

CHATHAM UNIVERSITY
INTELLECTUAL PROPERTY, PATENTS, AND LICENSING AGREEMENTS POLICY

I. Statement of Purpose

This Policy is a declaration of Chatham University's support for faculty and student research and technology development initiatives. Research, consulting, and commercialized products bring prestige and visibility to the University. It is the intention of the University to provide a consistent and organized approach to the development and commercialization of intellectual property through this policy.

This document shall be interpreted in a manner consistent with applicable federal and state statutes and implementing regulations. It shall apply to all faculty, staff, and students of the University and to all students receiving remuneration for their services.

II. Definitions

University shall mean Chatham University.

Commercialization: 1) Agreements that grant to third parties the rights to commercially develop University owned Intellectual Property. The intellectual property process is coordinated by the Vice President of Academic Affairs and Senior Vice President of Finance and Administration who are responsible for negotiating licenses and other appropriate contractual arrangements on behalf of the University and in partnership with creator. 2) Directly commercializing the Intellectual Property through partnerships, joint ventures, corporations or as the sole initiative of the University and the creator.

Capitalized Costs to Commercialization shall mean all costs associated with proving the concept, development of formal protection/registration and commercializing the Intellectual Property.

Creator of Intellectual Property shall mean any person or persons who create or contribute to the creation of Intellectual Property.

Data (including research data) shall mean recorded information, regardless of the form or the media on which it may be recorded, including technical data, computer software, and other such records of research or scholarship.

Equity shall mean ownership of a tangible or intangible asset for purposes of allocating future revenue streams and divestiture proceeds.

Faculty shall mean members of the University's Faculty as defined in the Faculty Manual, plus instructors, special faculty appointments, and part-time faculty.

Income shall mean revenue paid as consideration for a license and includes onetime payments and ongoing revenues such as license fees.

Intellectual Property shall mean certain tangible or intangible products and outcomes resulting from University-based scholarship, research, development, teaching, or other intellectual activity. It includes, but is not limited to:

- a) copyrightable works, including traditional copyrightable works;
- b) Inventions;
- c) Data;
- d) literary, creative, and artistic works having value;
- e) items protectable by statute or legislation (patents and copyrights);
- f) classroom instructional materials, used on campus or in distance learning, as well as names and designations,
- g) Web-based and other electronic-based research and instructional materials (both digital and analog), as well as names and designations.

Inventor shall mean someone who has made a substantive inventive contribution to the conception of an Invention.

Invention shall mean discoveries, know-how, show-how, processes, unique materials, including that which is protectable by statute or legislation, such as patents, trade secrets, mask works, software, and plant variety protection certificates. It also includes the physical embodiments of intellectual effort, for example, prototypes, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, electronic-or computer-based presentations of learning materials, biological materials (including DNA libraries, bacterial strains, cell lines, expression systems, antibodies, DNA/RNA, plasmids, etc.), chemicals, other compositions of matter, plants, and records of research..

License Agreement shall mean an agreement that conveys one or more rights in and to the University's Intellectual Property.

Net proceeds to the University shall mean proceeds received by the University on Intellectual Property that it assigns, sells or licenses, minus any costs directly attributable to the Intellectual Property being licensed. Costs shall be reasonable and fair, and shall be properly disclosed.

Net proceeds to the Creator shall mean proceeds received by the creator from Intellectual Property owned, that he/she sells, assigns or licenses, less any costs attributable to the Intellectual Property. For purposes of this document, net proceeds do not include compensation received by the creator for consulting services or other employed capital. Costs shall be reasonable and fair, and shall be properly disclosed.

Publication as related to Inventions is an enabling non-privileged communication to one or more individuals outside of the University community which may be verbal or printed.

Staff shall mean any employee of the University other than students and faculty as defined above.

Student shall mean any full-time or part-time graduate or undergraduate student, regardless of whether the student receives financial aid from the University or from outside sources. External student internships are not subject to this policy.

Substantial use of University facilities shall mean extensive unreimbursed use of University laboratory, studio or computational facilities, or human resources. The use of these facilities must be Material to the creation of the Intellectual Property. Incidental use of a facility or use of a facility commonly available to all faculty or professional staff (such as libraries and offices), does not constitute Material Use. Use of library resources shall be in accordance with applicable license agreements. Use of telephone (local calls), use of a desktop computer, email system, and the University servers to store files shall be considered incidental use.

