



University Senate TRANSMITTAL FORM

Senate Document #:	10-11-36
PCC ID #:	N/A
Title:	Review of the Policy on Intellectual Property
Presenter:	Robert Dooling, Chair of the IP Subcommittee of the Research Council
Date of SEC Review:	March 27, 2017
Date of Senate Review:	April 6, 2017
Voting (highlight one):	<ol style="list-style-type: none"> 1. On resolutions or recommendations one by one, or 2. In a single vote 3. To endorse entire report
Statement of Issue:	<p>The current IP Policy is based on a USM template from 2003 that is both unwieldy and difficult to read. Some provisions in this policy have proven hard to implement and there have been recent court decisions (e.g. Stanford v Roche) that argue for changes to the wording of the IP policy. The Senate Executive Committee received a request to review the IP Policy several years ago and asked the VPR to charge the Research Council with reviewing the IP Policy, considering whether the policy was current or should be revised, and advising the VPR on how requests for waivers should be handled.</p>
Relevant Policy # & URL:	http://president.umd.edu/policies/2014-iv-320a.html
Recommendation:	Replace the existing policy with the attached proposed policy.
Committee Work:	<p>On advice of the Research Council of the Senate, the VPR appointed an IP Committee several years ago to review and update the existing Campus IP Policy. The Committee consisted of faculty drawn from across the Campus, several staff, and two graduate students. The committee reviewed policies at other major research institutions, discussed problematical features of the current policy, reached agreement on core principles, and adopted new succinct language, which clarified and shortened the policy. The Committee Chair then used this penultimate draft to work with the legal office in producing an even shorter, more focused, final version. The IP Subcommittee and the Research</p>

	<p>Council of the Senate approved this amended version of the policy in early Fall of 2015.</p> <p>The University Senate considered the revised policy at its October 7, 2015 meeting and voted to recommit the policy to the IP Subcommittee consider additional feedback from members of the campus community in a variety of disciplines in order to fully understand the implications of the proposed policy. Specifically, the Senate asked that issues involving the revenue sharing model; how software is handled in the policy; student ownership rights; and the inclusion of open source or creative commons copyright need further evaluation.</p> <p>Over the past year, the IP Subcommittee considered feedback from the Senate, added a software faculty member to the IP Subcommittee, consulted with computer science faculty, reviewed IP policies at other Big 10 institutions, and made appropriate changes to the IP policy based on the feedback from the 2015 presentation to the Senate. Specifically, the IP Subcommittee made changes to: Copyright, On-line courses, Software, Revenue sharing, and Scope of Employment</p> <p>The IP Subcommittee and the Research Council approved the attached revised version of the policy.</p>
Alternatives:	The current policy could remain in place.
Risks:	The current existing policy is lengthy, out of date, and difficult to read. Thus, it does not adequately meet the needs of our campus community.
Financial Implications:	There are no financial implications
Further Approvals Required:	Senate Approval, Presidential Approval

Differences between Current and Proposed IP Policy
Presented to Senate Executive Committee (March 17, 2017)

The proposed policy differs from the current policy in that the proposed policy:

- I. States it is a condition of employment or enrollment and includes language of a present assignment of IP rights from creators to UMD when policy gives UMD ownership (Not included in current policy. Change necessitated by 2011 US Supreme Court decision in *Stanford v. Roche*)
- II. Focuses more on UMD ownership of IP and much less on student and personnel ownership.
- III. Modifies definitions and responsibilities
 - A. Adds defined term: “Traditional Scholarly Works and provides creators own original copyrighted works they author in connection with their teaching, research, and professional activities or scholarship or in the performance of their academic requirements and activities subject to certain exceptions; e.g., commissioned works, works that are required deliverables under a contract, works UMD must own so as not to violate a contractual obligation. Traditional works include but are not limited to courses, course syllabi, course materials, whether delivered on-line or in a traditional face-to-face setting, lecture notes, literary works, non-fiction books, textbooks, professional articles and presentations, musical scores and librettos, dramatic and choreographic works; photographic, graphic, sculptural and architectural works; films, other audiovisual works, sound recordings, models, and designs.
 - B. Deletes all terms related to on-line courses, programs, materials, technology-mediated, technology-enhanced terms” in current policy. On-line course materials are included in definition of traditional scholarly works.
 - C. Deletes “Scope of Employment” term in current policy to eliminate distinction between faculty and staff personnel. Scope of employment is replaced with IP “created or carried on at the request or directive and under the direction of the University.”
 - D. Adds new section on 3rd party sponsored “Course Research Projects” and use of 3rd party proprietary information in Course Research Projects to protect against forced relinquishment by students of their IP rights under the policy and forced assumption of legal liabilities to participate in a course project.
 - E. Significantly abbreviated description of OTC responsibilities: limited to broad mission statement. (current policy contained lengthy list of prescribed duties)
 - F. Adds new section on custodial responsibility for maintaining control and use of UMD-owned research data and tangible research materials, including student use and possession
 - G. Clarifies section on licensing UMD-owned IP to personnel start-ups and addresses directly mitigation of conflict of interest when personnel are simultaneously a creator of UMD-owned IP and owner/creator of start-up licensing such IP
 - H. Adds new requirement to assignment of UMD-owned IP to creators: creators must reimburse UMD its out of pocket patent and other expenses and issue consideration to UMD. No longer a giver away.
- IV. Simplifies Revenue
 - A. 50% of Net Revenue to creators
 - B. 25% of Net Revenue to creators’ department or unit
 - C. 25% of Net Revenue to OTC or as otherwise designated by VPR

