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Area **Academic Senate (AS)**

## Intellectual Property, LATAC 279-04

### POLICY

#### Definition:

A policy for governing intellectual property.

#### Authority:

The President of the University.

#### Scope:

This policy and the associated procedures outline the incentives and protections for intellectual property matters. This policy applies to all individuals at CSUSM engaged in work that is supported by the university or by sponsored projects through the University Auxiliary & Research Services Corporation (UARSC).

#### I. OBJECTIVES

The first purpose of this intellectual property policy is to provide the necessary protections and incentives to encourage both the discovery and development of new knowledge, its transfer for the public benefit and its use for development of the economy; a second purpose is to enhance the generation of revenue for the University and to provide financial and reputational benefits for the creator(s); and a third purpose is to preserve the University's freedom to conduct research and to use the intellectual property created by that research or pursuant to an institutional initiative. The University is guided by the following general objectives:

1. to optimize the environment and incentives for research and for the creation of new knowledge at the University;
2. to ensure that the educational mission of the University is not compromised;
3. to bring technology into practical use for the public benefit as quickly and effectively as possible;

4. to protect the interest of both the institution and the creators of intellectual property through a reasonable consideration for the University's investment in its intellectual property.

## II. DEFINITIONS

**Intellectual Property:** The term "intellectual property" is broadly defined to include inventions, discoveries, know-how, show-how, processes, unique materials, copyrightable works, original data and other creative or artistic works which have value. Intellectual property includes that which is protectable by statute or legislation, such as patents, registered or unregistered copyrights, registered or unregistered trademarks, service marks, trade secrets, mask works, and plant variety protection certificates. It also includes the physical embodiments of intellectual effort, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, biological materials, chemicals, other compositions of matter, plants, and records of research and experimental results.

**Traditional Academic Copyrightable Works:** "Traditional academic copyrightable works" are a subset of copyrightable works created independently and at the creator's initiative for academic purposes. Examples may include class notes, books, theses and dissertations, educational software (also known as courseware or lessonware) that the creators may design for courses they teach, articles, non-fiction, fiction, 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.

**Creator:** "Creator" refers to 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" includes the definition of "inventor" used in U.S. patent law for patentable inventions and the definition of "author" used in the U.S. Copyright Act for copy written works of authorship.

**University Resources Usually and Customarily Provided:** When determining ownership and license rights in copyrightable works, "University resources usually and customarily provided" includes office space, library facilities, ordinary access to computers and networks, or salary. Exceptions are expected in units where the tradition is to provide subvention to some faculty in the form of graduate assistants to help prepare traditional academic copyrightable works. Exceptions are also expected in situations where creators use University-provided facilities and resources in the creation of works of artistic imagination, for example, use of studios, pottery wheels, or kilns for the creation of paintings, sculpture or ceramics; use of high end computer hardware and software in the creation of artistic graphical images; and so on. Other individual exceptions may be approved on a case-by-case basis

**Extraordinary Support:** Extraordinary support represents the use of campus resources in the creation of an intellectual property work where those resources are not available or accessible to all members of the university community employed in a similar employment. Examples of extraordinary support include but are not limited to use of media studios requiring support from campus staff, or significant staff resources used to research or develop elements of a work. External funding for the work or effort would not be considered as extraordinary support.

## III. APPLICATION

It is also the policy of the University that individuals (including visitors) by participating in a sponsored research project and/or making significant use of University-administered resources thereby accept the principles of ownership of intellectual property as stated in this policy unless an exception is approved in writing by the University. University employees who create intellectual property shall execute appropriate assignment and/or other documents required to determine ownership and rights as specified in this policy. Persons not employed by the University who use University resources in the creation of an intellectual property shall disclose the nature of the work and the use of University resources to the Provost in order to clarify the University's interests in the work.

#### IV. COPYRIGHTS

##### A. Ownership

Unless subject to any of the exceptions specified enumerated below<sup>1</sup>, creators retain rights to traditional academic copyrightable works as defined above.<sup>1</sup>

The University shall own copyrightable works as follows.

1. Works created pursuant to the terms of a University agreement with a third party.
2. Works created as a specific requirement of employment or as an assigned University duty that may be specified, for example, in a written job description or an employment agreement. Such specification may define the full scope or content of the employee's University employment duties comprehensively or may be limited to terms applicable to a single copyrightable work<sup>2</sup>.
3. Works specifically commissioned by the University. The term "commissioned work" refers to a copyrightable work prepared under an agreement between the University and the creator when
  1. the creator is not a University employee, or
  2. the creator is a University employee but the work to be performed falls outside the normal scope of the creator's University employment.

