

UNIVERSITY OF MAINE SYSTEM STATEMENT OF POLICY GOVERNING PATENTS AND COPYRIGHTS

I. INTRODUCTION

The University of Maine System is a public institution devoted to teaching, research, service, and other scholarly activities. Its personnel, including faculty, staff, students, fellows, wage-payroll employees, and persons on "visiting" appointments, carry on research and other activities supported by the University from its own resources and/or by contracts or grants with outside sponsors. This document defines and establishes the respective rights, equities and obligations of the University and its scholars and employees to any copyrightable or patentable materials, inventions or discoveries (hereinafter referred to as intellectual property), resulting from their work.

II. PURPOSE

Universities are major sources of knowledge. New knowledge enriches humankind and underlies new products and processes essential to economic competitiveness. In this context, facilitating the process whereby university creative and scholarly works may be put to public use and/or commercial application (i.e., "technology transfer") is an important aspect of the service mission of the Universities that comprise the University of Maine System. In turn, the protection of concepts with commercial potential (inventions or creations) is an essential aspect of the technology transfer process. Without such protection, companies are unlikely to invest the funds required to commercialize new technology.

In recognition of this mission, the University of Maine System has developed the policy herein regarding Intellectual Property Rights. The purpose of this policy on intellectual property is to provide the necessary incentives and protections to encourage the discovery and development of new knowledge, and its application and transfer for the public benefit. In so doing, the University is guided by the following goals:

- (i) To enhance and protect the educational, research and service missions of the Universities that comprise the University of Maine System;
- (ii) To protect the interests of the people of Maine and those of the University of Maine System;
- (iii) To optimize the environment and incentives for research and scholarship, and for the creation of new knowledge within the University of Maine System;
- (iv) To bring the fruits of scholarship into use for the benefit and enjoyment of society as quickly and effectively as possible; and
- (v) To recognize and protect the interests of the public; of individual creators of novel concepts, inventions, and materials; of the University; and of

sponsors of research and scholarship.

III. DEFINITIONS

The following definitions apply to the application of this policy:

1. The term "**University**" means the University of Maine System in its entirety or any of its campuses or organizational components.
2. The term "**Intellectual Property**" refers to inventions, copyrightable works, trademarks, and tangible research property. Intellectual Property includes, but is not limited to, that which is protectable by statute or legislation, such as patents, copyrights, trademarks, service marks, trade secrets, integrated circuit masks, and plant variety protection certificates. It also includes, but is not limited to, the physical embodiments of intellectual effort, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs, visualizations, biological materials, chemicals, other compositions of matter, and plants.
3. The term "**Developer**" includes author, creator, and/or inventor but is not intended to include the University.
4. The term "**Invention**" means a process, method, discovery, device, plant, composition of matter, or other creation that reasonably appears to qualify for protection under the United States patent law (utility patent, plant patent, design patent, certificate of Plant Variety Protection, etc.), whether or not patented at any time under the federal Patent Act as now existing or as hereafter amended or supplemented. An Invention may be the product of a single inventor or a group of inventors who have collaborated on a project.
5. The term "**Copyright**" means an original work of authorship, which has been fixed in any tangible medium of expression, now known or later developed, from which it can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device, such as:
 - Literary works such as books, journal articles, poems, manuals, memoranda, tests, computer programs, instructional material, databases, and bibliographies;
 - Musical works including any accompanying words;
 - Dramatic works, including any accompanying music;
 - Pantomimes and choreographic works (if fixed, as in notation or videotape);
 - Pictorial, graphic and sculptural works, including photographs, diagrams, sketches and integrated circuit masks;
 - Motion pictures and other audiovisual works such as videotapes;

- Sound recordings;
- Multimedia works such as Internet websites, games, and CD-ROMs;
- Architectural works; and,
- Any other works determined to be copyrightable under the federal Copyright Act as now existing or hereafter amended or supplemented.

A Copyrightable Work may be the product of a single author or a group of authors who have collaborated on a project.

