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## **California State University, Northridge Policy Statement on Inventions and Patents**

### **1. INTRODUCTION**

The primary purposes of California State University Northridge (University or CSUN) are to teach, to expand knowledge through scholarly studies and research, to disseminate the results of such studies and research, and to perform community service consistent with the mission of the University. From time to time in the conduct of these activities faculty members, staff, and students may make discoveries or invent new and useful devices, processes, etc., of a patentable and of a marketable nature. This policy statement describes principles and processes of the disposition of property rights to such forms of intellectual property.

Full protection of the traditional rights of employee scholarship and productivity is intended in this policy. The requirement for scholarly productivity as a requisite for retention or promotion shall not in itself be interpreted as conveying proprietary rights to the University for the products of scholarship.

### **2. DEFINITIONS**

For the purposes of this policy, the following definitions shall apply:

*Auxiliaries:*

Official auxiliaries of California State University Northridge are: The University Corporation; California State University, Northridge Foundation; North Campus-University Park Development Corporation; University Student Union, Inc.; and Associated Students, California State University, Northridge, Inc. Additional auxiliaries may be established in the future by California State University Northridge.

*Auxiliary Funds:*

Those funds, regardless of the sources, that are administered under the control, responsibility, or authority of the President of the University and the boards of directors of the designated auxiliaries.

*Contractual Agreement:*

Any enforceable agreement between the University and other individuals or parties.

*CSUN Resources:*

Those funds and material resources, regardless of the source, that are administered under the control, responsibility or authority of the President of the University.

*Inventor:*

One or more individuals, singly or as a group, who conceives or reduces to practice an invention. By law, the inventor must be an individual or individuals. The inventor(s) may assign rights to other individuals or legal entities.

*Invention:*

An invention is (1) any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof or (2) any patentable plant, for which United States patent rights may be obtained.

*Owner:*

The party or parties who own or control rights to an invention, whether patented or not.

*Patent:*

A grant from the U.S. Patent Office or any foreign patent office entitling the patent owner to prevent others from making, importing, using and/or selling an invention, for a term of years.

*Patent Agreement:*

A formal written agreement between the inventor and the University to comply with the Patent Policy of the University and to comply with the patent requirements of any grant or contract in which the signer participates. The patent agreement obligates the inventor to disclose the details of any and all possible patentable inventions related to the project covered by the particular agreement.

*Reduction to Practice:*

The condition that exists when an inventor has either built a physical prototype of the invention or has provided a description of the invention that would allow anyone skilled in the art to build it.

*University:*

For the purposes of this document, refers to CSUN and its auxiliaries.

*University Support:*

For the purposes of this document, refers to support and resource costs provided by either CSUN or its auxiliaries for a project from which an invention results.

### **3. OWNERSHIP OF DISCOVERIES AND INVENTIONS**

Ownership rights to discoveries and inventions rest entirely with the inventors, except when the University supplies supplemental support which may lead to proportional rights in the discovery or invention. In the event that University support in the form of financial assistance, the use of physical facilities, or other factors establishing University support is

provided, the University may exercise an interest in any patent or product derived from such activity.

The assignment of rights between the institution and its employees is dependent upon the degree of University support devoted to the conception, reduction to practice and development of an invention and products or processes which utilize such an invention. For the purposes of this policy, University support for an employee's project yielding an invention shall be classified into one of two categories:

- a) assignment of rights when projects are commissioned by the University, and
- b) partial University support.

These types of support are defined below, and the ownership rights relating to each category are detailed.

#### *Assignment of Rights When Projects Commissioned by the University Lead to an Invention*

A project is commissioned or assigned when there exists between the University, acting through any of its agents or auxiliaries, and the inventors, a contractual agreement to develop that specific invention.

In the case of commission or assignment, the contractual agreement shall specify the terms applying to ownership of the patent and the distribution of royalties between the inventor(s) and the University.

#### *Partial University Support*

An invention is considered to have partial University support if the University incurs resource costs associated with the invention. If an invention receives partial University support, a contractual agreement defining patent rights and royalty shares shall be made by the institution and the inventor.

In the event that a patent management corporation is used to assist with the commercialization of an invention, the provisions of this section shall govern only that part of the royalties in excess of the portion retained by the management corporation.

Each commercial license or assignment of an invention shall include the reserved right for the University to use the invention for research or educational purposes on a royalty free basis.

