

TBR Intellectual Property Policy

TENNESSEE BOARD OF REGENTS

Subject: Intellectual Property

Section 1: Objectives of this Policy

It is the policy of the Tennessee Board of Regents to: (1) encourage inventions and the production of copyrightable works by members of the TBR component Institutional communities; (2) facilitate the utilization of such inventions and works to the benefit of the public, the Institution, and the members of the Institutional community; and (3) provide for the equitable sharing of any proceeds derived from the commercial exploitation of inventions and copyrightable works in which, pursuant to this policy, the Institution is determined to have an interest. This policy is intended to protect the interests of all concerned parties: the TBR and its constituent Institutions, members of the Institutional community, external sponsors of research, and the public.

Section 2: Definitions

"Author" means the person or persons responsible for creation of a copyrightable work.

"Gross Income" means proceeds from the sale, lease, or licensing of intellectual property by a TBR Institution; dividends derived from equity received in consideration for the sale, lease, or licensing of intellectual property by a TBR Institution; or proceeds from the sale of equity received in consideration for the sale, lease, or licensing of intellectual property by a TBR Institution.

"Intellectual Property" means inventions and works.

"Invention" means any discovery, invention, new use or application, process, composition of matter, article of manufacture, know-how, design, model, technological development, or biological material.

"Inventor" means the person or persons responsible for conception of an idea or ideas leading to an invention.

"Net Income" is gross income minus the direct costs associated with patent prosecution, copyright registration, commercialization, defense, maintenance, and administration of intellectual property.

"Scholarly works" include, but are not limited to, articles written for publication in academic journals, textbooks, works of art, musical compositions, and literary works. Theses and dissertations are not, for the purposes of this policy, scholarly works. Works by non-faculty employees shall not, for the purposes of this policy, be considered scholarly works.

"Scope of employment" refers to activities which have been assigned to an employee by his or her supervisor or which are performed during normal working hours or which fall within the employee's job description.

"Significant use" means utilization of Institution funds, personnel, facilities, equipment, materials or other resources resulting in a cost to the Institution (direct, indirect, or depreciative) of more than \$2,500 (in constant 2001 dollars).

"Work" means any copyrightable material, such as literary works; musical works, including any accompanying words; dramatic works, including any accompanying music; pantomimes and choreographic works; pictorial, graphic, and sculptural works; motion pictures and other audiovisual works; sound recordings; architectural works; computer software or databases; circuit diagrams; architectural and engineering drawings; and lectures.

Section 3: Authorization

Institutions of the Tennessee Board of Regents are authorized to seek and hold patents and copyrights, to assign their rights in intellectual property, and to execute agreements concerning royalty distribution. TBR Universities shall develop additional Institution-specific policies and rules relating to intellectual property not inconsistent with this or other policies of the Tennessee Board of Regents.

Section 4: Applicability

This policy shall apply to all persons employed (either as full-time, part-time or temporary employees) by the Tennessee Board of Regents and its constituent Institutions, to students enrolled at TBR Institutions, and to other persons using Institution facilities and resources. Contracts for works for hire between TBR Institutions and independent contractors should define the respective rights and responsibilities of the parties with respect to ownership of any intellectual property developed as a result of the contract.

Section 5: Ownership of Intellectual Property

Intellectual property developed by persons to whom this policy applies shall be the sole and exclusive property of the TBR Institution with which the person is associated if the subject intellectual property is (1) developed within the person's scope of employment with the Institution, (2) developed in the course of a project sponsored by the Institution, (3) developed with the significant use of the Institution's facilities, services, or equipment (personal office space, libraries and the inventor or author's personal computer provided by the Institution excluded), or (4) developed in the course of a project arranged, administered or controlled by the Institution and sponsored by persons, agencies or organizations external to the Institution, absent prior written agreement to the contrary. With respect to students, use of resources or facilities typically available to students in their educational activities shall not be considered "significant".

Prior to an Institution providing support (for example, release time or Institutional funding) to a person to whom this policy applies, where that support could reasonably be expected to result in an invention or creation of a copyrightable work with commercial value, the Institution and the person or persons receiving that support shall agree in writing whether any intellectual property potentially arising from the supported activities would qualify as a scholarly work.

Intellectual property developed outside an employee's scope of employment, on the employee's own time and without the use of significant Institutional resources shall be the sole and exclusive property of the Inventor or Author. In consideration of Institutional support in evaluating the intellectual property, seeking patent protection and / or pursuing commercialization activities, the Institution and the Inventor or Author may agree to assign all or a portion of the ownership rights to his or her invention or work to the Institution.

The Institution shall not assert ownership of "scholarly" works, regardless of whether the circumstances surrounding creation of the work satisfy one or more of the four tests outlined in this section for determining Institutional ownership. Disclosure of "scholarly" works is nonetheless required, subject to the condition that only those copyrightable works which could reasonably be expected to have commercial value must be disclosed.

Nothing in this policy shall preclude a mutually agreed upon contract between the Institution and persons to whom this policy applies wherein either party may agree to waive their rights under this policy.

Section 6: Administrative Responsibilities

6.1 Inventors and Authors

Persons to whom this policy applies are responsible for disclosing to the TBR Institution his or her invention or production of a copyrightable work which could reasonably be expected to have commercial value. Disclosure shall be made to

the President of the Institution, or to such person as the President may designate, using an Invention Disclosure Form (see Attachment 1) or Copyrightable Work Disclosure Form (see Attachment 2). The Inventor or Author shall fully cooperate with other TBR personnel in the disclosure process and in other subsequent activities associated with patenting and / or commercialization of the invention or work.

