THE UNIVERSITY OF SOUTHERN MISSISSIPPI INTELLECTUAL PROPERTY POLICY

1.0 FORWARD

The development, dissemination, and transfer of new knowledge historically have been the responsibility of The University of Southern Mississippi mostly through teaching and publications. More recently, universities have also awakened to the importance of technology-based research and development to the overall mission of the University. Implicit in this awareness is the understanding that universities have the responsibility not only to bring new knowledge into use by the public, but also that such knowledge or technology sometimes has commercial value and should be treated as a financial asset to be used, conserved, or applied in such a way as to generate appropriate financial return to the inventor, the university and when applicable, the licensee of the technology. In the case of The University of Southern Mississippi, priority will be put on placing such technology in Mississippi with Mississippi firms. The objectives of this policy, then, are

• To develop a framework for encouraging research, scholarship, and a spirit of entrepreneurship within the University;
• To provide incentives and assistance to inventors to develop and commercialize technology for the benefit of the inventor, the University, and the public;
• To safeguard innovative technology from unauthorized use; and
• To provide a framework to determine the commercial value of new technologies, bring them to public use, and provide for the equitable distribution of income including royalties, to the inventor, the University and other applicable parties.

2.0 DEFINITION AND EXPLANATION OF TERMS USED IN THIS POLICY

2.1 Intellectual Property. Intellectual Property is defined as any technical innovation, invention, discovery, or know-how as well as writings and other information in various forms including computer software. It may be the product of a single inventor or a group of inventors who have collaborated on a project. The principal rights governing ownership and disposition of technology are known as “intellectual property” rights, which are derived primarily from legislation granting patent, copyright, trademark, and other forms of protection.

2.2 Invention. For the purposes of this policy, invention refers to any item that reasonably appears to qualify for the protection under United States intellectual property laws or other protective statutes, whether or not actually patentable, or which appears to be commercially licensable.

2.3 Patents. Patents are issued by the United States Patent and Trademark Office and are grants that give an inventor right to exclude from all other claimants the right to manufacture, fabricate, use or sell an invention within the United States, its territories and possessions, usually for a period of 20 years from the application’s filing date or from the earliest filing date of any referenced earlier application. This 20 year period is exclusive of certain regulatory delays (e.g., those sometimes imposed by the Food and Drug Administration). To be considered patentable, an invention must be useful, non-obvious, and new. A patent can be issued for a process, machine, article of manufacture, composition of matter (most often a chemical), or new life form, including any new, useful, and non-obvious modification or improvement of prior technology. A “utility” or “use” patent can be issued for a new use of an existing composition of matter, and a “design” patent may be obtained for any new, original, and non-obvious ornamental design for an article of manufacture. Although a grace period of up to 12 months from the first oral or written public disclosure of an invention may be allowed prior to filing a patent application in the United States, inventors should move as quickly as possible to pursue protection of intellectual property.

2.4 Foreign Patents. Patenting procedures in foreign countries vary considerably in administrative content, the length of patent grants, and in the definition of what is eligible to be patented. Although grace periods for oral or written public disclosures are allowed in the United States, this is not the case in foreign countries. In most foreign countries, an invention is not patentable unless the patent application is filed prior to any public disclosure (written or oral), in the U.S. or abroad. Inventors who contemplate both foreign and domestic patents should contact the Vice President for Research office for further information.
2.5 **Tangible Research Property.** Tangible Research Property refers to products that can be distinguished from ideas or processes that do not generate a physical artifact. Examples of such property would include prototypes and drawings from engineering and design work, circuit chips, biological organisms, and other projects, which can be handled and transported.

2.6 **Non-patented Technology (Know-how).** Non-patented Technology (Know-how) refers to unique processes or techniques that are utilized in the development of or in procedures followed in the course of research or in the use of an invention. Examples of know-how include a specialized technique of mounting difficult to handle specimens on a microscope slide for study, an innovative technique in distilling a chemical compound for use in a research project, or the creation of film, lighting, and developing processes that captures photographic images on film. The key to determining whether a process falls under this definition is whether the end result could not be obtained in a satisfactory manner without the knowledge correct application of this specialized process. In some cases the know-how that accompanies a patented technology may be more valuable than the patent itself.