6. The term "**Trademark**" means all trademarks, service marks, trade names, seals, symbols, designs, slogans, or logotypes associated with intellectual property developed as a result of work conducted by University personnel. The trademarks, service marks, symbols, designs, slogans, seals, and logotypes used to identify the goodwill and/or services of the University of Maine System, its campuses or organizational units are not subject to the provisions of this Intellectual Property Policy. Information regarding the licensing or use of a University logo or trademark may be obtained from the University of Maine System office and/or the relevant department/office on each campus.

7. The term "**Tangible Research Property**" means perceptible items produced in the course of research including such items as biological materials, engineering drawings, integrated circuit chips, computer databases, prototype devices, circuit diagrams, and equipment. Individual items of Tangible Research Property may be associated with one or more intangible properties, such as Inventions, Copyrightable Works, and Trademarks. An item of Tangible Research Property may be the product of a single developer or a group of developers who have collaborated on a project.

8. The term "**University Resources**" means any support administered by or through a University, including but not limited to University funds, facilities, equipment or personnel, and funds, facilities, equipment, or personnel provided by governmental, commercial, industrial, or other public or private organizations which are administered or controlled by the University. University Resources are to be used solely for University purposes and not for personal gain or personal commercial advantage, nor for any other non-University purposes. Intellectual Property that is developed with Significant Use of University Resources rather than Incidental Use of University Resources shall be considered to have been created through use of University Resources. The application and interpretation of the above terms in any particular situation rests with the Intellectual Property Office and its determination shall be final, subject to the review procedures set forth in Section VIII.

Incidental Use of University Resources means that use is customary or usual given the employee's appointment and academic assignments. For example, use of office, computer, photocopier, telephone, office supplies, library, and other assigned resources in the ordinary support of his or her university educational, scholarly or creative responsibilities is considered to be incidental. University personnel may make such incidental use of university resources and devote office time in carrying out a range of professional activities.

Furthermore, the University recognizes that ownership of any intellectual property resulting from such activities rests with the developer(s) along with the rights to any income generated, as long as university resources are used in this incidental (or customary) fashion, and the time involvement of the developer(s) of the intellectual property does not compromise the individual's(s') core responsibilities in teaching, research, and service.

Significant Use of University Resources refers to use of university facilities, equipment, personnel, and an employee's own time that is beyond incidental (or customary) as described above. Significant use of resources occurs when creation of the work or intellectual property in question requires use of university resources beyond those allocated to individuals in support of assigned responsibilities and activities within their respective departments, colleges, or other administrative unit. Such usage may occur as a result of actions of the personnel involved, may occur when specific assignments are given to personnel, or may occur in situations where contracts or other obligations are involved. The university will retain title to all intellectual property that involves significant use of university resources subject to the conditions set forth in Section VI, Principles of Ownership.

The following examples generally define significant use when they are applied, singly or in combination, in support of a revenue-producing work. It is the responsibility of the dean, director, or equivalent supervisor in concert with the University's Intellectual Property Office to evaluate situations and determine whether significant use of resources has occurred. Faculty members or other employees also have an obligation to notify their supervisors promptly when they believe their work will involve more than incidental use. Furthermore, such notification must be accomplished before the execution of an assignment of rights with the University's Intellectual Property Office. When in support of a revenue-producing work, the following are examples of significant use:

- (i) Extended use of time and energy by the developer(s) in creation or promotion of a work that results in a reduction in the levels of teaching, scholarship, or other assigned university activities, and the developer's (s') anticipated instructional load in these areas is at a level significantly lower than normal;
- (ii) Greater than incidental use of university facilities such as laboratories, studios, specialized equipment, production facilities, or specialized computing resources in direct support of development of the work in question;
- (iii) Extraordinary or specifically designated university funds to support the work's creation, publication, manufacture or production;
- (iv) Direct assignment or commission from the university to undertake a creative project as a part of the developer's regular appointment;
- (v) Significant use of funding from gifts to the university to support creation of the work(s) involved; and/or

- (vi) Production of the works under specific terms of a sponsored research grant or contract.