IV-3.20(A) UNIVERSITY OF MARYLAND INTELLECTUAL PROPERTY POLICY

I. Introduction

The primary mission of universities is to advance, preserve, and disseminate knowledge. The University of Maryland has established this policy on intellectual property to: (1) assure that the benefits of University research and scholarship, which include intellectual property, are fairly and fully disseminated to benefit the public, (2) create an environment that encourages and recognizes the creative efforts of faculty, students and personnel, and (3) generate resources to support the University's primary mission.

II. Scope

This policy governs the ownership and protection of Intellectual Property created by Personnel, Students and others at the University. The policy applies to all University units, Personnel and Students as well non-University visitors who make use of University facilities and resources. This policy is considered a part of the conditions of employment for all employees and a part of the conditions of enrollment and attendance for all Students.

Applicable laws and regulations will take precedence over any conflicting language in this policy. The terms of authorized University contracts with third parties may take precedence, when applicable, over any conflicting language in the policy subject to compliance with Article IV.

III. Definitions

The terms defined in this Article are given the following special meanings in this policy.

- A. Administrative Works:** All copyrighted works other than Traditional Scholarly Works that are created by Personnel in the scope of their employment.
- B. Author:** Someone who contributes original expression to a copyrighted work as determined under U.S. copyright law.
- C. Copyrighted Work:** An original work of authorship fixed in any tangible medium of expression.
- D. Creator:** Anyone subject to this policy who is either (1) an Author or (2) an Inventor.
- E. Gross Revenue:** Consideration paid in cash or equity by a third party in exchange for specific rights in specific University-owned Intellectual Property. Gross Revenue does not include financial or in-kind support for research (e.g., sponsored research agreements, restricted or unrestricted grants and gifts), tuition income or reimbursement for patent costs of University-owned and University-licensed intellectual property.
- F. Intellectual Property:** Traditional Scholarly Works, Administrative Works, Inventions (whether or not patentable), Software, Research Data, Tangible Research Materials, Trademarks and Service Marks, and associated legal rights to the same.

- G. Invention:** Any potentially patentable new and useful process, machine, manufacture or composition of matter or any new and useful improvement to the same.
- H. Inventor:** Someone who makes an inventive contribution to the conception of ideas claimed in a potentially patentable invention as determined under U.S. patent law.
- I. Net Revenue:** Gross Revenue in the form of cash, including liquidation of equity, received by the University from the commercialization of University-owned Intellectual Property less unreimbursed expenses incurred in the protection of such Intellectual Property.
- J. Personnel:** Someone who receives a salary or other consideration from the University for performance of services on a part-time or full time basis. University employees with an appointment of less than a full year (e.g., 9-month) shall be considered Personnel for actions undertaken during their period of appointment. Students who receive wages for working on a University-administered scope of work or project are Personnel when acting within the scope of that employment. Personnel also include University consultants, visitors and others using University resources.
- K. Research Data:** Recorded information, regardless of the form or medium of recordation, in the nature of (1) form, fit, or function of data; data relating to items, components, or processes that are sufficient to enable physical and functional interchangeability; data identifying source, size, configuration, mating, and attachment characteristics, functional characteristics, and performance requirements, data files, statistical data; (2) computer software data that identifies source, functional characteristics or performance requirements and (3) technical data of a scientific or technical nature that are commonly accepted in the relevant scientific community to validate research findings. Research Data do not include computer software source code, algorithms, processes, formulae, flow charts or financial, administrative costs or pricing, or management information related to contract or project management.
- L. Significant University Resources:** Gifts received by the University or an affiliated foundation or corporation, funds received by the University or an affiliated foundation or corporation under a contract or grant, direct or indirect support from other funds administered by the University or an affiliated foundation or corporation, assistance of Personnel or Students from outside one's home department or unit; assistance of Personnel or Students in one's home department or unit or specialists (e.g., graphic designers, instructional designers, multimedia and other specialists) beyond the level of support that is generally provided to Personnel in one's home department or unit. In general, salary, office space, use of University Libraries, personal computers and facsimile machines that are customarily provided campus wide or are typically made available to all Personnel in one's home department will not qualify as Significant University Resources.
- M. Software:** A computer program, including, without limitation, microcode, subroutines, and operating systems, source code, algorithms, processes, formulae, or flow charts, regardless of the form of expression or object in which it is embodied, together with users' manuals and other accompanying explanatory materials.