2.7 **Trade Secret.** Trade Secret refers to almost any secret that is used in business or in research surrounding the development of a tangible product that will give the owner of the secret an edge over competitors. It is also used in software development. Trade secrets are under the protection of state laws; there are no federal trade secret laws. Each individual having access to the secret information must be bound by a contractual agreement called a nondisclosure or confidentiality agreement. Failure on the part of one or more individuals to adhere to the non-disclosure agreement results in violation of the state law, and will nullify the protection of the trade secret.

2.8 **Copyrighted Materials.** Copyrighted Materials means the following: (1) Books, journal articles, texts, glossaries, bibliographies, study guides, laboratory manuals, syllabi, tests and proposals; (2) Lectures, musical or dramatic compositions, unpublished scripts; (3) Films, filmstrips, charts, transparencies, and other visual aids; (4) Video and audio tapes or cassettes; (5) Live video and audio broadcasts; (6) Programmed instructional materials; (7) Mask works; and (8) Other materials or works, other than software which qualify for protection under the copyright laws of the United States (U.S.C. §102 et seq.), whether or not it has been registered with the U.S. Copyright Office.

2.9 **Trademarks.** Trademarks means all trademarks, service marks, trade names, seals, symbols, designs, slogans, or logotypes associated with intellectual property developed by or associated with the institution.

2.10 **Software.** Software means one or more computer programs existing in any form, along with any associated operational procedures, manual or other documentation, whether or not protectable or protected by patent or copyright. The term computer program shall mean a set of instructions and statements of related data that, in actual or modified form, is capable of causing a computer or computer system to perform specified functions.

2.11 **Royalties.** Royalties are a form of income that is received by the inventor and the University as a result of a license granted to a company or other entity to develop, manufacture, or otherwise use or produce the invention for sale or distribution. The royalty rate, usually a percentage of sales of the invention, is negotiated as part of the license agreement between the University and the licensee. This agreement is a binding contract.

2.12 **Other Income.** Other Income refers to any other form of income that may be derived by the inventor or the University as a result of the development and distribution of a patented product or other invention.

2.13 **Substantial Use of University Resources.** Substantial Use of University Resources, within the context of this policy, occurs when an invention results from use of The University of Southern Mississippi facilities, equipment, supplies in excess of $100 total value, and other personnel, or other resources.

2.14 **University Personnel.** University Personnel includes all persons employed by the University including, but not limited to, full and part-time faculty and staff and visiting faculty members and researchers, to anyone using the facilities of the University, and to undergraduate students, to candidates for master’s and doctoral degrees, and to postdoctoral and predoctoral fellows.

2.15 **General Scope of Assigned Duties** is defined in Section 4.1.

3.0 **WHO IS COVERED BY THIS POLICY**
All University personnel are covered by this policy.

4.0 WHAT IS COVERED BY THIS POLICY

4.1 Inventions Resulting from University-Sponsored Research. The University shall have ownership of any invention developed in the course of the assigned duties of all University personnel. Each employee is required to assign to the University all domestic and foreign rights to any invention made within the scope of his or her assigned duties, unless the Vice President for Research notifies, in writing, that that University abandons its interest in the invention.

4.1.1 Whenever the duties include research or investigation or the supervision of research or investigation, and the invention arises in the course of such research or investigation and relates to the general field of an inquiry to which the person is assigned, or

4.1.2 An invention will be considered as having been made within the general scope of assigned duties. Whenever the invention is in a substantial degree made or developed through the use of University financing or on University time.

4.2 Inventions Resulting from Externally Sponsored Research. Any discoveries or inventions made or produced during the course of externally sponsored research are owned by The University of Southern Mississippi. However, if the University determines it is in its best interest and to the extent not prohibited by law or statute, the Vice President for Research may enter into agreements with sponsors which relinquish or share all or part of intellectual property that results from externally sponsored research. This procedure will ensure that the interests of the inventor, the University and the sponsor are considered whenever external funds are granted to the University for research and development.

4.3 Inventions Resulting from Activities Outside the Scope of Employment. Any inventions which are developed and achieved by University personnel on their own time and at their own expense, including inventions derived from private consulting services of University personnel, provided that “substantial University resources” have not been used to develop the invention, will be the exclusive property of the inventor. (Section VI of the Faculty Handbook addresses University policies related to provide consulting). If the inventor desires, a request may be made to the Vice President for Research to assign such an invention to the University. If assignment occurs, the inventor and the University will share any royalties or other income derived from the invention in the same manner as in all other inventions owned by the University.

