute official action of the committee. Should any of the positions listed above be unoccupied, the Vice President for Research shall appoint a replacement who shall serve as long as the open position remains unfilled. Should the position be terminated, the Vice President for Research shall designate a person to fill that position which has been terminated, until the University can amend its policies. The Vice President may appoint additional member(s) of the Committee as he or she may determine in his or her sole discretion.

During the summer sessions and extended University holiday periods, the Chair and such members as are available will have the authority to make recommendations to the Vice President for Research to: (1) expedite the review of intellectual property disclosures deemed time critical in terms of negotiations with prospective licensees, meeting filing deadlines, and the like; (2) initiate negotiations with prospective licensees for intellectual property filing/processing fees or the like; and (3) such other activities that are time critical and cannot be delayed for handling at a regular or specially called meeting of the Committee.

The University may from time to time employ outside firms or agencies to assist the Intellectual Property Committee in its efforts to advance utilize the intellectual property developed by and through the efforts of the University.

Any recommendation of the Intellectual Property Committee may be appealed by any interested party to the Vice President for Research. An interested party is defined to an individual or individuals who has or have been involved in the development, advancement or utilization of intellectual property, technology, inventions or ideas through the efforts or associations of the University. A decision of the Vice President for Research may be appealed to the University President. A decision by the University President is final.

## VII. PROCEEDS DISTRIBUTION

In the event that royalties are generated by intellectual property rights assigned or licensed to the University, an appropriate share of such royalties shall be paid to the creator. The University may recover its costs before the following conditions apply. The creator's share shall be determined by the following:

- A. The University of Louisiana at Lafayette holds all right, title, and interest to all UL Lafayette Intellectual Property in all countries. UL Lafayette personnel shall execute any formal assignments to UL Lafayette of all rights, titles, and interests to any UL Lafayette Intellectual Property, and shall execute such other documents and perform such other lawful acts (at no out-of-pocket expense to the University personnel) as may be requested by UL Lafayette fully to secure the University's interest in UL Lafayette Intellectual Property.
- B. In cases where the University or creator, as the case may be, assigns such intellectual property rights to a research corporation under contract to the University, the share of royalties to be paid to the creator shall be governed by the terms of the contract between the University and the research corporation.
- C. In cases where the intellectual property is covered by a contractual agreement with a sponsoring agency, the financial arrangements shall be in accordance with that contractual agreement as negotiated between the University and the contracting agency.
- D. In cases of sponsorship by federal agencies, compliance with the appropriate federal regulations shall be effected in the ultimate agreement.
- E. A purported assignment, transfer, license, assertion of ownership, or other disposition of UL Lafayette Intellectual Property by the inventor(s) or author(s), without the prior written approval of an authorized University official, is void and will not be recognized by UL Lafayette -- including, by way of example and not limitation, any such purported assignment or other disposition in a consulting agreement, research agreement, material transfer agreement, or confidentiality agreement.
- F. As owner of UL Lafayette Intellectual Property, the University may manage, license, patent, register, sell, abandon, or otherwise dispose of any UL Lafayette Intellectual Property as the University in its discretion sees fit, including but not limited to all decisions concerning potential financial benefits to be derived from any UL Lafayette Intellectual Property.
- G. If the University elects not to pursue or maintain any item within UL Lafayette Intellectual Property, then on written request from the affected inventor(s) or author(s), in UL Lafayette's discretion the University may, with any required concurrence from a research sponsor, by written agreement with the respective inventor(s) or author(s), assign that item to the inventor(s) or author(s), subject to such conditions as the parties find mutually agreeable.
- H. In cases where the University retains ownership of an intellectual property from a creator or creators, and/or expends funds to develop and market the intellectual property, any royalties generated will be used first to cover the expenses of filing, procuring, maintaining, and marketing the intellectual property. Forty percent of the net royalties will be paid to the creator, and sixty percent will be retained by the University.