Contracts covering commissioned works shall specify that the author convey by assignment, if necessary, such rights as are required by the University.

4. Works that are also patentable. The University reserves the right to pursue multiple forms of legal protection concomitantly if available. Computer software, for example, can be protected by copyright, patent, trade secret and trademark.

##### B. University Rights in Creator-Owned Works

1. Traditional academic copyrightable works created using university resources usually and customarily provided are owned by the creators. Such works need not be licensed to the University.
2. Traditional academic copyrightable works created with use of University resources over and above those usually and customarily provided shall be owned by the creators but licensed to the University. The minimum terms of such license shall grant the University the right to use the original work and to

make use of derivative works 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 when justified by the circumstances of development.

#### C. Student Works

Unless subject to the provisions of section IV. A. or provided otherwise by written agreement<sup>3</sup>, copyrightable works prepared by students as part of the requirements for a University degree program are deemed to be the property of the student. Unless otherwise agreed upon, research records for a graduate theses or dissertation are the property of the University, but the student-creator may retain a copy of the work.

#### D. Copyright Registration and Notice

University-owned works shall be protected by copyright notice in the name of the Board of Trustees. Such copyright notice shall be composed and affixed in accordance with the United States Copyright Law. Registration of the copyright for University-owned works shall be in accordance with the operational guidelines and procedures established by the Provost (or designee). The University may also decide to release a work to the public domain and if so, should so indicate.

#### E. Compliance with the Copyright Act

University organizations that administer activities involving any usage regulated by the Copyright Act are responsible for knowing applicable regulations, monitoring their continuing evolution, and conducting their programs in full compliance with the applicable laws and regulations.

### V. **OTHER INTELLECTUAL PROPERTY (Patents, Trade Secrets, etc)**

Except as otherwise specified in this policy or by the University in writing, intellectual property subject to other protection (ex: patentable) shall belong to the University if made: (1) by a University employee as a result of the employee's duties, or (2) through the use of University resources such as facilities, equipment, funds, or funds under the control of or administered by the University. The extent of University ownership in the property shall be in proportion to the value of the resources used consistent with California State Law.<sup>4</sup>

### VI. **TRADEMARKS**

Trademarks and service marks are distinctive words or graphic symbols identifying the source, product, producer, or distributor of goods or services. Registration of trademarks or service marks, at the state or federal level, shall be approved by the Provost (or designee). Proceeds received from commercialization of a registered or unregistered mark that is related to an intellectual property license for associated intellectual property will be shared with all creator(s) of the associated property as specified in section VIII. For proceeds received from commercialization of a mark that is licensed independently and is not directly related to an intellectual property license, the share that would normally be distributed to the creator(s) will be assigned to the unit(s) from which the trademark or service mark originated. Except as provided herein or subject to prior written agreement between the creator(s) and the University, the University will not share the proceeds from commercialization of a mark with the individual(s) who created the mark.

## VII. INTELLECTUAL PROPERTY ADMINISTRATION

### A. Disclosure

The creator of intellectual property shall promptly disclose to the Provost the existence and nature of the property when

1. the University has an ownership interest under the provisions of this policy and the property has the potential to be brought into practical use for public benefit, or
2. the disclosure is required by law, or
3. the intellectual property was created as a result of federal government funded research.<sup>5</sup>

The disclosure shall consist of a full and complete description of the subject matter of the discovery or development and identify all persons participating in the creation of the property. The creator(s) shall furnish such additional information and execute such documents from time to time as may be reasonably requested.

### B. Evaluation and Exploitation Decisions

After evaluation of the intellectual property and review of applicable contractual commitments, the University may develop the property through licensing, to an established business or a start-up company, 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(s) if permitted by law and current University policy, or may take such other actions considered to be in the University interest. The University is not obligated to protect the intellectual property rights of the work through acts such as filing for patent protection, registering the copyright, or securing plant variety certification, but may do so at its discretion. All agreements regarding intellectual property must be executed by the Provost or designee.

### C. Questions Related to University 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(s) in accordance with section VII.A. Such disclosure is without prejudice to the creator's ownership claim. The University will provide the creator with a statement as to the University's ownership interest.

### D. Informing Creators of Decisions

The University will inform principal creators of its substantive decisions regarding protection, commercialization and/or disposition of intellectual property which they have disclosed. However, specific terms of agreements with external parties may be proprietary business information and subject to confidentiality restrictions.

### E. University Abandons Intellectual Property

Should the University decide to abandon development or protection of University-owned intellectual property, ownership may be assigned to the creator(s) as allowed by law and current University practice, subject to the rights of sponsors and to the retention of a

license to practice for University purposes. The minimum terms of the 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.