9. The term "**Intellectual Property Office**" refers to each campus' cognizant administrative unit and members of the faculty retained for the specific purpose of administering the University's Intellectual Property policy as outlined herein. Consistent with current and past practice, the University of Maine's Intellectual Property Office, located in Orono, is available to serve the faculty and administrators at each of the System's campuses on a fee-for-service basis. This does not preclude component institutions from developing additional policies and rules covering the subject matter of this policy or from establishing their own internal administrative procedures, provided they are consistent with this policy and other policies and procedures adopted by the University of Maine System Board of Trustees.

IV. APPLICABILITY

This policy, as amended from time to time, shall be deemed a part of the conditions of employment for every employee of the University, and a part of the conditions of enrollment and attendance at the University by students. It is also the policy of the University that, by participating in a sponsored project and/or by making significant use of University Resources and/or by participating in teaching, research, or service projects, individuals (including non-compensated individuals) accept the principles of ownership of Intellectual Property as stated in this policy, unless an exception is approved in writing by the Intellectual Property Office.

V. AGREEMENTS WITH SPONSORING ORGANIZATIONS

No agreements assigning ownership or rights in Intellectual Property shall be executed directly by individuals covered by this policy with a sponsoring organization without the prior written approval of the President of the University. The University reserves the sole right to make agreements with sponsoring organizations and to include therein such provisions regarding the ownership and disposition of rights in Intellectual Property as it deems to be in the interest of the University and the public.

VI. PRINCIPLES OF OWNERSHIP

Inventions:

An Invention resulting from activities related to an individual's employment responsibilities, with support from University-administered funds, and/or from significant use of University Resources shall be owned by the University.

An Invention unrelated to an individual's employment responsibilities that is developed on his or her own time without University support or with only incidental use of University Resources is owned by the inventor.

Ownership of an Invention developed in the course of or resulting from research supported by a grant or contract with a federal, state, local or foreign government (or an agency thereof), or a not-for-profit or for-profit non-governmental entity, shall be determined in accordance with the terms of the sponsored grant or contract, or in the absence of such terms, shall be owned by the University.

Copyrightable Works:

It is the policy of the University that all rights in Copyrightable Works shall remain with the author(s) and creator(s) unless:

- (i) The Copyrightable Work is created pursuant to the terms of a University agreement with an external party and the agreement specifies ownership in the resultant works.
- (ii) The Copyrightable Work is created as a "work for hire." That is, the work is created as a specific, written requirement of employment or as a University-assigned duty that is specified in writing, for example, in a written job description or an employment agreement, and/or when the Copyrightable Work is prepared at the University's expense. The term "work for hire" may define the full scope or content of the employee's University employment duties or may be limited to terms applicable to a single Copyrightable Work. Works of faculty are assumed not to be "works of hire" unless agreements with the involved faculty explicitly designate specific works as such.
- (iii) The Copyrightable Work is specifically commissioned by the University. The term "commissioned work" means a Copyrightable Work that is prepared under a written agreement between the University and the creator when (a) the creator is not a University employee or (b) the creator is a University employee but the Copyrightable Work to be performed falls outside the normal scope of the creator's University employment. Contracts covering commissioned works shall specify that the author shall convey by assignment, if necessary, such rights as are required by the University.
- (iv) In the judgment of the Intellectual Property Office and the cognizant University administrator(s), the author(s) or creator(s) of the Copyrightable Work made more than Incidental Use of University Resources.
- (v) The Copyrightable Work is also patentable and/or is associated with a University Trademark. 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, and trademark.

These principles shall not be interpreted to limit the University's ability to meet its obligations for deliverables under any contract, grant, or other arrangement with third parties, including sponsored research agreements, license agreements and the like. Copyrightable Works that are subject to sponsored research agreements or other contractual

obligations of the University shall be owned by the University, so that the University may satisfy its contractual obligations.