1. Net royalties are defined as gross royalties or other payments, such as option payments, received by the University less any royalty or payment shared with an other entity or entities (e.g., as required by an agreement with a funding source or as the result of an inter-institutional agreement with a co-owner of the University invention), and any fees or costs directly attributable to the University invention being licensed. Examples of such direct fees are patent filing fees, fees for patent searches and/or legal advice, fees arising out of litigation, or marketing costs.
  2. The percentage allocations of the various shares of intellectual property income shall be calculated as follows: Inventor's share shall be 40%; of the University's 60% share, the Office of the President shall receive 10% of all Distributable Royalties; the Office of the Vice President for Research shall receive 10% of all Distributable Royalties; and 40% of all Distributable Royalties shall be allocated to the appropriate University Fund as directed by the President. None of this remainder may be allocated directly to any individual. College/Department priorities are as follows: (1) The Inventor's Share will be shared equally among all inventors, unless he/she/they agree otherwise. (2) Inventor(s) may also arrange for his/her/their personal share(s) to be retained by the University, e.g., to support his/her/their research. (3) The Inventor's Share will continue even though he/she/they may have left the University. (4) When an inventor leaves the University, the discretionary funds are added to the University Share. (5) When none of the inventors has a home college, the Inventor's Home College's Share and/or Discretionary Funds are added to the University Share. When the Inventor is affiliated with a Center rather than a College, the Vice President for Research will recommend to the President an appropriate distribution of the share or sharers. (6) Inventor's shares shall pass to the Inventor's heirs and assigns in the event of the inventor's death.
- I. The University may choose not to retain ownership to a particular invention, intellectual property or technology, releasing its right(s) to the intellectual property to the creator. To receive title to any University invention that the University chooses to not retain title, the creator in accepting the transfer of such technology shall be subject to the following: (i) the University retains a royalty-free, perpetual non-exclusive license to make, have made, and use the invention and any improvements thereon for research and educational purposes; (ii) the transfer is subject to any obligations to outside sponsors of research; (iii) in the case of multiple inventors, all the inventors have reached a written agreement as to the disposition of the title to the invention or technology; and, (iv) the agreement and transfer is made pursuant to any revenue sharing and/or patent reimbursement agreement that may be negotiated between the inventor and the University. In instances where the University chooses not to retain ownership of the intellectual property, the creator shall obtain permission from the University President, or his or her designee, before associating the University's name, logo or other mark with the intellectual property.
- J. The University may approve exceptions to the established royalty distribution in extraordinary circumstances.
- K. As a matter of University policy, UL Lafayette shall require each licensee of UL Lafayette Intellectual Property, and ordinarily each sub-licensee, to obtain reasonable levels of liability insurance or to have adequately capitalized self-insurance, the amount of required liability insurance to be determined in view of the reasonably perceived risks presented by the particular technology being licensed. This insurance coverage shall commence no later than the date when the first commercial sale under the license is made, or if earlier the date of the first clinical trials of a human drug or medical device; and shall continue in effect until the expiration of all applicable periods of prescription or

statutes of limitation. The UL Lafayette shall be named as an additional insured in each such insurance policy.

- L. In circumstances where UL Lafayette assigns or waives certain intellectual property rights in favor of the authors or inventors, then, unless there is an authorized written agreement by the University that expressly provides otherwise, in each such case the assignment or waiver shall be without representation or warranty from the University of any kind, including no warranty or representation as to validity; scope; enforceability; inventorship; authorship; title; or absence of infringement of third party patents, copyrights, trademarks, or other third party rights. As examples: (a) In such a case it shall be an author's sole responsibility to obtain any necessary copyright clearances from third parties; and (b) In such a case it shall be an inventor's sole responsibility to obtain any necessary patent licenses from third parties. Furthermore, authors and inventors in such cases are cautioned that the waiver or assignment of such intellectual property rights by UL Lafayette does not include the right to use any UL Lafayette Mark.

### **VIII. MANAGEMENT OF INTELLECTUAL PROPERTY**

The business aspects of commercializing intellectual properties are the responsibility of the UL Lafayette, through its Vice President for Research with the approval of the President. The University may use its allotted portions of the net income received to employ individuals to fulfill specific functions, such as licensing specialists, clerical support personnel, or media specialists to assist with production and distribution of videos and films (Expenses such as mailing, copying, and other support consistent with marketing the product will be deducted from income generated before distributions are made pursuant to this policy.). It is the responsibility of the University Deans and University Department heads, in harmony with these guidelines, to act so that University resources including University personnel time are used appropriately, and to work with UL Lafayette to promote the proper fulfillment of the objectives of this policy.

### **IX. FOREIGN APPLICATIONS**

Foreign intellectual property applications will not be filed unless: (a) substantial justification exists relative to the commercial potential of the invention; (b) one or more firms have expressed their intent to license the technology; or (c) the inventor's college/department/unit assumes all filing and prosecution costs of such foreign applications. There will be an annual review of foreign application/intellectual property status. Foreign applications/intellectual property that are not active with respect to license or license potential may be dropped.

### **X. MAINTENANCE FEES**

When the University's patents or other intellectual property are subject to the payment of maintenance fees in order to keep such intellectual property in force, there may be instances in which the University decides to abandon some of its non-producing intellectual property. Regarding such non-producing intellectual property to be abandoned by the University, the University will offer to convey such intellectual property to the inventor(s) in upon such terms and conditions as the University may determine.

### **XI. INFRINGEMENTS**

No University personnel shall accuse any third party of infringing any intellectual property owned by the University unless express written permission has previously been obtained from the President of the University to make such allegation or accusation of infringement. Prior to granting such permission and prior to initiating litigation to resolve infringement of a University

intellectual property, the President shall consult with legal counsel and other counsel, as the President deems appropriate.

## **XII. DISAGREEMENTS AND APPEALS**

University personnel shall have the right to appeal decisions of the Intellectual Property Committee. Appeals shall be made to the President of the University. University personnel may, in accordance with by-laws of the University of Louisiana System Board of Supervisors, apply to the Board of Supervisors for a review of the decision of the President.