F. Commercialization

The University may, at its discretion and consistent with the public interest, license intellectual property on an exclusive or non-exclusive basis. The licensee must demonstrate technical and business capability to commercialize the intellectual property. The license may include clear performance milestones with a provision for recapture of intellectual property if milestones are not achieved. The licensee may be required to assume the cost of statutory protection of the intellectual property.

G. Conflict of Interest and Commitment

Commercialization activities involving University employees will be subject to review of potential conflict of interest and commitment issues and approval of a conflict management plan in accordance with applicable University policy.

H. University's Acceptance of Independently Owned Intellectual Property

The University may accept assignment of intellectual property from other parties provided that such action is determined to be consistent with the public interest. Intellectual property so accepted shall be administered in a manner consistent with the administration of other University-owned intellectual property.

I. Consulting Agreements

University employees engaged in external consulting work or business are responsible for ensuring that agreements relating to intellectual properties emanating from such work are not in conflict with University policy, with the University's contractual commitments or with University policies regarding University-owned intellectual property. Such employees should make their non-University obligations known to the appropriate campus officer and should provide other parties to such agreements with a statement of applicable University policies regarding ownership of intellectual property and related rights.

J. Statement by Creators

The creators of University-owned intellectual property may be required to state that to the best of their knowledge the intellectual property does not infringe on any existing patent, copyright or other legal rights of third parties; that if the work is not the original expression or creation of the creators, the necessary permission for use has been obtained from the owner; and that the work contains no libelous material nor material that invades the privacy of others.

K. University Intellectual Property Committee

The University Intellectual Property Committee shall include three faculty members

appointed biannually by the Academic Senate (to serve staggered terms) to make recommendations to the Provost regarding procedures, guidelines, and responsibilities for the administration and development of intellectual property and such other matters as the Provost shall determine. Other members of the committee shall be the Dean of Instructional and Information Technology Services, the Dean of the Library and the Associate Vice President for Research (or their designees).

L. Administrative Responsibility

The President has ultimate authority for the stewardship of intellectual property developed at the University. The Provost or designee in consultation with University Intellectual Property Committee shall establish operational guidelines and procedures for the administration of intellectual property, including but not limited to determination of ownership, assignment, protection, licensing, marketing, maintenance of records, oversight of revenue or equity collection and distribution, approval of individual exceptions, and resolution of disputes among creators and/or unit executive officers.

M. Contractual Authority

Licenses, options for licenses and other agreements related to commercialization or exploitation of intellectual property shall be granted in the name of the California State University San Marcos. All such contracts shall be executed in accordance with the policies described in this policy.

N. Administrative Guidelines and Procedures

General guidelines and procedures for the administration of intellectual property shall be established by the Provost. Detailed operational guidelines and procedures for the administration of campus-based responsibilities shall be established by the Associate Vice President for Research.

O. Appeals

After following the administrative guidelines and procedures established by the campus, the University creator or unit executive officer may appeal to the Provost (or designee) to seek resolution of complaints or questions regarding the matters addressed in this policy.

P. Preferential Treatment of Sponsors

Sponsored research agreements shall provide that all intellectual property developed as a result of the sponsored research project shall belong to the University unless otherwise specified in writing.

The sponsor may receive an option to license the resulting intellectual property on terms to be negotiated, with the option to be exercised within a specified period following the disclosure of the intellectual property. The specific terms of licenses and rights to commercial development shall be based on negotiation between the sponsor and the University at the time the option is executed by the sponsor and shall depend on the nature of the intellectual property and its application, the relative contributions of the University and the sponsor to the work, and the conditions deemed most likely to advance the commercial development and acceptance of the intellectual property.

In all cases where exclusive licensing is appropriate, such license agreements shall be executed apart from the sponsored research agreement and shall require diligent commercial development of the intellectual property by the licensee.

The University may also determine, on a case-by-case basis and only if allowed by law, that it is in the University's interest to assign ownership of resulting intellectual property to the sponsor as an exception to this policy when circumstances warrant such action, in accordance with guidelines established by the University Intellectual Property Committee.

Q. Exceptions to Policy

Recommendations for exceptions to the provisions of this policy shall be made by the University Intellectual Property Committee to the Provost. For individual exceptions, see section VII.K.

**VIII. PROCEEDS DISTRIBUTION**

A. Proceeds

For purposes of this policy, "proceeds" shall refer to all revenue and/or equity, as defined below, received by the University from transfer, commercialization, or other exploitation of University-owned intellectual property.