- N. Sponsored Research Agreements:** Grants, contracts, cooperative agreements and other agreements under which research and development activities are carried out and that are executed and/or administered by the University or an affiliated University foundation or corporation.
- O. Student:** Someone enrolled in the University and fulfilling his or her academic and research requirements and responsibilities including, but not limited to, undergraduate, graduate, professional, non-degree, not-for-credit and visiting students.
- P. Tangible Research Materials:** Models, machines, devices, designs, cell lines, cultures, solid tissue, apparatus, instrumentation, circuits, antibodies, recombinant materials, laboratory animals, chemical compounds, compositions, formulations, and plant varieties.
- Q. Traditional Scholarly Works:** Original copyrighted works authored by Personnel in connection with their teaching, research, and professional activities or scholarship or by Students in the performance of their academic requirements and activities, including course work, dissertations, and theses. Traditional Scholarly Works include but are not limited to courses, course syllabi, course materials, whether delivered on-line or in a traditional face-to-face setting, lecture notes, literary works, non-fiction books, textbooks, professional articles and presentations, musical scores and librettos, dramatic and choreographic works; photographic, graphic, sculptural and architectural works; films, other audiovisual works, sound recordings, models, and designs.
- R. University:** The University of Maryland, College Park.

IV. Policy Administration

- A. Authority.** The President has the authority to administer and interpret this policy as provided in Section IV.G of the *University System of Maryland Policy on Intellectual Property* (Policy IV - 3.20, “*USM IP Policy*”). The President has delegated authority to the Vice President for Research to administer the provisions of the policy that affect research and commercialization activities.
- B. Waivers.** Subject to any legal or contractual limitations and only after any potential conflicts of interest have been properly managed, the President or his designee may waive any requirements of this policy when he /she determines that doing so would be in the best interest of the University. Waivers may be considered on a case-by-case basis upon the written request and approval of the principal investigator, all persons expected to participate in the underlying project, the department chair or unit head and the Dean of the School or College. All waiver requests must be submitted to the Vice President for Research for consideration through the Office of Research Administration (ORA) and/or the Office of Technology Commercialization (OTC) depending on the nature and scope of the request. Persons who join a project after a waiver has been granted must be advised of the waiver and agree to it as a condition of joining the project.
- C. Retained Rights.** Any transaction granting rights in University-owned Intellectual Property shall (1) retain for the University, at a minimum, a royalty-free, irrevocable right to use, practice, and reproduce the Intellectual Property in support of University research and educational purposes; (2) be consistent with applicable private use restrictions, including bond covenants; (3) be subject

to the right of the United States government to use Intellectual Property created with Government funds and may (4) reserve other rights, including the right of the University to authorize other not-for-profit educational and research entities to use University Intellectual Property in support of their own non-commercial research and educational activities.

- D. Amendments.** This policy may be amended from time-to-time as appropriate or as required to comply with changes in applicable laws and regulations in accordance with University policy and practices and subject to approval by the President and Chancellor.
- E. Intellectual Property Committee.** The Vice President for Research shall, in consultation with the University Senate, appoint a University Intellectual Property Committee. The Committee shall be an advisory committee constituted with a majority of faculty members, a minimum of two Students, and representatives from non-academic University departments that are involved in Intellectual Property issues (e.g., University Libraries, Research Administration, Technology Commercialization and the Office of the Senior Vice President and Provost). A representative of the Office of General Counsel shall serve as an *ex-officio* member of the Committee. The President, Vice President for Research and/or Provost may consult the Committee on Intellectual Property matters, ask it to review and recommend revisions to this policy, and request its advice on the resolution of disputes arising under or regarding matters not addressed by this policy. When the Committee considers this policy's application in order to provide advice or others about specific Intellectual Property, the Creator(s) of the Intellectual Property may make a written and/or oral presentation to the Committee.
- F. Reporting.** The Vice President for Research shall report annually to the President and Senior Vice President and Provost on Intellectual Property activities at the University. The report shall include data for the preceding year on waivers, releases of Intellectual Property to the public domain, patent applications, patent awards, licenses, and start-up companies distinguishing, when appropriate, between Maryland-based companies and those outside the State, as well as revenue and expenditures associated with the University's technology transfer program, and suggested changes to the policy. In turn, the President shall report annually to the Chancellor and the Board of Regents as required by Article XIII of the *USM IP Policy*.

