Date: May 6, 2013

To: Academic Senate Members

From: Glenn Prestwich, Chair

Intellectual Property Policy Review Committee

John Morris

Vice President and General Counsel

**Re: Revision of University Policies on Patents and Inventions (Policy 7-002) and Consulting (Policy 5-204)**

In June 2011, the United States Supreme Court dramatically changed the landscape of patent ownership in a case involving Stanford University and federally-funded research. Because of its far-reaching implications for patent ownership at the University of Utah, the President, with the advice of the Academic Senate President, organized the Intellectual Property Policy Review Committee (the IPPR Committee), comprised of interested faculty and administrators, to discuss what ought to be changed in University policies in response to that decision as well as to address other outstanding issues. In particular, the President charged the IPPR Committee with reviewing and updating the institution’s intellectual property and related policies to ensure that these policies address significant changes in technology, University operations, and applicable law occurring after the policies were most recently revised, and to otherwise address inconsistencies between the University’s intellectual property and related policies.

The IPPR Committee met several times over many months. The Committee is proposing substantive changes to both Policies 7-002: Patents and Inventions and 5-204: Remunerative Consultation and Other Employment Activities. ***The Committee considered but decided against making any changes to Policy 7-003: Ownership of Copyrightable Works and Related Works.***

After it finished its work on the policies and agreed to revisions, the IPPR Committee took the proposal to the Academic Policy Advisory Committee and to the Institutional Policy Committee for approval. Input has also been solicited from the President’s Cabinet and from the Council of Academic Deans. Finally, on April 15, 2013, the Academic Senate Executive Committee considered the proposed revised policies and voted to submit them to the full Academic Senate. Letters of support from IPPR Committee members and other interested faculty members will be forthcoming.

1. **Proposed Changes to 7-002: Patents and Inventions**

There are several substantive changes proposed to 7-002, which are described below. Please note, the following is a brief summary of the Committee’s proposed changes. You are encouraged to review the amended policies in their entirety for a more comprehensive understanding of the changes. The principal changes are three.

First, the committee felt very strongly that it was important to better define which inventions the University would claim ownership of because the old definition had given rise to several disputes. It has recommended that inventions that will be subject to Policy 7-002 are those arising within a faculty or staff member’s area of expertise, as well as those resulting from either University research or non-incidental use of University resources. (Sections III.B.1)

Second, it was clear that the University was not in line with its peers with respect to the share of commercialization revenues that it was providing to inventors. As a result, the committee has proposed an increase to the inventors’ share. The inventors’ portion of net commercialization revenues increases to 40% of the first $100,000; 35% of the next $200,000 and 33% of net income thereafter. (Section III.G.1)

Third, there was discussion of how to improve the relationship between the Technology Commercialization Office (TCO) and inventors. The committee has proposed that the TCO must promptly and efficiently process invention disclosures and inform inventors of TCO’s decision whether to protect and commercialize the invention. TCO will honor an inventor’s request for assignment of an invention TCO has failed to commercialize within a reasonable period of time. (Section III.B.5)

In addition to these three major changes, the other changes to the policy include:

• Non-Incidental Use of University Resources. University rights to an invention based on use of University resources applies when the inventor uses University resources exceeding those resources available to the general public or to which he or she ordinarily has access as a faculty member, staff member or student, as applicable. (Section II.C)

• “University Research” Based on Faculty Member Involvement. The term “University Research” includes research a faculty member performs or manages in his or her official capacity, but not the independent research of students for which the faculty member acts merely as an advisor. (Section II.D)

• Research Results; Laboratory Notebooks. The University owns tangible and intangible products of University research. Faculty members remain custodians of their laboratory notebooks, but will provide these to the University upon its request or upon separation of the faculty member from the University. (Section II.B)

• Student Invention Assignments for Faculty Research. Faculty members are encouraged to ensure that students participating in a faculty member’s research have provided assignments for resulting inventions they create. (Section III.B.1)

• Consulting Arrangements. Faculty members are responsible to ensure their consulting activities are consistent with the requirements of Policy 5-204: Remunerative Consultation and Other Employment Activities. (Section III.B.6)

• Invention Assignment Language. The Policy’s invention assignment provision incorporates language required by the U.S. Supreme Court’s recent decision in *Stanford v. Roche*. (Section III.B.1)

• Specifically Defined Terms. Specifically defined terms are added or further clarified, consistent with changes elsewhere in the Policy. (Sections II.A through C and III.G.1)

• Copyright Works; Software. Copyrightable works that are also patentable will be treated as Inventions subject to Policy 7-002. Software, whether or not patentable, will be treated as an Invention subject to Policy 7-002. (Section II.B)

• Illustrative Examples. The committee thought it would be helpful for the revised Policy to include, but only as a guide, specific examples related to inventions created by faculty members, staff members and students, applying related policy provisions. (Section III.B.7))

1. **Proposed Changes to Policy 5-204: Remunerative Consultation and Other Employment Activities**

The major change to this section, in keeping with the practice of peer institutions, is to increase the number of consulting days permitted. Faculty members and administrative officers are permitted to consult four (4) days per month, rather than two (2) days per month (subject to proportionate reduction for part time faculty members and administrative officers). Revised Policy 5-204 will continue to permit faculty members and Administrative Officers to accrue up to twelve (12) unused consulting days. (Section III.E.1).

In addition, the term “consulting” is specifically defined to include consulting (1) performed by a faculty member or administrative officer in his or her individual capacity, (2) directly related to the faculty member’s or administrative officer’s area of expertise, (3) which utilizes that expertise through interactions with the public, and (4) in exchange for which the faculty member or administrative officer receives compensation (subject to certain exceptions). (Section II.A)