In all cases in which persons or organizations other than University employees intend to use University resources or facilities (exclusive of libraries) in connection with an invention, an agreement shall be executed in advance setting forth the understanding regarding the use of said resources and facilities, ownership rights, and financial arrangements.

The University reserves the right to transfer its rights in discoveries and inventions to the University Corporation with instructions to the Corporation to patent (or have patented) discoveries and inventions and make (or have made) good faith efforts to reduce concepts

to practice and arrange for production and sale. In the event of a determination that the University has no interest in pursuing a discovery or invention, it shall provide the discoverer or inventor with a release of University interest which entitles the employee to pursue patent at his or her own initiative and expense.

#### **4. DISCLOSURE OF DISCOVERIES AND INVENTIONS**

Employees are advised to disclose to the University as early as possible all patentable discoveries or inventions made by them while under hire or contract for employment in the University, whether or not in the performance of their regular duties or special assignments. Invention disclosure is most important for clarifying the rights of both the inventor and the University. It is also important to an inventor in establishing priority.

A formal invention disclosure may be made by submitting a Patent Disclosure Form to the Office of Research and Sponsored Projects. The CSUN Patent Disclosure Form is available from the Office of Research and Sponsored Projects. In addition to the information disclosed on the form, discoverers and inventors should be able to provide notebook entries, sketches, and descriptions of their discoveries or inventions that demonstrate the exercise of diligence in developing the concepts through successive stages. Where possible, the disclosure should include the eventual reduction to practice of the invention, and provide the drawings, specifications and claims necessary for the filing of a patent application.

#### **5. CAMPUS REVIEW PROCESS**

Upon receipt of a disclosure form to the Office of Research and Sponsored Projects, the Associate Vice President, Graduate Studies, Research and International Programs (AVP-GRIP) and the Director of Research shall make a determination as to whether the University has a financial interest which it may wish to pursue. The University shall notify the inventor(s) of this determination within 30 business days. In the absence of a positive determination, the inventor is free to pursue a patent with no obligation to the University.

In the case of a positive determination, if the inventor(s) and the University reach an agreement prior to the acceptance of partial University support by the inventor, relative shares of royalties remaining after the University has been reimbursed for its contribution shall be distributed between the inventor(s) and the University by mutual agreement of the inventor and the University if such an agreement can be reached prior to the acceptance of partial University support by the inventor.

If the parties have not reached an agreement prior to acceptance of University support, the issue will be referred to the University Copyrights and Patents Committee (UCPC). The UCPC shall make a recommendation to the President with respect to determination of ownership of patent rights and the division of royalties. This recommendation shall reflect the following general principles:

- (a) The royalty interests in the invention shall be divided in accord with the relative value of the inventor's contribution and that of the University.

- (b) In computing these values, the inventor's contribution shall include all direct costs incurred by the inventor (including patent application costs) and a reasonable value placed on the inventor's time
- (c) For the purposes of calculating the University royalty interest, University support will include those costs which would not have been incurred by the institution in the absence of the development of the invention.
- (d) The University reserves the right to recover its support costs before any other allocation of royalties is made.

The University Copyright and Patent Committee shall be composed of the AVP-GRIP (chair), Vice President for Administration and Finance, Executive Director of the University Corporation, Chair of the Research and Grants Committee, and Director of Research. The inventor(s) shall select two additional faculty with appropriate technical expertise on an *ad hoc* basis to review each individual determination. In addition, the Committee may engage outside evaluators as appropriate.

The UCPC is charged to:

- (a) review each disclosure of discovery or invention submitted under the provisions of this policy by a University employee;
- (b) formulate a recommendation regarding the University's interest based on the employee's use of University facilities and equipment; and
- (c) as necessary, make recommendations concerning University policies on discoveries, inventions, and patent matters for review by the Research and Grants Committee and Academic Senate.

All UCPC recommendations regarding individual cases of discovery or invention shall be forwarded to the President of the University on those items requiring assertion of University rights to intellectual property.

The President shall determine whether the university has a financial or other interest in the invention/discovery. If there is no University interest, the inventor is then free to pursue the matter independent of the University. If a University interest exists, the University and the inventor shall enter into an agreement whereby both parties share an interest in the invention or discovery. The President may then proceed on behalf of the University and where appropriate on behalf of the discoverer or inventor; or may recommend assignment of the University rights to the University Corporation which will subsequently continue to act on behalf of the University, the author or inventor, and any involved sponsors.