V. Ownership of Intellectual Property

A. Traditional Scholarly Works

- 1. Personnel.** Personnel who author Traditional Scholarly Works shall hold copyright in those Copyrighted Works subject to the following conditions and exceptions:
 - a) Reservation of Rights.** The University reserves the right at all times to exercise copyright in Traditional Scholarly Works as authorized under United States Copyright Law.
 - b) Exceptions.** The University holds copyright in Traditional Scholarly Works created by Personnel when:
 - i.** the Works are required as deliverables under or created in the performance of any contract to which the University is a party; or
 - ii.** not holding copyright would result in a breach by the University of a contractual

- obligation to a third party or would be contrary to law or regulation; or
- iii. the Works are commissioned by the University or created in connection with a duty specifically assigned by the University to the Creator; or
- iv. the Works are created for University purposes with the support of Significant University Resources; or
- v. Personnel create the Works for personal purposes using Significant University Resources without prior written approval by the chair or head of the Creator's department or unit.

2. **Students.** Students shall hold copyright in Traditional Scholarly Works they author in connection with their University academic and research activities subject to the following conditions and exceptions:

- a) **Reservation of Rights.** The University reserves the right at all times to exercise copyright in Traditional Scholarly Works created by Students as authorized under United States Copyright Law.
- b) **Exceptions.** The University holds copyright in Traditional Scholarly Works created by Students when:
 - i. the Works are created by Students in their capacity as Personnel; or
 - ii. the Works are required as deliverables under or created in the performance of any contract to which the University is a party; or
 - iii. not holding copyright would result in a breach of a University contractual obligation to a third party or would be contrary to law or regulation.
 - iv. the Works are created outside the scope of their academic and research activities using Significant University Resources without the prior written approval of the department or unit that controls the resources.

B. Collaborative and Joint Works. When people collaborate to author a Copyrighted Work, it often results in a "joint work" in which the Creators jointly hold nonexclusive rights to use the Work. Personnel and Students who collaborate with each other or with non-University third-parties (e.g., volunteers, visitors) to create Copyrighted Works are encouraged to agree, in writing, on the disposition and ownership of copyright in the Works prior to commencing their collaboration.

C. Administrative Works

- 1. The University holds copyright in Administrative Works created by Personnel as "works made for hire," as defined under United States Copyright law.
- 2. The University may allow Personnel and Students access to and use of Administrative Works under appropriate terms.

D. Inventions, Software, Research Data and Tangible Research Materials

- 1. **University.** The University owns all rights, title and interests, including Intellectual Property rights, in Inventions, Software, Research Data and Tangible Research Materials that are created, conceived or reduced to practice by Personnel or Students:
 - a) in the performance of research or creative activities carried on at the request or directive

and under the direction of the University, regardless of when or where the activities occur; or

- b) in the performance of Sponsored Research activities and other research or creative activities administered by the University, supported by funds controlled or administered by the University or an affiliated foundation or corporation of the University or under a contract requiring University ownership; or
 - c) for personal purposes using Significant University Resources without prior written approval by the chair or head of the Creator's department or unit that controls those Resources.
2. **Personnel.** Personnel shall own all rights, title and interests, including Intellectual Property rights, in Inventions, Software, Research Data and Tangible Research Materials they create, conceive or reduce to practice that are not owned by the University under Section V.D.1.
 3. **Students.** Students shall own all rights, title and interests, including Intellectual Property rights, in Inventions, Software, Research Data and Tangible Research Materials they create, conceive or reduce to practice in the performance of their academic and research activities whether or not they use Significant University Resources provided they are not owned by the University under Section V.D.1.

E. Course Research Projects

1. Under certain limited circumstances, Students may be asked as a condition of participating in a course research project to assign or license their rights in Intellectual Property they create in performing the project that they would otherwise own under this policy to the University or a third party that sponsors the course research project. In such circumstances, course instructors must give Students who object to making such an assignment or granting such a license the option to participate in an alternative project, without penalty, that does not require the assignment or licensing of their Intellectual Property rights.
2. When Students are granted access to proprietary data or information of a third party in connection with academic course work, the use and protection of such proprietary information shall be governed by an agreement entered into by and between the third party and the University and not the third party and Students.

F. Trademarks and Service Marks

1. The University owns all trademarks and service marks used to identify the University, its programs, goods or services.
2. The University will develop guidelines for:
 - a) the management, registration and protection of University trademarks and service marks, their commercialization, and the distribution of any resulting revenue; and
 - b) the use of University trademarks and service marks by Personnel, Students, student organizations and departments and units of the University in connection with University-sponsored or University-supported activities.

G. Acquisition of Intellectual Property. The University may acquire title to or rights in Intellectual Property by assignment, license, gift, bequest, and any other legal means. The appropriate administrative offices, often reflecting the purpose of the acquisition, must be consulted and applicable processes must be followed prior to any such acquisition.