Copyrightable Works not owned by the University are owned by the author(s) or creator(s) who are free to publish them, register the copyright, and to receive any revenues that may result there from. Moreover, in furtherance of the traditional academic principle of full and open exchange of ideas and to support the widest possible dissemination of scholarly works, authors and creators of Copyrightable Works created in furtherance of educational, scholarly or research objectives, and the University when it has an ownership interest in such works, are highly encouraged to copyright any and all of their works through use of the University of Maine System Broad Application Copyright License, as set forth in Appendix A.

Specific applications of the University's policy on Copyrightable Works follow:

Instructional Materials and Traditional Works of Scholarship. In accordance with academic tradition, and unless excepted by the Principles of Ownership outlined herein, the University does not claim ownership to instructional materials or traditional works of scholarship, regardless of their form of expression.

Instructional materials include works that are used primarily for the instruction of students. Such works may include, but are not limited to: textbooks; syllabi; study guides; problem sets; and audio, visual and multimedia instructional works.

Traditional works of scholarship are works that reflect research and/or creativity which, within the University, are considered as evidence of professional advancement or accomplishment. Such works may include, but are not limited to: scholarly publications; journal articles; research bulletins; monographs; books; research databases; computer programs; plays, poems, musical compositions and other works of creative or artistic imagination; photographs; audio, visual and multimedia works; circuit diagrams; and architectural and engineering drawing. Such works may also include works of students created in the course of their education, such as dissertations, papers, articles, and audio, video, and multimedia works.

If an individual subject to this policy retains title to copyright in pedagogical, teaching or course materials, that individual shall assign to the University upon request a limited, royalty-free right to use, duplicate, or distribute the materials for non-profit, educational purposes only within the University. Such an assignment is not required for commercially published textbooks and similar commercially available teaching materials involving only incidental use of university resources in their creation.

Work Created as a Specific Requirement of Employment or as an Assigned University Duty (institutional works and works-for-hire). The University shall retain ownership of Copyrightable Works created as institutional rather than personal efforts; that is, created at the instigation of the University, under the specific direction of the University, for the University's use, by a person acting within the scope of his or her employment or subject to written contract.

Institutional works include Copyrightable Works that are supported by a specific allocation of University funds. Institutional works also include Copyrightable Works whose authorship cannot be attributed to one or a discrete number of authors but rather result from simultaneous or sequential contributions over time by multiple faculty, staff and/or students. For example, software tools and databases developed and improved over time by multiple faculty, staff and/or students where authorship is not appropriately attributed to a single or defined group of authors would constitute an institutional work. However, the mere fact that multiple individuals have contributed to the creation of a Copyrightable Work shall not cause the Copyrightable Work to constitute an institutional work.

Work assigned to programmers is institutional work or "work for hire," as is software developed for University purposes by staff working collaboratively. Brochures, training programs, CD-ROMs, websites, videos, and manuals, which staff members are hired to develop, are other examples of institutional works, or work for hire. The University owns all right, title and interest in such institutional works or works for hire. Employees shall execute any necessary confirmatory assignments to the University to effectuate the University's ownership of such institutional works or works for hire.

Works of Non-Employees. Under copyright law, Copyrightable Works of non-employees such as consultants, independent contractors, etc. generally are owned by the creator and not by the University, unless there is a written agreement to the contrary. As it is the University's policy that it shall retain ownership of such Copyrightable Works, the University will generally require a written agreement from non-employees that ownership of such Copyrightable Works will be assigned to the University. Examples of Copyrightable Works that the University may retain non-employees to prepare include: reports by consultants or subcontractors; computer software; architectural or engineering drawings; illustrations or designs; artistic works; and websites.

Videotaping, Audio Recording, and Related Classroom and Performance Technologies: Courses and Other Creative Works by Faculty. In accordance with academic tradition and in conformance with the Principles of Ownership outlined herein, the university does not claim ownership to recorded lectures, performances and other temporal works created by an individual faculty member or a group of faculty members as a part of their normal duties.