1. Revenue

"Revenue" shall mean cash from payments including, but not limited to, royalties, option fees, license fees, and/ or fees from the sale of the University's equity interest.

2. Equity

"Equity" shall include, but not be limited to, stock, securities, stock options, warrants, buildings, real or personal property, or other non-cash consideration.

B. Revenue Distribution

When revenue is received by the University, all out-of-pocket payments or obligations (and in some cases, a reasonable reserve for anticipated future expenses) attributable to protecting (including defense against infringement or enforcement actions), marketing, licensing or administering the property may be deducted from such income. The income remaining after such deductions is defined as net revenue. In the case of multiple intellectual properties licensed under a single licensing agreement, the University shall determine and designate the share of net income to be assigned to each intellectual property.

1. Creator's Share

The creator (or creator's heirs, successors, and assigns) normally shall receive fifty percent (50%) of net revenue. If there are joint creators, the net income shall be divided among them as they shall mutually agree. Should the creators fail to agree mutually on a decision, the University shall determine the division.



## 2. University's Share

The University normally shall receive fifty percent (50%) of net revenue. Distribution of the University's share shall be allocated in support of its technology transfer activities and academic and research programs as determined by the Provost.

### C. Equity Distribution

In any instance wherein the University executes an agreement with a corporation or other business entity for purposes of exploiting intellectual property owned by the University and the University receives or is entitled to receive equity, revenue from the equity shall be shared among the creator(s), and the University in the same proportions as revenue distributions (except as specified in section VIII.D. below).

### D. Exceptions When the Creator(s) Have No Entitlement

If the University accepts research support in the form of a sponsored research agreement or unrestricted grant as part of the consideration in an intellectual property license in lieu of an option fee, license fee or royalty, the creator(s) shall have no entitlement to receive a share as personal income. For the subset of equity that is buildings, real or personal property, or other non-cash consideration, the creator(s) shall have no entitlement to receive a share as personal income.

### E. Special Distributions

Special facts or circumstances may warrant a different distribution of proceeds than specified above and such distributions will be determined on a case-by-case basis by the Provost in consultation with the University Intellectual Property Committee.

### F. Revenue from Actions for Defense or Enforcement of Intellectual Property Rights

When the University receives revenue from third parties that results from successful actions for the purpose of defending or enforcing the University's rights in its intellectual property, such revenue may first be used to reimburse the University (or the sponsor or licensee, if appropriate) for expenses incurred in such actions. The creator(s) and their originating unit(s) shall be entitled to recovery of lost royalties from the remaining net revenue, in the same proportions as specified in Section VIII.B. above. The remaining net revenue shall be allocated in support of the University's technology transfer activities and academic and research programs as determined by the Provost.

**Marcy Boyle**

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**From:** Marcy Boyle  
**Sent:** Thursday, October 18, 2012 12:44 PM  
**To:** Janet McDaniel  
**Cc:** Jacqueline Trischman; Wayne Aitken; Aníbal Yáñez-Chávez; Marcia Woolf; Katy Rees; Adam Shapiro; David Barsky; Don Chu; Emily Cutrer; Gerardo M. Gonzalez; Graham Oberem; Jacqueline Trischman; Janet Powell; Katherine Kantardjieff; Marcy Boyle; Mike Schroder; Sharon M. Lightner; Wayne Veres; Bryana Ramos; Carol Givens; Daphne Killion; Diana Frye; Eve McElrath; Karen Irwin; Kathy Martin; Lisa Bandong; Lupe Medina; Marcia Woolf; Robin Martens; Rose Brown; Shantel Nilson; Virginia Mann  
**Subject:** Acad Senate ~ Intellectual Property Policy, approved/effective 10/18/2012  
**Attachments:** IntellectualPropertyPolicy\_apprv'd.eff\_2012Oct18.pdf; IntellectualPropertyPolicy\_apprv'd-eff\_2012Oct18.doc

Greetings, Prof. McDaniel.

The new "Intellectual Property Policy" has been approved and is forwarded on behalf of President Haynes and Provost Cutrer. They offer their thanks and appreciation to the members of the Library and Academic Technology Advisory Committee and the Academic Senate for their work and effort in preparing this new policy. A scanned PDF version of the approved policy is attached, as well as an unsigned Word version.

Best regards,  
Marcy

**Note to Katy:** The original, signed policy will be delivered to the VPFAS Office later today for archiving with the official university policies.

*attached*



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*Thanks!*

## Approval Signatures

| Step Description | Approver | Date |
|------------------|----------|------|
|------------------|----------|------|