VI. Responsibilities

- A. Protection of University Interests.** Personnel and Students agree to assign and do hereby irrevocably assign to the University all rights, title and interests, including Intellectual Property rights, in Intellectual Property that the University owns under this policy. Personnel engaged in consulting and other activities with third parties must ensure their activities and agreements with such third parties regarding the use of University-owned Intellectual Property do not conflict with this policy or other University commitments and do not undermine or compete with the University's rights in University-owned Intellectual Property.
- B. Duty to Disclose and Cooperate.** Personnel, Students and other persons who create Intellectual Property that the University owns under this policy have an obligation to complete and submit to the OTC an Intellectual Property disclosure of such Intellectual Property and to cooperate with the OTC's Intellectual Property management efforts.
- C. OTC Responsibilities.** The OTC has day-to-day responsibility, on behalf of the University, to make determinations of ownership of Intellectual Property and to manage, protect and commercialize University-owned Intellectual Property and/or otherwise make it available for the benefit of the public. The OTC works in consultation with Creators, reports to the Vice President for Research, and is supported by the Office of General Counsel.
- D. Retention and Use of Research Data and Tangible Research Materials.** The University must maintain possession of all Research Data, Tangible Research Materials and related information the University owns under this policy in order to meet its legal and contractual obligations.
1. The director of the lab or unit or the principal investigator of the project through which such Data and Materials originate will serve as custodian of those Data and Materials on behalf of the University and shall be responsible for complying with all University policies and terms in Sponsored Research Agreements regarding the management and public release of Data and Materials to the relevant scientific community or the public.
 2. Students have a right to publish in their dissertations or theses University-owned Research Data and information about University-owned Research Data and Tangible Research Materials that they create or collect individually or jointly with others. The custodian of University-owned Research Data and Tangible Research Materials may, at the request of Students who participate in the creation or collection of University-owned Research Data and Materials, allow them to publish the Data and information about the Data and Materials outside of their dissertations or theses and/or to receive a copy of such University-owned Research Data and Tangible Research Materials under appropriate terms set forth in a written agreement.

VII. Revenue

- A. Distribution of Net Revenue.** The University will distribute Net Revenue as follows:
1. Fifty percent (50%) to the Creators; and
 2. Twenty-five percent (25%) to the Creators' department or unit; and
 3. Twenty-five percent (25%) to the OTC or as otherwise designated by the Vice President for Research.
- B. Distribution to Multiple Creators.** In the case of multiple Creators and/or multiple departments, Net Revenue will be divided and distributed between or among them to reflect their relative intellectual contributions to the creation of the Intellectual Property, as specified in the written Intellectual Property Disclosure submitted to the OTC. When the Intellectual Property Disclosure does not differentiate the level of contribution made by Creators, Net Revenue will be distributed equally between or among Creators and departments.
- C. Review.** The revenue distribution provisions shall be reviewed at least every five years and may be modified in accordance with this policy.
- D. Equity.** Consideration for a license may include equity in a business. If equity is liquidated, the proceeds shall be treated and distributed as Net Revenue under Article VII. Equity will be held, liquidated, or directly distributed to Creators (to the extent permitted by law) at the discretion of the University. Neither the OTC nor Creators will control the timing or terms of the liquidation of such equity received by the University. The Office of the Vice President for Administration and Finance, in consultation with the Office of the Vice President for Research, will hold and manage the disposal of equity held by the University. Equity holding and trading is subject to applicable laws and policies, including those that regulate securities, ethics, and conflicts of interests.
- E. Revenue Received from Commercialization of Administrative Works.** In those rare circumstances when Administrative Works have commercial potential, the department or unit where the Administrative Works originated will submit an Intellectual Property disclosure to the OTC. The OTC shall determine whether or not to commercialize the Works and how resulting revenue, if any, shall be distributed in consultation with the department chair or unit head.
- F. Alternative Distribution.** Requests to distribute revenue other than as set forth in this Article VI will be processed as waiver requests under Section IV.B.

VIII. Granting Rights to Creators

- A. Assignment**
1. The OTC may assign the University's rights in specific University-owned Intellectual Property to all the Creators of that Intellectual Property when the OTC determines, in its sole discretion, assignment is in the best interest of the University, subject to compliance with applicable laws and federal regulations and University policies.
 2. Any assignment to Creators of University-owned Intellectual Property shall be conditioned

on their reimbursement to the University of all out-of-pocket expenses incurred by the University prior to the date of the assignment and payment of a royalty or other consideration.