Trigger date shall mean the earliest date on which the buyout obligation becomes contractually effective under the terms of the buy-sell agreement.

III. Policy Provisions

University Responsibilities Regarding Technology Commercialization

Commercialization of Intellectual Property in an appropriate and cost-effective manner is very important and the University shall develop processes to maximize the value of the technology to the creator and the University.

The University Office of Academic Affairs shall:

1. Provide oversight of Intellectual Property management and technology transfer.
2. Work with the Academic Departments to promote and license Intellectual Property.
3. Provide legal services and take other appropriate actions to protect the University's Intellectual Property.
4. Establish policies and procedures for technology transfer and the avoidance of conflicts of interests, consistent with University policies.
5. Review and approve all agreements that convey or affect the University's rights to Intellectual Property.
6. Actively support commercialization of Intellectual Property through license, joint venture, and directly as specific details warrant and in partnership with the creator.

The University encourages cooperation between the Academic Departments and the manufacturing and service sectors in the promotion of advanced study research, the dissemination of knowledge to enhance productivity, and economic development in society. Chatham University actively works to forge an interdisciplinary partnership between the University, industry and government.

IV. Sponsored Research

There are several ways for companies and organizations to collaborate with Chatham University. Which is most appropriate depends upon the company's objectives and the extent of its investment and relationship interests. A company can (1) sponsor a research project with a particular researcher or group of researchers through the Office of

Academic Affairs; (2) donate funds in the form of a gift to Chatham University for research projects conducted by particular faculty or within a department; or (3) use a research center or laboratory facility on a fee-for-use basis. Each of these options for partnering has different ramifications for a company in terms of the resultant Data, any Intellectual Property, any other results of the project.

A sponsored research project (contract or cooperative agreement) is done under the terms of a legally binding contract under which the University, through the Office of Academic Affairs, agrees to perform a certain scope of work according to specific terms and conditions and under a specific budget.

Public Domain Ownership Provisions: In situations where there is not substantial use of University facilities or Intellectual Property owned by the University, the creator of the Intellectual Property may choose to place his or her creation in the public domain. In such cases both the creator and the University waive all ownership rights to said property. The creator shall in all cases, assign priority to University obligations in allocation of work time.

Procedural Provisions: Creators wishing to place their Intellectual Property in the public domain are responsible for ascertaining that the right to public dedication of that Intellectual Property is not limited by any external agreement (see Externally Sponsored Work). It is also the creator's responsibility to ensure that disclosure does not include valuable Intellectual Property owned by others.

Externally Sponsored Work

Ownership Provisions: Intellectual Property created as a result of work conducted under an agreement between an external sponsor and the University or an external sponsor and creator that specifies the ownership of such Intellectual Property shall be owned as specified in said agreement.

Procedural Provisions: Each creator must inform the University of any Intellectual Property rights which are limited by an externally sponsored contract, **with the creator directly**, of the Intellectual Property provisions of that contract in advance of executing the document. This may lead to future discussions between the creator and the Office of Academic Affairs. Such notice is to be in writing. In addition, the University may require written acknowledgement of said provisions by external sponsor. Contracts for work outside of the University, directly with external sponsors where substantial use of University facilities is absent, shall not be subject to this policy.

Internally Sponsored Work

Ownership Provisions: When the University provides funds or facilities for a particular project to the extent of substantial use as defined herein, it may also choose to designate itself as sponsor of that work. After discussions with the creator, and in the spirit of developing Intellectual Property, the University may declare itself the owner of

Intellectual Property resulting from the work. In this case, the University must specify the disposition of any Intellectual Property rights and develop appropriate documents (contact Office of Academic Affairs). The University may decline sponsorship.

Procedural Provisions: It is the responsibility of the Office of Academic Affairs of the University to inform each person whose Intellectual Property rights are limited by the University as to that determination in advance of the beginning of work thereon. Such notice is to be in writing and the University may require written acknowledgement.