Lectures and Courses. The University shall have the right to redistribute recordings of lectures and courses, but only with the permission of the originating faculty member(s). If a recorded lecture or course is represented or otherwise distributed with the purpose of generating income for the University, including offering the course for credit, the faculty member(s) who conducted the course shall receive additional salary, release time, or other negotiated compensation consistent with Disposition of Income section contained herein. Faculty members may refuse to allow redistribution of recordings of courses if they believe that the presentation of information contained therein has become dated or inaccurate or that redistribution may interfere with their legitimate personal and professional interests.

The offering, with intent to generate income, by a currently employed faculty member of the same course recordings or an equivalent online course through another university or outside arrangement that would compete with a course offered within the University of Maine System is deemed a conflict of interest and should not be pursued.

As a condition of participating in a class or offering a class, blanket permission is granted by class participants for viewing such materials internal to the University by students for general learning purposes and by the University for general educational, scholarly, research and administrative purposes. Prior to external presentation or distribution of any recording other than during the current regular course offering, written permission shall be obtained from anyone who will appear in such recording.

Artistic Performances. The University shall have the right to redistribute recordings of artistic performances by University faculty members and students at University events, but only with the permission of those appearing in the performance. If a recorded performance is represented or otherwise distributed with the purpose of generating income for the University, the author(s) or creator(s) appearing in the performance shall receive additional salary, release time, or other negotiated compensation consistent with the Disposition of Income section contained herein.

Trademarks:

A Trademark may identify an item of Intellectual Property, such as a computer program or plant variety, or it may identify an educational, service, public relations, research, training or athletic program of the University. Consistent with the definition of Trademark outlined herein, any trademarks, service marks, symbols, designs, slogans, seals, and logotypes used to identify the goodwill and/or services of the University of Maine System, its campuses or organizational units are not subject to the provisions of this Intellectual Property Policy. Information regarding the licensing or use of a University logo or trademark may be obtained from the University of Maine System office and/or the relevant department/office on each campus. For Trademarks that do not fit under this exception, and that are related to an item of Intellectual Property, the University owns all right, title and interest. Income from the licensing of such Trademarks shall belong to the University and be distributed in accordance with the division of income schedule outlined herein.

Tangible Research Property:

The University owns all right, title, and interest in Tangible Research Property related to an individual's employment responsibilities and/or developed with support from University Resources.

In general, Tangible Research Property shall be managed as an Invention with the distribution of income from the licensing and/or commercialization of such Tangible Research Property made in accordance with the distribution of income schedule outlined herein.

VII. DISPOSITION OF INCOME

The Intellectual Property Office acts as the University's agent in managing the fiscal aspects of intellectual property owned by the University. The Office shall distribute intellectual property revenues in a manner consistent with the distribution formula regardless of whether the University or an external patent or copyright administration firm executes the cognizant license or contract.

The University will be the licensor or contractor for employee copyrights and patents when either a licensee has filed the relevant patent application in the name of the University, or the University has elected to file the patent on its own, or the University has an ownership interest in the Copyrightable Work. A discovery placed in commercial use, but not patented, shall be subject to the same terms, conditions and restrictions with respect to disposition or royalties and income as those prescribed for patentable inventions. Royalty revenues are distributed to the employee and the System/University as agreed upon in the appropriate collective bargaining agreement.

Cumulative net income is defined as gross royalties and/or other payments, such as option payments, received by the University minus any fees or costs directly attributable to the intellectual property being licensed or sold. Typically these costs include direct patent and/or copyright prosecution, maintenance, and/or infringement litigation costs as well as incentive payments by the University to the developer(s). Indirect University overhead and other University costs normally associated with the operation of a University Intellectual Property Office or other administrative offices shall not be deducted from gross royalties or otherwise allocated to costs or fees associated with the Intellectual Property.

In the disposition of any net income accruing to the University or a component from patents or non-patent discoveries, first consideration shall be given to the promotion of research. The share of royalty revenues devoted to intellectual property administration shall be utilized to support research and other scholarly activities, and a portion of the cost of operating the Intellectual Property Office.