5.0 OBLIGATIONS OF THE INVENTOR AND THE UNIVERSITY

5.1 Obligations of the Inventor to the University

5.1.1 Disclosure. University personnel who produce an invention that may have commercial value are obligated to disclose such inventions to the University, at the earliest opportunity, when such an invention is made in the course of his or her assigned duties, or involves “substantial use of University resources,” or results from externally sponsored research, or University-sponsored research. The mechanism for making this invention disclosure is available through the Office of the Vice President and available on-line (See Paragraph 6.2).

5.1.2 Assignment of Rights. The Inventor is obligated to assign patent and all other proprietary rights of the invention to the University, unless the invention was made outside the general scope of the inventor’s assigned duties. If the inventor believes that the invention was made outside the general scope of his or her assigned duties and is unwilling to assign the rights of the invention to the University, the inventor can, in the invention disclosure form, request the Vice President for Research to make a determination of the respective rights of the University and the inventor in the invention. If the inventor disagrees with the decision, he or she can appeal the decision to the President. To assist in making decisions regarding rights of the inventor and University, the inventor should include the following information as an addendum to the invention disclosure form: (1) The circumstances under which the invention was made and developed, and (2) The inventors official duties, otherwise assigned at the time of the development of the invention.
5.1.3 **Cooperation in Technology Development.** The inventor is obligated to assist the University officers and the Vice President for Research in carrying out the work necessary to patent, market, license, or otherwise commercialize the invention.

5.1.4 **Timely Reporting to the University.** Since public disclosure of an invention constitutes a statutory bar to the granting of a patent for an invention, the inventor is obligated, whenever possible, to report his or her invention prior to describing the invention in public.

5.1.5 **Delay in Publishing or Other Public Disclosure.** To protect the interest of the inventor and the University, the Vice President for Research may require a delay in making public the nature of the invention until a patent application is filed to protect the interests of the inventor and the University. Specifically, this may require that the inventor withhold, for a reasonable time: publicity concerning the invention; disclosure of the invention in a public meeting, professional convention, or meeting; or disclosure of the invention in a scientific or other publication. Such a delay is in no way intended to abridge the right, privilege, and duty of faculty and other research personnel to publish the results of research conducted at the University, and such a delay will be kept to the minimum necessary to protect the patentability of the invention and in no case shall exceed one year. In a similar manner, the Vice President for Research in consultation with the Graduate Dean or other appropriate academic administrator may withhold from the library shelves, and decline to distribute for a limited time, any thesis or dissertation that contains descriptions of any technology that is being considered for patenting or for which a patent application is being prepared. The dissertation or thesis will be held by the Dean of the Graduate School or other appropriate academic administrator until the patent application is filed or the decision is made to abandon the pursuit of a patent. This procedure will not affect the standing of the student and he or she will be awarded the degree on schedule.

5.2 **Obligations of the University to the Inventor**

5.2.1 **Timely Determination of Interest.** The University has the obligation to make a timely determination of its interest in pursuing a patent or exerting other proprietary rights concerning an invention. If the determination is made not to exert its proprietary rights in the invention, the University is obligated to release its rights, in writing, to the inventor. Normally, this determination will require no longer than 135 days from the date at which a completed disclosure form is submitted by the inventor and signed by the appropriate University administrators.

5.2.2 **Reasonable Efforts to Commercialize.** The University has the obligation to make reasonable efforts to commercialize any inventions to which it holds proprietary interest, or alternatively, to release all or an equitable part of that interest to the inventor.

5.2.3 **Income Sharing.** The University has the option to share with the inventor an equitable portion of the income that is generated by the commercial development of the invention. This includes the sharing of royalty and other income after direct costs by the University has been recovered.

6.0 **THE PROCESS OF OBTAINING PATENT COVERAGE**

6.1 **Coordination.** The Vice President for Research is the focal point for decisions made regarding technology transfer activities on the campus. Disclosure forms are submitted to and acted upon by the Vice President for Research. The Vice President for Research recommends decisions regarding the patenting of a particular invention. The Vice President for Research staff also provides education and advice about patents and licensing; determine resolutions for unique situations, including the arbitration of disputes; and make recommendations about assigning rights of the invention back to the inventor.