V. Individual Research Traditional Academic Rights

In accordance with traditional academic policies at the University, the creator shall retain ownership and revenue rights to the following types of Intellectual Property, books (fiction, nonfiction, poetry, textbooks, etc.), articles, poems, published standardized tests, student papers (themes, term papers, reports, exams, etc.) musical works, dramatic works including any accompanying music, pictorial, graphic and sculptural works, motion pictures, video recordings, and sound recordings. Tangible and intangible Intellectual Property created through activities performed by faculty/creator off campus or during off hours per the faculty manual shall be owned by the creator.

Students shall own the copyright to his/her Advanced Degree. Intellectual Property, other than the copyright of the Advanced Degree, created doing research toward an Advanced Degree is subject to all the other terms of the policy.

VI. Faculty/Creator Responsibilities

Faculty/creators who develop Intellectual Property while utilizing University resources shall:

1. Disclose to the Office of Academic Affairs, the creation of Intellectual Property, which may have commercial or societal benefits.
2. Conduct technology transfer activities in a manner consistent with the University policies.
3. Cooperate with the University in prosecuting patent applications, and in legal actions taken in response to infringement.
4. Inform the Office of Academic Affairs whenever they are substantially using the facilities of the University for research.

VII. Ownership of Intellectual Property

The University has an ownership right in and to Intellectual Property developed as a result of support from the University.

Title to Intellectual Property developed as a result of financial support (grant, consulting contract, or cooperative agreement) channeled through the University shall normally be memorialized by a signed agreement between the University and supporting agency/company.

Title to Intellectual Property developed with no more than incidental use of

University facilities shall remain with the creator.

The University has an ownership right in and to Intellectual Property developed as a result of substantial use of University facilities, absent other written contracts or agreements with the creator or resource sponsor.

The University may waive its right of ownership by assignment or otherwise, in which case all rights shall revert to or remain with the creator.

University support is defined as financial or other support, regardless of origin, which is used in the discovery or development of Intellectual Property and is provided through University channels.

VIII. Revenue from Intellectual Property

A. General Principles

Revenues received as a result of Licensing Agreements in the form of cash royalties and/or equity holdings shall be distributed in such a manner as to encourage technology development within the technology transfer from the University. "Revenues" shall not include funds received for research support.

1. University costs for patent prosecution, licensing, and license maintenance, shall be reimbursed from Gross Revenues.
2. All shares of revenue, including the Inventor's undispersed revenue, shall contribute to the reimbursement of the University's costs for patent infringement actions.
3. The schedule for distribution of Net Revenues shall be designed to be fair and provide personal incentives to the creators and the University.
4. Sensitivity to conflicts of interest suggests that certain types of research on a licensed Invention by its Inventor(s) and/or the University may be disallowed whatever the funding source. Sponsored research to advance the state of the art of existing Inventions is encouraged under those circumstances where the Inventor's participation presents little, if any, opportunity to compromise the integrity of the Inventor and the University.

B. Schedule for Net Revenue Distribution from Intellectual Property

The University and creator shall enter into a revenue sharing agreement for distribution of revenue from intellectual property commercialization. Absent such an agreement, revenue shall be distributed at thirty percent to the creator and seventy percent to the University. Agreements will be sensitive to the relative contribution to potential revenue by each party to the agreement.

C. Equity holdings

With careful safeguards, Licensing Agreements involving equity participation by the University and the creator are permitted. Research sponsored by companies in which faculty and/or the University have equity holdings may also be permitted. Rules and procedures for implementing the policy guidelines are:

1. University contracts with licensees will be negotiated by the Office of Academic

- Affairs in consultation with the creator.
2. The creator and the University's equity interest will not be traded until after a stipulated and agreed upon Trigger Date. Sale of the University's equity interest will be at the discretion of the Finance & Audit Committee of the Board of Trustees upon recommendation of the Office of Academic Affairs.
 3. Any association of the creator(s) with the licensee will be subject to disclosure, including compensation, prior approval, and annual reporting.

D. Distribution of Equity Revenues

Unlike royalty revenue, equity revenue distribution is sporadic and likely to occur only once. The creator(s) personal share shall survive termination of affiliation with the University and, in the event of death of the creator shall inure to his/her estate.