Co-developers share the developer's share in proportions agreed to among themselves. If there is more than one administrative unit or college, then the unit's or college's share shall be distributed as agreed upon at the time of disclosure between/among units or colleges.

University personnel whose intellectual property is licensed to an entity in which they have a proprietary interest (i.e. company officer, founders equity position, stock holdings exceeding 10% of the total issued, etc.) will not receive the developer's share of University royalties derived from said license. However, they will receive the developer's share of royalties from any other licensees.

In the event that the University is unable to either identify a licensee willing to underwrite the cost of the patent prosecution, or justify filing a patent application with University funds, individual campuses may elect to use an outside patent administration firm to evaluate the

invention disclosure. In such cases, the cost of obtaining such services shall be subtracted from gross revenue prior to the distribution of cumulative net income.

If the University decides not to file a patent application or to otherwise retain title to intellectual property, then the University's ownership interest shall be released or assigned to the developer(s). In this circumstance, the developer(s) is (are) free to file a patent application or pursue other intellectual property rights at his/her (their) own expense and any royalties received shall be the sole property of the developer(s). However, the University retains a royalty-free, non-exclusive license to use the intellectual property for research or educational purposes only within the University, subject to the limitations described in Section VI.

The University also reserves the right to negotiate other allocation agreements. In cooperative undertakings sponsored by, or involving external sponsors, such as the federal or state government, private industry or other universities, provisions for the control of patents and non-patentable discoveries normally should be consistent with the general policy stated above with respect to the University's share of the discovery and the disposition of the University's share of income. However, it is recognized that in some cases the interests of other organizations will justify modifications of the general policy. In those cases, the provisions with respect to patents and non-patentable discoveries shall appear in a written agreement for the review and approval of the President of the University.

NOTE: See Appendix B - Royalty Distribution Agreement

VIII. INTELLECTUAL PROPERTY ADMINISTRATION

The administration of the policies set forth in this document is the responsibility of the Chancellor through the University's Intellectual Property Office.

The Intellectual Property Office provides assistance to University developers relative to the implementation of patent and copyright policies, provides counsel on intellectual property matters, and assists faculty and administrators with conflict-of-interest issues related to technology transfer and entrepreneurial activities. The rights and obligations of developers and the University are described below. Cognizant University administrators have a primary role in monitoring adherence to, and advising personnel on, University policies in these areas. In turn, administrators are encouraged to avail themselves of Intellectual Property Office services, particularly on the more complex issues. To enhance awareness of University policies and procedures, the Intellectual Property Office conducts an ongoing series of information meetings on intellectual property matters, conflict-of-interest, and technology transfer aspects of outside activities.

GENERAL PRACTICES AND PROCEDURES

Inventions:

University personnel who believe they may have developed an invention should immediately notify the cognizant University administrators and the Intellectual Property Office. They will be asked to complete an invention disclosure form by the Intellectual Property Office. The invention disclosure defines the nature of, and provides the basis for a legal claim to, the invention in question. Invention disclosures are evaluated for patentability and market potential by the Intellectual Property Office. A preliminary patent search is generally performed using the computer facilities of the University Libraries. If this process suggests that the invention has significant commercial potential, the following sequence is set in motion.