In the event that two or more persons are entitled to claim ownership of the intellectual property, the Inventors or Authors shall reach agreement between or among themselves regarding relative contributions for the purposes of distribution of net income from the Invention or Work. That agreement should be in writing and be notarized. The agreement will be required prior to the President's initial decision regarding whether to pursue patent protection or commercialization of the intellectual property.

Inventors should particularly note that certain acts (for example, enabling disclosure of the Invention in an academic journal) can constitute a statutory bar to patent protection. An Inventor contemplating public disclosure activities prior to filing an Invention Disclosure Form should contact the TBR Office of the General Counsel prior to engaging in those disclosure activities.

6.2 Intellectual Property Advisory Committee

Each TBR University shall form an Intellectual Property Advisory Committee of faculty, staff, and other persons experienced in intellectual property matters. TBR Community Colleges may form such a Committee, at the discretion of the Community College President. The Disclosure Form shall be forwarded to the Committee for an evaluation of the ownership, patentability and/or commercial potential of the invention or work. The Committee shall conduct an interview with the Inventor or Author and other persons as needed to make this evaluation. A patentability evaluation shall in particular include a thorough evaluation of acts by the Inventor or items of prior art which would bar patent protection. The Committee shall provide the President of the University or Community College with its recommendations as to ownership of the intellectual property, whether patent protection should be sought, and whether to seek commercialization opportunities. The Committee shall conduct investigations as it deems necessary in the preparation of its recommendations to the President. The Committee is authorized to seek outside assistance in preparing its recommendations. Any compensated assistance obtained from private legal counsel must be approved in advance by the Attorney General of the State of Tennessee. The Committee shall also generally advise the President in all matters relating to this Policy.

For those inventions or works in which the TBR Institution is deemed to have an ownership interest, following a decision by the Institution President (or the President's designee) to seek patent protection, copyright registration, and / or commercialization of the intellectual property, the Committee will arrange to have

those activities undertaken. All direct costs associated with those activities shall be borne by the Institution involved.

6.3 TBR Office of the General Counsel

The TBR Office of the General Counsel is available to support the TBR Institutions, and specifically the Intellectual Property Advisory Committees, in evaluating the inventorship, ownership, and patentability of inventions disclosed to the Institution. To the extent that appropriate resources exist, the OGC shall be available to support prosecution of patent applications. The Office of the General Counsel is further available to the Institutions to support the drafting of licensing agreements. The Office of the General Counsel shall receive and evaluate disclosures originating at TBR Institutions without Advisory Committees.

6.4 Institution President

The Institution President is responsible for decisions regarding ownership of the intellectual property and for the decision of whether to pursue patent protection or commercialization of the Invention or Work. These decisions are to be based on the recommendations of the Intellectual Property Advisory Committee, as well as additional counsel the President may choose to seek from other sources. The President will inform the Inventor or Author of his or her decisions through the Advisory Committee. The President is authorized to make decisions regarding royalty distribution which deviate from the royalty distribution rules adopted by the University, subject to the provisions of Section 8 of this Policy.

If the Institution decides not to seek patent protection for nor to pursue commercialization of the intellectual property, and the Institution has an ownership interest in the intellectual property, the President may decide to assign the Institution's ownership interest to the Inventor or Author.

For inventions made in the course of a project funded in whole or in part by the Federal Government, the Bayh-Dole Act (37 CFR 401) imposes certain reporting requirements associated with the technology transfer process. The President shall designate the party responsible for ensuring that those reporting requirements are satisfied.

Subject to other TBR Policies, the President shall have the responsibility for approving any and all agreements associated with commercialization of the intellectual property.

The President is authorized to delegate any or all of these responsibilities, subject to the approval of the Chancellor of the Tennessee Board of Regents.

Section 7: Appeals

The Inventor or Author may appeal decisions of the President or those of his or her designee. If the Inventor or Author disagrees with an initial decision, he or she may request a re-evaluation by the President. The President is not authorized to delegate responsibilities relative to appeals. The request must be received within thirty calendar days of notification to the Inventor or Author of the initial decision. The Inventor or Author may submit documents or other evidence in support of his or her position. A second and final decision by the President relating to ownership or royalty distribution may be appealed to the Chancellor of the Tennessee Board of Regents. Decisions of the TBR Chancellor shall be binding.

Section 8: Income from Intellectual Property

Income derived from the commercialization of intellectual property in which the University has an interest shall be first applied toward any direct expenses incurred by the Institution in seeking patent protection or copyright registration or in pursuing commercialization of the intellectual property.

The portion of the net income the Institution retains from royalties and any other intellectual property-related income shall be deposited in a restricted account, and used by the Institution where the income-producing creation originated for the enhancement of research and instructional programs. The funds may be used for other purposes if specifically approved by the Chancellor of the Tennessee Board of Regents System.

Each TBR University shall adopt rules regarding income distribution between the University and Inventors or Authors. In no case shall the Inventor's or Author's share be less than 40 percent of the annual net income from the intellectual property.

TBR Institutions are authorized, subject to the approval of the Chancellor of the Tennessee Board of Regents System, to accept equity in lieu of cash in total or partial consideration for use of the Institution's intellectual property rights. Dividend income and income received from the sale of equity shall be divided in accordance with the distribution rules adopted by the University.

Attachment 1: [Invention Disclosure Form](#) in MS Word format

Attachment 2: [Copyrightable Works Disclosure Form](#) in MS Word format
