

<b>SOP: IP 01</b> <b>Version No: 1</b> <b>Effective Date: 10/22/04</b>	<b>INVENTIONS, PATENTS AND LICENSING</b>	<b>Supersedes Document Dated: N/A</b>
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**1. SUMMARY**

Establishes policy and procedures for disclosure and assignment of ownership of potentially patentable inventions created in the course of work at the Research Institute or with more than incidental use of Research Institute resources. Extends this requirement to Research Professional Staff, staff, graduate students, residents, interns, visitors and non-employees involved in research.

**2. PATENT POLICY**

2.1 All potentially patentable inventions conceived or first reduced to practice in whole or in part by members of the Research Professional Staff, staff (including student employees) and non-employees of the Research Institute in the course of their Research Institute responsibilities or with more than incidental use of Research Institute resources, shall be disclosed on a timely basis to the Research Institute. Title to such inventions shall be assigned to the Research Institute, regardless of the source of funding, if any. Each inventor is expected to execute appropriate legal documents that provide for assignment of all inventions to Maine Medical Center. Further, each inventor must execute legal documents assigning power of attorney for purposes of patent prosecution to the Maine Medical Center

2.2 The Research Institute shall share royalties from inventions assigned to the Maine Medical Center with the inventor.

2.3 The inventors, acting collectively and unanimously where there is more than one, are free to place their inventions in the public domain if they believe that would be in the best interest of technology transfer and if doing so is not in violation of the terms of any agreements that supported or related to the work.

2.4 If the Research Institute cannot, or decides not to, proceed in a timely manner (within 90 days) to patent and/or license an invention, it may reassign ownership to the inventors upon request to the extent possible under the terms of any agreements that supported or is related to the work.

2.5 Waivers of the provisions of this policy may be granted by Associate Vice President for Research or their designee on a case-by-case basis, giving consideration among other things to Research Institute obligations to sponsors, whether the waiver would be in the best interest of technology transfer, whether the waiver would be in the best interest of the Research Institute and whether the waiver would result in a conflict of interest. In addition, the AVP, Research may expand upon these provisions and shall adopt rules, based on the same factors as well as appropriateness to the Research

Institute's relationship with inventors, for the ownership of potentially patentable inventions created or discovered with more than incidental use of Research Institute resources by students when not working as employees of the Research Institute, by visiting scholars and by others not in the Research Institute's employ.

### **Additional Provisions**

- 2.6 In addition the Research Staff (including student employees), the provisions of the Research Institute's patent policy will extend to:
- a) all graduate students, postdoctoral fellows, residents and interns
  - b) non-employees who participate or intend to participate in research projects at the Research Institute (including visiting Research Professional Staff, industrial personnel, fellows, etc.)
  - c) all Clinical Researchers involved in Clinical Trials through the Clinical Trial Center.

This Policy will apply as stated for graduate students and postdoctoral fellows. In the case of non-employees and clinical researchers, all potentially patentable inventions conceived or first reduced to practice in whole or in part in the course of their participation in research projects at Research Institute or any of its affiliates, or with more than incidental use of Research Institute or Maine Medical Center resources, shall be disclosed on a timely basis to the Research Institute and/or Maine Medical Center, and title shall be assigned to Maine Medical Center Research Institute, unless a waiver has been approved.

In cases where Clinical Trial Protocols or other research agreements are in place between the Maine Medical Center, the Maine Medical Center Research Institute, or any affiliates, a determination of inventorship and subsequent assignment of rights to the invention and / or ownership will be made based on the agreement(s) in effect that.

## **3. ADMINISTRATIVE PROCEDURES**

### **3.1 Office of Research Administration (ORA)**

ORA is responsible for reviewing terms and conditions of the Research Institute's grants and contracts for compliance with Research Institute policies on intellectual property rights and secrecy in research.