## **6. PATENT AGREEMENTS**

The Associate Vice President for Graduate Studies, Research, and International Programs, acting for the President of the University, is designated as the institutional officer responsible for matters involving intellectual property. He/she may designate other managers or directors of auxiliaries or units of the institution to act on his/her behalf. After consultation with the University Copyright and Patent Committee, the

Associate Vice President or designee may approve agreements with respect to ownership and other rights related to inventions; obtaining patents; and granting licenses in the name of the institution for all inventions.

In the case where University resources have been used in the development of an invention, agreements upon the reimbursement of University expenses shall be executed. The Vice President for Administration and Finance shall prepare such agreements and shall represent the interests of the University in negotiating proper agreements with the Corporation and the inventor. These agreements shall be prepared and executed prior to the initiation of the patent search. If at all possible, in the case where the use of University resources is likely to be substantial, the agreement on reimbursement shall be made prior to the use of these resources.

## **7. APPEALS**

Inventors may appeal a decision of the Associate Vice President for Research, Graduate Studies, and International Programs and/or the Vice President for Administration and Finance with respect to the disposition of patent rights and royalties. All appeals shall be directed to the President of the University who may, after examining such evidence as may be required, request additional review or modification of the patent agreement.

## **8. OBLIGATIONS OF UNIVERSITY EMPLOYEES AND OTHER INCLUDED PARTIES**

All University and faculty and staff, as a condition of their employment, shall comply with the terms of this policy. Students involved in research, as a condition of their education or employment at CSUN, shall also comply with the terms of this policy.

For the protection of the inventor's interests and for the purpose of establishing the inventor's ownership rights to inventions conceived prior to employment at CSUN, each inventor shall disclose to the Office of Research and Sponsored Projects at the time of employment, all inventions conceived, reduced to practice, developed, or being developed, by the inventor.

In order to determine the rights of the inventor and the University, inventors shall promptly report to the Director of Research all potentially patentable inventions conceived, reduced to practice or developed while employed or enrolled at CSUN. Such disclosures must be made in writing as soon as possible but no later than 30 days prior to the date of first publication of the invention.

Inventors shall inform all other persons who may have rights to the invention (including co-inventors, collaborators and research assistants) of the terms of this policy.

Inventors shall assign to the University any and all rights in and to an invention in which the University has an interest as determined by the University Patents and Copyrights Committee and in accordance with the provisions of this policy.

Inventors shall cooperate with the University in pursuing patents, licenses or otherwise commercializing inventions that have been assigned to the University.

## **9. USE OF FUNDS RECEIVED FROM INVENTIONS**

Any funds that are received by the University through royalties or licenses or other consideration for inventions shall be distributed in accordance with the Distribution of Royalties Guidelines developed by the University Copyrights and Patents Committee, recommended by the Associate Vice President for Graduate Studies, Research and International Programs, and approved by the President. Such funds shall be used for support of scholarly activities at CSUN, except that:

Funds generated by a unit of the University (e.g., an academic department) in the performance of a specific ongoing function may be used to defray the actual expenses of that function. Specific letters of agreement may be entered into between the University and units involved in such functions.

Royalty income allocated to the inventor(s) in accordance with a Patent Agreement (see Section 6) between the inventor and the University shall be unconstrained by the stipulations of this section.

The disposition of funds accruing to the Associated Students shall be unconstrained by the stipulations of this section.

## **10. AMENDMENTS**

Any change in or exceptions to this patents policy shall be recommended by the University Research and Grants Committee and the Associate Vice President for Graduate Studies, Research, and International Programs for approval by The Senate and the President.

## **11. INVOLVEMENT OF EXTERNAL FUNDING AGENCIES**

### *Public Support*

Under conditions imposed by Federal, State, and other public grant and contract funding agencies, University employees may, as a condition of funding, enter (be entered) into agreements to assign inventions to the University or to the funding agency in conformity with the sponsoring agency's policy. All Federal grants and contracts require disclosure of inventions and discoveries to the funding agency and convey a restricted right to use of the invention or discovery to the US government.

*Private Support*

In accepting funding from private organizations for the purpose of research, it is the general policy of the University that the funding be used for educational purposes, public service, and/or the extension of the boundaries of knowledge. The sponsor is welcome to discuss any intent to file a patent prior to awarding a contract. The University recognizes the support of the sponsor and is willing to entertain commercial agreements that are mutually beneficial. The Director of Research is available to discuss, facilitate and assist all projects in an equitable manner with efficiency and speed.