B. Licensing University-Owned Intellectual Property to Personnel Start-ups

1. The OTC may, in its sole discretion and at the request of one or more Creators of University-owned Intellectual Property, license that University-owned Intellectual Property to a business entity in which one or more Creators has an ownership or other financial interest. In making a decision, the OTC shall take into account the entity's technical and business acumen to commercialize the Intellectual Property and the demonstrated compliance of Creators with University conflict of interest and facility use policies and State Ethics laws.
2. The OTC will attempt to consult with all Creators before executing any license under this Section, but need not obtain their approval. All Creators, regardless of whether they have an ownership/financial interest in the company, will share in any revenue received by the University in accordance with Article VI. Creators with an ownership or financial interest in the company shall recuse themselves from directly negotiating the terms of the company's license with the OTC in the light of the conflict of interest that would create.

IX. EFFECTIVE DATE: This policy will be effective beginning _____ (“Effective Date”) and will apply to all Intellectual Property disclosed to the University on or after the Effective Date, unless otherwise agreed by the University and all Creators of the Intellectual Property (or the heir or assignee of any Creator's share of Revenue).

Unless otherwise agreed in writing by Creators of Intellectual Property (or the heir or assignee of an individual Creator's share of revenue) and the University: (1) the former *University of Maryland Intellectual Property Policy* (IV-3.20A approved by the President on March 13, 2003 and approved by the Chancellor on July 18, 2005) applies to all Intellectual Property disclosed to the University on or after May 1, 2005; (2) the former *University of Maryland Interim Intellectual Property Policy* applies to Intellectual Property disclosed to the University from July 1, 2002, through April 30, 2005; (3) the former *University System of Maryland Patent Policy* applies to inventions that were disclosed to the University from May 31, 1990 through June 30, 2002; (4) the former *University System of Maryland Copyright Policy* applies to copyrighted works that were disclosed to the University from May 31, 1990 through June 30, 2002, and (5) the *University of Maryland College Park Procedures on Patent and Technology Transfer* applies to copyrighted works and inventions that were disclosed to the University from May 31, 1990 through June 30, 2002. (The Patent Policy is available online at <http://www.usmh.usmd.edu/Leadership/BoardOfRegents/Bylaws/SectionIV/IV300.html>.)

The Copyright Policy is available online at <http://www.usmh.usmd.edu/Leadership/BoardOfRegents/Bylaws/SectionIV/IV310.html>.

Copies of the 2005 Intellectual Property Policy, the Interim Intellectual Property Policy, and the College Park Procedures on Patent and Technology Transfer are available from the OTC or Office of General Counsel.

Senate Presentation

Revisions of IP Policy 4-5-17

Robert Dooling
Chair of the Campus IP Committee

BACKGROUND

- What is Intellectual Property?
 - Intangible assets developed by human creativity and protected by legal mechanisms of patents, trademarks, copyrights, trade secrets
- Protection of Intellectual Property was guaranteed by the US Constitution in 1787 which provides that:
 - “The Congress shall have the power....To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries...” (U.S. Constitution, Article 1, Section 8)
- Legal mechanisms of protection under U.S. law:
 - Inventions are protected by **patents (or trade secrets)**
 - Literary and artistic works protected by **copyright**
 - Symbols/names/images used in commerce protected by **trademarks**

BACKGROUND

- Why is Intellectual Property important?
 - It is core to the mission of the University to create new knowledge and share it with the public
- Why have an Intellectual Property policy?
 - To clarify ownership of IP created at UMD and implement federal law
 - Provide guidance and clarity to UMD creators and external stakeholders on how UMD protects and manages IP for university and public benefit
 - Required by USM policy
- Our old IP policy was both confusing and out of date.
- The IP Committee was charged to develop a new policy that was simpler and fairer

BACKGROUND

- Copyrights are most easily obtained form of IP but also the most misunderstood
- Principle tenets of U.S. Copyright law are:
- The creator generally owns copyright unless
 - Work qualifies as a “work for hire” in which case the employer owns the copyright
 - Works prepared by employees within the scope of their employment
 - Works a party commissions a non-employee to create under a written agreement that gives the hiring party ownership of copyright
- Persons other than the copyright owner can use copyrighted work:
 - With written permission of copyright owner
 - Without written permission if it qualifies as a **fair use** which requires consideration of 4 factors:
 - Purpose and character of use (commercial vs nonprofit educational; transformative –being used for purpose other than its original purpose)
 - Nature of the copyrighted work (highly creative vs factual)
 - Amount and substantiality of the portion used
 - Effect of use on the potential market/value of the copyrighted work

BACKGROUND

Federal Obligations - The Bayh-Dole Act of 1980

- Prior to 1980, the government owned IP created with federal money. Bayh-Dole Act gave universities ownership of inventions (whether or not patentable) created with federal money provided (in part):
 - Inventors assign ownership rights to university
 - University shares revenue earned from commercializing inventions with inventors & uses remaining revenue to support scientific research and education
 - Government receives free right to use inventions for government purposes
- Most UMD research is federally funded and subject to Bayh-Dole. As a result, UMD has a duty to report inventions created with federal funds to federal sponsor. (Duty also applies by regulation to data and copyrighted works)
- **Challenge:** Create a policy that works across disciplines most of the time for most personnel and at the same time complies with federal law and University obligations to the US Government.