Tech Transfer Officer is responsible for presenting patent disclosures and other patent and copyright issues to the Patent Committee. The Patent Committee is composed of the following membership:

1. Associate Vice President for Research
2. Division Directors
  - CMM
  - CRM
  - CCTR
  - if applicable
  - CORE
  - CPR

### **3.2 Patent and Copyright Agreements (SU-18 and SU-18A)**

All Research Professional Staff, staff, student employees, graduate students, and postdoctoral fellows must sign the Maine Medical Center Research Institute Patent and Copyright Agreement (referred to as "SU-18"). In addition, non-employees who participate or intend to participate in research projects at the Research Institute must also sign a Patent and Copyright Agreement. A variation of this agreement has been created for individuals with prior obligations regarding the disclosure and assignment of intellectual property. See Patent and Copyright Agreement for Personnel at Research Institute who have a Prior Existing and Conflicting Intellectual Property Agreement with Another Employer (SU-18A).

Each Principal Investigator is responsible for getting the Patent and Copyright Agreement signed, normally at the time of the individual's initial association with the Research Institute.

### **3.3 Invention Disclosures**

An invention disclosure is a document that provides information about inventor(s), what was invented, circumstances leading to the invention, and facts concerning subsequent activities. It provides the basis for a determination of patentability and the technical information for drafting a patent application. An invention disclosure is also used to report technology that may not be patented but is protected by other means such as copyrights.

Inventors must prepare and submit on a timely basis. An invention disclosure is required for each potentially patentable invention conceived or first actually reduced to practice in whole or in part in the course of their Research Institute responsibilities or with more than incidental use of Research Institute resources.

A disclosure form describing the invention and including other related facts should be prepared by the inventor and forwarded to the office of the Associate Vice President for Research, as appropriate. Disclosures received will be reviewed by the Patent Committee prior to further action or expenditures in the patent process.

The following practical considerations relate to invention disclosures:

- 3.3.A Individuals covered by this policy are expected to apply reasonable judgment as to whether an invention has potential for commercial marketing. If such commercial potential exists, the invention should be considered "potentially patentable," and disclosed to the Research Institute.
- 3.3.B Individuals may not use Research Institute resources, including facilities, personnel, equipment, or confidential information, except in a purely incidental way, for any non-Research Institute purposes, including outside consulting activities or other activities in pursuit of personal gain.
- 3.3.C "More than incidental use of Research Institute resources" would include:
- the use of specialized, research-related facilities, equipment or supplies, provided by Research Institute for academic purposes
  - significant use of "on-the-job" time.
- 3.3.D The occasional and infrequent use of the following would typically not constitute "more than incidental use of Research Institute resources:"
- routinely available, office-type equipment, including desktop computers and commercially-available software
  - reference materials or other resources collected on the Research Institute campus, and which are generally available in non-Research Institute locations.

### **3.4 Alternative disposition of rights**

The inventor, or inventors acting collectively and unanimously when there are more than one, is free to place inventions in the public domain if that would be in the best interest of technology transfer and if doing so is not in violation of the terms of any agreements that supported or governed the work. The Research Institute will not assert intellectual property rights when inventors have placed their inventions in the public domain.

If the Research Institute cannot, or decides not to, proceed in a timely manner to patent and/or license an invention, Patent Committee and the Research Institute may reassign ownership to the inventor or inventors upon request to the extent possible under the terms of any agreements that supported or are related to the work. In the case of an invention resulting from a government-sponsored project, where the Research Institute cannot or chooses not to retain ownership, rights would then typically be retained by the government. In such cases, the inventor may request and be granted rights by the sponsoring agency to an invention made under such an award, provided that a well-conceived and detailed plan for commercial development accompanies the request.

## 4. LICENSING

The Maine Medical Center Research Institute encourages the development by industry for public use and benefit of inventions and technology resulting from research. It recognizes that protection of proprietary rights in the form of a patent or copyright are often necessary, particularly with inventions derived from basic research, to encourage a company to risk the investment of its personnel and financial resources to develop the invention. In some cases, an exclusive license may be necessary to provide an incentive for a company to undertake commercial development and production. Nonexclusive licenses allow several companies to exploit an invention.

The research, teaching and care-giving missions of the Maine Medical Center Research Institute always take precedence over patent considerations. While the Maine Medical Center Research Institute recognizes the benefits of patent development, it is most important that the direction of the Maine Medical Center Research Institute research not be established or unduly influenced by patent considerations or personal financial interests.