6.2 **Disclosure.** An invention disclosure form is submitted by the inventor to the Vice President for Research. Copies of these forms are available through the Office of the Vice President and available on-line. The function of the disclosure form is to clarify and describe the proposed invention and the circumstances of its discovery. It is important to fill out the form as completely as possible since it serves as a basis for evaluation of patentability and commercial potential of the discovery or invention.
Inventors are encouraged to contact the Vice President for Research for assistance in the reporting any potentially patentable or otherwise commercializable invention or technology.

6.3 Evaluation

6.3.1 If the inventor asserts in the disclosure form that the invention resulted from activities outside the scope of University employment, the Vice President for Research will make a determination of the respective rights of the University and Inventor in the invention. (See Paragraph 5.1.1. for further discussion).

6.3.2 The Vice President for Research will examine the invention from legal, patentability, and technological standpoints and make a determination of the University’s interest in pursuing a patent or exerting other proprietary rights concerning the invention. If a determination is made not to pursue the University’s proprietary rights, the Vice President for Research will notify the inventors, in writing, that the University releases its rights to the inventors provided that further development of the invention will be at the expense of the inventors, on his or her own time, and will not entail the “substantial use of University resources.”

6.3.3 If a disclosed invention is determined to be more appropriately “know-how” or tangible research property, the inventor will be notified and steps will be taken to investigate the possibilities of licensing the invention as non-patented technology.

6.3.4 Normally, these determinations will require no longer than 120 days from the date at which a completed disclosure form is submitted by the inventor(s) and signed by the appropriate University administrators.

6.4 Patenting and Licensing. If a decision is made to file a patent application, the University will file the application within 270 days of making the determination that a patent will be pursued, unless delays are caused because the application requires more information that must provided by the inventor or for other reasonable circumstances that delay the filing. In many instances, the University will attempt to negotiate a license agreement in which the licensee files the patent application on behalf of the University or in which the licensee pays the costs of filing the patent application. If after 240 days an application is not filed, the Vice President for Research will inform the inventor about the cause of any delays or, alternatively, if the University determines that it wishes to abandon its proprietary interest in the invention subject to the same conditions that we outlined in Paragraph 6.3.2.

The inventor will almost always be asked to assist by providing necessary information concerning any stage of the patent application process; patent examiners frequently offer a detailed rejection of all or part of the patent claims, which may require extensive written responses until the factual and legal issues are resolved. This process typically requires two years or more. Licensing negotiations may commence at any time; before, during, or after the patent application process occurs.

6.5 Decision to Terminate Proprietary Interest. If, at any state of the patent application process or patent process, a decision is made not to continue, the Vice President for Research will notify the inventor, in writing, that the University releases its proprietary rights to the inventor provided that all further development and/or maintenance fees of the invention will be at the expense of the inventor, on his or her own time, and will not entail the “substantial use of University resources.” If sponsoring agencies are involved, commitments may also need to be resolved between the University and the agency.

7.0 ROYALTIES AND OTHER INCOME

7.1 Royalties. If the University receives a copyright, trade secret, know-how, or patent, negotiates a license agreement, or otherwise exploits an invention, the first royalty income will be applied to the reimbursement of the out-of-pocket (direct expenses incurred by the Vice President for Research) for patenting and licensing the invention. Thereafter the inventor(s) and the University may receive the following proportion of the royalties, as long as the payments continue: 50% to the inventor(s); 50% to the Vice President for Research. In all instances, out-of-pocket licensing, legal, and other related expenses will be deducted before royalty income is distributed to the inventor(s) and the Vice President for Research. If two or more inventors collaborated on the invention and are listed as co-inventors on the patent application, the inventors’ share of royalties will be distributed in accordance with a letter of agreement which will be signed prior to submitting the patent application. This letter of agreement will
reflect equitably the contribution of each inventor to the invention, and disagreements concerning relative contribution to the invention, if any, will be arbitrated by the Vice President for Research.

7.2 **Other Income.** Other income refers to non-royalty income that results from licensing a patent or exploiting other forms of intellectual property for the benefit of the inventor and the University. Examples include but are not limited to non-royalty income from spin-off technologies and equity income. The equitable division of these sources of other income will follow the formula as outlined for royalty income.