Senate Presentation

Revisions of IP Policy 3-30-17

BACKGROUND

Brief History of the IP policy at Maryland:

- Current IP policy based on a 2003 USM template that is badly out of date and needs revision
- A proposed revision (2015) met with Senate criticism
- This revision before you is based on those concerns (Approved by the IP Committee in January 2017 and the Research Council in March 2017)

Key Elements in Current Policy Remain Unchanged

- The policy retains flexibility: Any requirement of the policy can be waived by the VPR upon request and agreement of PIs, others working on the project, chair & dean - except when doing so would violate law or constitute a breach of contract.
- The policy requires that an IP Committee be established consisting of faculty, staff, and students to advise VPR, Provost, Campus on IP issues and policy matters.
- The policy ensures that students own all rights, title, and interests in inventions, software, research data, and tangible research materials they create in performance of their academic work.
- The University does not claim copyright in traditional scholarly works of faculty

Senate Issues Raised in 2015 on Proposed IP Policy in Five Areas

- Scope of Employment
- Copyright
- On-Line Courses
- Software
- Revenue sharing

Scope of Employment

Current Policy	Term “scope of employment” applies to staff but not faculty
Proposed Policy	Scope of employment eliminated as a defined term and replaced with concept of works commissioned or directed by UMD to be made by personnel

Copyright

Current Policy	UMD does not claim copyright in scholarly works of faculty and students but gives UMD ownership of staff works created in scope of employment & of faculty works created under sponsored research agreements, other agreements or with use of UMD resources not usually provided
Proposed Revision	<p>Creates “traditional scholarly works” term. Includes within that term on-line course materials and eliminates the separate section on on-line, technology related materials. Eliminates staff-faculty distinction.</p> <p>* UMD owns traditional scholarly works when (1) not owning them would violate law or a contract, (2) works are created at the order or directive of UMD, or (3) extraordinary UMD resources are used</p>

On-Line Courses, Etc.

Current Policy	Treats on-line course materials separately from other copyrighted materials. Ownership determined by written agreement between University and Personnel
Proposed Revision	On-line and technology mediated courses and materials treated no differently from other copyrighted works. UMD use of copyrighted works owned by Personnel only must comply with US Copyright law.

Software

Current Policy	Software treated under a separate section from patents and inventions but largely repeats the language in the patent/invention section
Proposed Policy	Software included in patent/invention section of IP Policy because that section best reflects US government treatment of software. Under US regs, UMD must: (a) own inventions, whether or not patentable, created with federal funds, (b) report federally funded inventions to federal sponsor and (c) give US Government free right to use federally funded inventions for government purposes
New Proposed OTC Operational Process	OTC intends to establish a portal through which inventors will disclose software to OTC -- to allow UMD to fulfill its obligations to the US Government - and through which inventors may, at their election, make software available under open source or similar license. This has advantages of attracting attention to new software and encouraging new collaborations.

Why Disclose Software to OTC?

- Meet funding requirement
- Recognition
- Access to additional funding:
 - OTC Seed Grants
 - Maryland Innovation Initiative
- Access to Entrepreneurs in Residence
- IP protection - if needed OTC handles reporting to sponsors
- Additional funding for R&D and commercialization
- OTC takes care of any necessary agreements
- \$\$\$ from licensing shared with PI working on extension of existing platform (GitHub)
- Single point of submission (to repository and to OTC) via platform

Why Disclose Software to OTC?

Because not doing so puts UMD at risk of violating a host federal laws and regulations such as Bayh-Dole, general patent and data regulations, etc.)

Examples of regulatory clauses:

The contractor (UMD)..”shall establish and maintain active and effective procedures to ensure that subject inventions are promptly identified and timely disclosed, and shall submit a description of the procedures to the government to evaluate and determine their effectiveness.”

Data ”.. means recorded information, regardless of form or the media on which it may be recorded...includes technical data and computer software.”

Revenue Sharing

Current Policy	Many steps - too cumbersome to understand or describe
Proposed Policy	<ul style="list-style-type: none">▪ Net revenue defined as gross revenue less unreimbursed patent costs <p>Net Revenue Distributions</p> <ul style="list-style-type: none">▪ 50% to creator(s)*▪ 25% to creators' dep't or unit▪ 25% to OTC or as designated by VPR <p>*Ties with Michigan as highest distribution to creators among Big 10 Universities</p>

FAQs (with limitations!)

- The Committee has prepared replies to some of questions that arose last year and this year.
- The proposed IP Policy merely provides a framework for addressing specific questions.
- Specific facts and circumstances must be considered when addressing situation-based questions.