- 1) The University has a contractual obligation to inform sponsoring agencies of inventions. Upon disclosure, the Intellectual Property Office will review contractual obligations to sponsors for: (a) invention reporting obligations; (b) the timely filing of patents; and, (c) election of title consistent with terms of the contract.
- 2) The Intellectual Property Office, in concert with inventors, will attempt to identify companies whose technology interests coincide with the invention in question. Non-enabling disclosures are sent to these companies to inform them of the general nature of the invention, without divulging its essential elements. Upon the expressed interest of a potential licensee, additional detailed information about the invention is released following the execution of an appropriate Confidentiality Agreement.
- 3) In return for rights to an invention, licensees will be expected to file a patent application at their expense in the name of the University. If an invention requires further research to bring it to the point of commercial utilization, companies will be encouraged to provide the necessary research support as part of either a Research and License Agreement, or an Option Agreement. Where an option is involved, companies are offered an exclusive right to negotiate a license in return for a research commitment and/or appropriate payment.
- 4) The University (Intellectual Property Office in accord with the cognizant administrators) may, under certain circumstances, elect to apply for a patent concurrent with the search for a licensee. This option is very selectively applied as a consequence of the limited funds available for this purpose, and is restricted to unusually promising inventions in dynamic, highly competitive fields. Where this option is contemplated, the results of the University Libraries preliminary patent search will be submitted to a patent attorney in the appropriate art for a patentability opinion. A decision to proceed will be based on a judgment that the invention is patentable, is not encumbered by other patents, and has sufficient commercial potential to justify patent expense.

5) If, in concert with inventors, the Intellectual Property Office is unable to identify a licensee in a timely fashion, the disclosure may be sent to an external patent administration firm for evaluation. Such firm may thereafter elect to accept the disclosure, file a patent application, and initiate the licensing process.

6) Inventors may petition the University for the assignment of invention rights to them when it a) is consistent with the policies and best interests of the University, b) would advantage the transfer of technology to the private sector, and c) is in accord with the University's obligations to sponsors and other third parties.

For example, should the Intellectual Property Office fail to identify a licensee, and the cognizant external patent administration firm subsequently elects not to accept the invention, inventors may petition the University for the assignment of invention rights to them.

Successful implementation of the foregoing procedure is based on the premise that it is important to have a close working relationship between University inventors and the Intellectual Property Office. The reasons are varied. Inventors' knowledge of their research areas, and of companies active in related technologies, are key elements of the technical and market assessments for an invention, and of the search for licensees. In addition, inventions can serve as powerful catalysts for industrial research support. The search for such support is greatly enhanced by close collaboration between inventors and Intellectual Property Office staff. Finally, the search for licensees willing to underwrite the cost of concept refinement and/or patent prosecution represents a useful "market test" for an invention.

Related Issues:

The commercial exploitation of inventions, in the form of products and processes for business and industry, is a highly competitive enterprise. It is therefore critical that inventors begin the disclosure process as soon as the possibility of an invention becomes evident. Delays give others an opportunity to establish a claim, which may deprive an original inventor of his/her rightful recognition and compensation. Some other considerations follow.

1) In general, it is prudent to delay the oral disclosure or publication of research details that are specific to an invention until such time as the invention has been evaluated and, as appropriate, protected. Such decisions, however, should not be allowed to adversely affect the progress of students toward their degrees. In most cases the omission of information from publications that would compromise a commercial application does not impede the free flow of fundamental knowledge. In particular, inventions in a University setting are usually practical manifestations of an underlying body of fundamental knowledge. As such, one can frequently engage in the free exchange of basic ideas without compromising the practical application. If inventors have questions about the disclosure or publication of research, they are encouraged to discuss the matter with the Intellectual Property Office.

2) Public disclosure of a concept in the open literature (in abstracts and texts of presentations at meetings, and in theses, etc.) generally precludes obtaining patent protection in most foreign countries. In the U.S., one may obtain a patent as long as the application is filed within one year of the date of public disclosure. The impact of the waiving of foreign

rights for an invention depends upon the size of U.S. and foreign markets, the relative market shares of foreign and domestic companies in the technology in question.

3) Rights to inventions arising from industrially sponsored research are usually prescribed in a research contract containing a work statement and other terms and conditions of the award. Sponsors generally receive the first option on a license to technology resulting from research that they support. As the contractor for the specified research, the University must ensure that it has not committed rights to technologies to multiple sponsors. In dealing with potential industrial sponsors, faculty investigators should thus be sensitive to this possibility. The consequences of commingling intellectual property rights can be substantial. Until such time as they are resolved, disputes over sponsor rights can limit or eliminate opportunities for additional industrial support for promising research areas. Unfortunately, such disputes can last for years.