Research administration handles the evaluation, marketing, negotiations and licensing of the Maine Medical Center and the Maine Medical Center Research Institute-owned inventions with commercial potential. Royalty distribution is as follows:

### 4.1 Cash royalties

A deduction of 15% to cover the administrative overhead of is taken from gross royalty income, followed by a deduction for any directly assignable expenses, typically patent filing fees. After deductions, royalty income is divided as follows:

	2002 – 2012	>2012
From \$100,000 - \$200,000:	50% to inventor(s) 50% to MMC	40% to investor(s) 60% to MMC
>\$200,000:	40% to inventor(s) 60% to MMC	30% to investor(s) 70% to MMC

### 4.2 Equity

The Maine Medical Center Research Institute may at times accept equity as part of the license issue fee. Net equity, i.e., the value of the equity after the deduction of 15% to cover IPA administrative costs, will be shared between the Inventor(s) and the Maine Medical Center Research Institute, with the Maine Medical Center Research Institute share going to the Research Administration and Fellowship Fund. The Maine Medical Center Research Institute's share of equity will be managed by the Research Administration and Fellowship Fund which is administered by the Associate Vice

President of Research. (All other cash payments, including royalties based on sales, will be distributed in accordance with the provisions of (1) above.)

## **5. DEFINITIONS**

### **5.1 What Is A Patent?**

A patent is a grant issued by the U.S. Government giving an inventor the right to exclude all others from making, using, or selling the invention within the United States, its territories and possessions for a period of 20 years from the filing of the patent. When a patent application is filed, the U.S. Patent Office reviews it to ascertain if the invention is new, useful, and nonobvious and, if appropriate, grants a patent - usually two to five years later. Not all patents are necessarily valuable or impervious to challenge.

### **5.2 What Is An Invention?**

An invention is a novel and useful idea relating to processes, machines, manufactures, and compositions of matter. It may cover such things as new or improved devices, systems, circuits, chemical compounds, mixtures, etc.

It is probable that an invention has been made when something new and useful has been conceived or developed, or when unusual, unexpected, or nonobvious results have been obtained and can be exploited.

An invention can be made solely or jointly with others as coinventors. To be recognized legally, a coinventor must have conceived of an essential element of an invention or contributed substantially to the general concept. (See section 2.D. for information and procedure regarding the formal disclosure of an invention.)

### **5.3 Patentability**

Not all inventions are patentable. Questions relating to patentability are often complex and usually require professional assistance.

General criteria for patentability

(A) An important criterion of patentability is that an invention must not be obvious to a worker with ordinary skill in that particular field. It must also be novel, in the sense that it not have been previously publicly known or used by others in this country or patented or described in a printed publication anywhere.

(B) Loss of patentability

Inventions that are patentable initially may become unpatentable for a variety of reasons. An invention becomes unpatentable in the United States unless a

formal application is filed with the U.S. Patent Office within 12 months of disclosure in a publication or of any other action which results in the details of the invention becoming generally available.

(C) Circumstantial impairment of patentability

Many other circumstances may impair patentability, such as lack of "diligence." For example, unless there is a record of continuous activity in attempting to complete and perfect an invention, it may be determined that the invention has been abandoned by the initial inventor, and priority given to a later inventor who showed "due diligence."

(D) International variation of patentability regulations

Regulations covering the patentability of inventions and application filing procedures vary from country to country and are subject to change. It is important to note that an invention is unpatentable in most foreign countries unless a patent application is filed before publication.

#### **5.4 Value Of Unpatented Inventions**

An invention, although unpatentable for various reasons, may still be valuable and important, for example, trade secrets and technical "know-how" encompassing proprietary information of a valuable and confidential nature.

Agencies sponsoring research at Research Institute usually require reports of all inventions, whether or not they are considered patentable.

#### **6. RELATED RESEARCH POLICY DOCUMENT(S)**

GRI 03 Conflict of Commitment and Interest for Research Professional Staff  
IP 03 Equity Acquisition in Technology Licensing Agreements

#### **7. AUTHORITY**

The Associate Vice President for Research is responsible for the interpretation and overall coordination of this Policy.