Q: What does the concept of works commissioned or directed by the University mean?

Directed Work: *The Provost directs a faculty or staff member to survey, analyze, and produce a report on students' food preferences using data collected from University dining services and stores. The study qualifies as a report commissioned by the university and the university owns the resulting IP.*

Administrative Work: *Any copyrighted work developed by a committee in the performance of its duties. The University owns the IP in that committee work.*

Compare to:

Traditional Scholarly Work: *A faculty member decides to develop a new course. Unless expressly directed by the university in a writing that specifies university ownership, the faculty member owns the IP he or she creates.*

Q: Who owns copyright in course materials created by personnel?

A: Default position: The creator of course materials owns the copyright in them whether or not the materials are used on-line or in a face-to face setting.

B. Deviation from default position: University may own copyright in course materials developed by personnel when, for example:

- 1) the University commissions the creation of the course materials,
- 2) materials are created for university purposes using significant University resources that are not commonly provided to all
- 3) University must own copyright to avoid a breach of a University contractual obligation

Q: So, can the University use course materials in which I own the copyright if I leave the University?

A: Not unless it has received your written permission or the use is authorized under copyright law as a fair use.

Q: Can a faculty member use (copy and distribute) student course assignments in which students own the copyright?

A: Not unless you have direct written permission or implied permission (statement on syllabus) or the use is authorized under copyright law as a fair use.

Q: After many years of teaching a large laboratory course in Chemistry, I have developed a comprehensive manual describing experiments, methods, and exercises that are now routinely used in the course. Who owns the copyright? And what happens if I leave the University?

A: The default position is that the faculty member owns the copyright in the manual. Colleagues, the department, and the University may not use the manual after you leave or when you go on sabbatical unless: 1) you give written permission or 2) they determine their expected use qualifies as a fair use under copyright law.

NB: The default position can quickly change if the facts are altered.

Q: Who owns IP rights in software?

Default Position: University owns IP rights in software because most software is created with federal funds under regulations that require the University to own the IP --- thus triggering University ownership on grounds that either:

- 1) University must own IP rights in software to avoid a breach of a University contractual obligation to Government, or*
- 2) Software was created with support of significant University resources (i.e. University-administered government funds)*

Q: I'm a faculty member and I developed software under a federal grant and I want to make it available under an open source license. How does that work?

A: **First**, the University owns the IP rights in the software (see earlier slide).

Second, you have a duty to disclose the software to the Office of Technology Commercialization in order that it may fulfill its reporting obligations to the funding agency.

Third, under current OTC practice, you may state on the IP Disclosure form to OTC that you want the software to be released under an open source license & OTC will follow up with you.

Fourth, OTC is planning to establish a portal that makes both the disclosure and request for open source licensing simple

Q: I am a student and created some software as part of a class assignment. Who owns the IP rights in that software?

A: You, the student, own the IP rights. As in the current policy, students own all rights, title and interests in Copyrighted Works, Inventions, Software, Research Data and Tangible Research Materials they create, conceive or reduce to practice in the performance of academic course work regardless of the resources they use.

Q: What if I created this while working as an RA paid by the University?

A: If the work was done as a paid employee, ownership is determined by the details of the employee contract.

Q: Do doctoral students own all rights to their own research data when they are being advised by a University employee such as a faculty member?

A: The involvement of a faculty member as an advisor is not relevant in determining whether the student or the University owns the data developed by the student or the IP created by the student.

Ownership is decided based on answers to the following questions:

- 1. Is the underlying research funded with federal funds?*
- 2. Is there some other written agreement that specifies ownership?*
- 3. If no written agreement and no federal funds involved, the project likely amounts to an independent project of the student and the student will own the data even if it involves significant university resources for the project.*

Q: I'm a faculty inventor and disclose an invention to OTC. OTC files a patent application then licenses the patent rights to a company. How much money will I receive?

A: Inventors receive 50% of net revenue.

Q: How is net revenue determined?

A: Net revenue is the amount the university receives after the university deducts its actually incurred, unreimbursed expenses incurred in the protection of licensed intellectual property (generally patent expenses).

Q: What are unreimbursed patent expenses?

A: **Patent expenses** are the university's costs actually incurred for the drafting, preparation, filing, prosecution, and maintenance of specific patents.

Unreimbursed patent expenses are patent expenses that are not directly reimbursed by a third party.

Before incurring any patent expense, the university - through OTC - makes informed filing, prosecution, and maintenance decisions. The university sets rates and fees with outside patent counsel engaged through the Office of General Counsel.

Q: How is the revenue distributed if there are multiple creators in multiple departments or units?

A: If there are multiple creators in multiple departments, the department share goes to each person's department affiliation at the time of the invention. If a person has a split appointment, the distribution is to those departments in accordance with their % appointment.