Distribution of Revenues: All revenues derived from University-owned Intellectual Property or creative works including electronic media will be received and administered by the Office of Academic Affairs in coordination with the Office of Finance and Administration. For each specific piece of Intellectual Property owned by the University and licensed, costs incurred in the process of perfecting, transferring, and protecting University rights to the property paid by the University will first be deducted from the gross license income available before distribution, to both the creator and the University. An accurate accounting of all such costs shall be made available to the creator upon request.

E. Resolution of Disputes

This policy constitutes an understanding which is binding on the University and on the faculty, staff, and students upon whom it is effective, as a condition for participating in research programs at the University or for the use of University funds or facilities.

Any question of interpretation, claim or claim arising out of or relating to this policy, or dispute as to ownership rights of Intellectual Property under this policy that cannot be settled through informal discussion will be submitted to the Office of the President. The issue must be submitted to the Office of the President in the form of a letter setting forth the grievance or issue to be resolved. The Office of the President will investigate the matter and within 60 days make a determination for resolution.

IX. Additional Provisions

A. Research

The University shall only enter into a research contract or other binding commitment to perform work that can reasonably be expected to be publishable, provide educational opportunities, and/or be in the public interest.

B. Hiring a Faculty Member as a Consultant

Consulting brings prestige and visibility to the University.

Consulting benefits the University by keeping the consultant better in touch with contemporary issues associated with their discipline, and provide opportunity for future educational opportunities and interdisciplinary partnerships between the University and industry.

A consultant may engage in a consulting contract personally with an outside organization provided he/she follows the guidelines of the Faculty Manual regarding outside employment. The ability to use a faculty member's laboratory and equipment (substantial use of University facilities) during a consulting project is up to the discretion of the Program Director or Department Chair but must be communicated to the Vice President of Academic Affairs. However, the consultant must understand that substantial use of University facilities has important implications for Intellectual Property rights. The faculty member is encouraged to discuss these implications with Vice President of Academic Affairs and Senior Vice President of Finance and Administration prior to entering into such an agreement.

A consultant may engage in consulting through the vehicle of sponsored research, wherein the contract is between the University and the outside organization. Issues such as use of University facilities, remuneration to the University for use of these facilities and other overhead costs, monetary compensation to the faculty member, and assignment of Intellectual Property rights should all be made part of the sponsored research contract.

The Office of Academic Affairs shall have available a standard set of preapproved wording for consulting and research contracts (i.e., templates) that consultant(s) may use in discussing potential consulting work with outside organizations.

C. IP Issues when hiring a member of the Faculty as a Consultant
University consultant(s) do not have the right to unilaterally assign to a company Intellectual Property that belongs to the University. This may include Intellectual Property conceived or developed by the faculty while working as a consultant for a company, if this Intellectual Property is related to ongoing research by the same faculty.

Assignments of Intellectual Property are to be negotiated at the time ~~made in~~ ~~advance~~ of formalizing a consulting contract with any company.

D. Use of the University Name

All written or broadcast material containing the University's advertising, marketing, or other promotional purposes shall be submitted to the Vice President of Marketing and Communications. A statement on the use of the University's name shall be included in all appropriate contracts between the University and the company.

E. Publication

Publication of Results: The right of the creator(s) to publish the results of research remains inviolate subject only to the terms of applicable agreements. However, while legal protection of a specific piece of Intellectual Property that is or might be owned by the University is being actively considered, the creator shall not publish or disclose said Intellectual Property in a non-confidential manner without the University's approval. The University is obligated to make decisions concerning patents, copyrights, and other matters affecting the legal protection and commercialization of Intellectual Property in a timely manner.

F. Copyright Policy

1. University Trademarks

Chatham University owns all trademarks and service marks related to goods and services distributed by the University. The University's licensing and trademark program shall protect and control all uses of the University's various trademarks throughout the world.

In order to comply with and assure protection under federal trademark law, Chatham University is required to monitor all uses of its identifying marks and to communicate guidelines for their use. These guidelines apply not only to students, faculty, and staff, but also to recognized and non-recognized student organizations, academic departments, administrative divisions/departments, individuals, clubs, informal groups and ad hoc groups.

Identifying marks include, but are not limited to: the words Chatham University of Pennsylvania, the official seal of the University, and accompanying design, and all future trademarks, service marks and logos used by Chatham University.

2. Patents

Patents are legal instruments requiring special attention since they are utilized to protect and preserve the Intellectual Property rights of the creator and the University and to facilitate the transfer of Intellectual Property for commercialization.

A patent is a grant by the government, acting through the Patent Office, of exclusive right to an invention or discovery of a process, machine, manufacture or composition of matter for a limited time. Generally three conditions should be met for the granting of a patent: the invention or discovery should be new, useful, and unobvious.

This policy continues the operating policy for patents within the context of an overarching Intellectual Property Policy. The following apply specifically to patents:

A. Disclosure, Assignment and Protection: Patents require specific actions to provide legal protection for Intellectual Property while being evaluated for patenting as an Invention. All persons exploring innovative concepts with patent potential are subject to this policy are obligated to disclose their Inventions to the Office of Academic Affairs and to execute assignments and other appropriate documents as may be requested by the Office.

B. Patent Evaluation: The Office of Academic Affairs shall in consultation with the creator, will make a determination whether the University should seek patent protection for an invention. If the University decides not to seek patent protection for an invention, ownership of the invention may be reassigned to the creator upon request, subject to any sponsor restrictions.

C. Licensing and Commercialization: Agreements with outside entities that grant them rights to commercially develop Inventions are encouraged. The Office of Academic Affairs is responsible for negotiating patent licenses or other contractual arrangements on patents/inventions owned by the University, on behalf of the University, and in close coordination with the creator. Creator shall, whenever practicable, be advised and consulted on the progress of license negotiations, but in no event shall they have a right of approval to the legal or payment terms of any agreement. Patents/inventions owned solely by the creator are excluded.

3. Copyrights

The University encourages the preparation and publication of copyrightable works that result from teaching, research, scholarly work, and artistic endeavors by members of the faculty, staff and student body. Because the sharing of knowledge is central to the success of the University, the University also desires that copyright policies enhance, not inhibit, cooperative productive work.

Copyright protection never extends to any idea, procedure, process, system, concept, principle or discovery. A copyright protects the forms of expression and not the ideas that are expressed. Thus the creator and University are afforded the opportunity to work together to copyright different expressions of the same ideas for different purposes.

The University does not claim ownership to a wide range of traditional types of copyrightable works as stated in item V (Traditional Academic Rights). However, the influence of new technologies on teaching, learning, research, and creative activity will continue and their impact on higher education and copyright law is difficult to predict. Subordinate to the principles of ownership, the following items apply to copyrights only:

A. Electronic Courses: When a department decides to offer a portion or an entire course or program by electronic means (streaming video, web based text, CD Rom, etc.) for distribution to students on or off campus, it shall normally be undertaken as a University Sponsored Project with the University owning the copyright to the electronic media used to deliver it.

B. Electronic course materials: Individual faculty members shall be free to use electronic media to enhance the instruction in their classes as they think best without any loss of ownership of Intellectual Property to which they would normally be entitled.

C. Teaching Materials: Creators of reusable teaching and classroom materials for University courses, such as curriculum guides, problem sets, exercise solutions, laboratory manuals etc., shall own these materials unless they are subject to a prior agreement governing their ownership. In all cases the University shall have a non-exclusive, royalty-free, perpetual license to use, display, copy, distribute, and prepare derivative works of such materials for internal University use.

D. Using Copyrighted Materials: All creators shall be responsible for securing permissions or licenses from owners before reproducing, distributing, making a derivative work, or displaying copyrighted works. It should be assumed that any material being used is copyrighted unless permission is expressly granted within the material or it is clearly in the public domain. Whether a particular use constitutes "fair use" is determined by the standards of U.S. Copyright Law.

E. Commercialization: Agreements that grant to third parties the rights to commercially develop University owned copyrighted Intellectual Property including software and electronic courses are encouraged. The Office of Academic Affairs is responsible for negotiating licenses and other appropriate contractual arrangements on behalf of the University and in coordination with the creator.

G. Confidentiality

Research shall not be undertaken in which the sponsor prohibits the researcher from disclosing the existence of the agreement or that unreasonably restricts the faculty member's public disclosure of information developed by that faculty member.

H. Conflict of Interest at Chatham University is set forth in the Code of Ethical Professional Conduct in the Employee Manual and incorporated by reference herein.