4) Federal agencies allow contractors, including universities, to retain ownership of intellectual property arising from research that they sponsor. The government retains non-exclusive rights to such intellectual property for its own purposes. The University has a contractual obligation to inform federal agencies of inventions within two months after they are disclosed to the Intellectual Property Office, to elect to retain title within two years, and to file a patent within one year of election.

5) Members of research consortia are typically given non-exclusive rights to inventions conceived in whole or part with consortium funds. Such arrangements can, unfortunately, seriously compromise the commercial potential of an invention. In particular, the resulting lack of marketplace exclusivity may deter companies from investing in the production facilities and marketing strategies required to commercialize an invention. Faculty concerned about this issue may wish to restrict the use of consortium funds to the support of pre-proprietary research.

6) Consulting contracts sometimes contain provisions that limit the disposition of research results, including intellectual property, in promising research areas. They should be examined to ensure that the assignment of rights to intellectual property evolving from consulting activities does not conflict with the patent agreement signed by all University employees. In general, faculty may, within the scope of a consulting agreement, assign rights to intellectual property in their fields of expertise where organizations engaging their services have legitimate prior claims to the development(s) in question. Examples include consulting activity leading to the refinement of an existing product or process, or to a development for which background patents or prior art claims exist. In any case, faculty should bring consulting contracts to the attention of cognizant University administrators prior to executing them.

Copyrightable Works:

All persons subject to this policy shall promptly disclose in writing to the University, through the appropriate department head and dean, any Copyrightable Work that, as a work-for-hire or institutional work, is owned by the University as outlined in the Principles of Ownership section (above), including those made under sponsored research or

cooperative arrangements. Likewise, if the creation of a Copyrightable Work involved significant use of university resources and there is an intention by the developer(s) to produce revenue external to the university from the work, the developer(s) subject to this policy shall promptly disclose in writing to the Intellectual Property Office and appropriate department head, dean or other academic unit administrator that the University has a potential ownership interest in the work. Further, the developer(s) will assign to the University the copyright in the work to be administered in conformance with the provisions of this University of Maine System Statement of Policy Governing Patents and Copyrights. The report shall constitute a full and complete disclosure of the subject matter of the Copyrightable Work and the identity of all persons participating therein. Such persons shall cooperate with the University, to the best of their ability, in protecting intellectual property rights in the Copyrightable Work, furnish such additional information and execute such documents from time to time as the University may reasonably request. Furthermore, upon request by the University to perfect intellectual property rights, such persons shall warrant that, to the best of their knowledge, the Copyrightable Work does not infringe upon any existing copyright or other legal rights; that work not identified as quotations is the expression or creation of the author; and that necessary permission for quotation and the use of third party works has been obtained.

A person who has any question as to the possible commercial value of particular Copyrightable Works, or as to possible University ownership shall report the relevant facts to the University through the Intellectual Property Office.

The University shall coordinate reporting requirements and other obligations to research sponsors regarding Copyrightable Works developed under a research contract or grant, including but not limited to obligations to the US Government under 37CFR401.

Moreover, the University has sole authority to negotiate with third parties license agreements granting the right to use, develop, or otherwise commercialize Copyrightable Works owned by the University. Any agreement to license or transfer ownership of University-owned Copyrightable Works must be approved in writing by the Intellectual Property Office.

Royalty income received by the University for such Copyrightable Works that are not works-for-hire or institutional works will be distributed in accordance with the Division of Income schedule outlined herein.

Review Procedure:

In the event that the Intellectual Property Office finds that a work has involved significant use of university resources or that the University otherwise has an ownership interest in an intellectual work and the developer(s) contest such finding, the matter shall be put before the University Intellectual Property Committee for final resolution. The University Intellectual Property Committee shall consist of three members appointed by the Faculty Senate and three members appointed by the University Administration. The physical presence of four members constitutes a quorum and in the event of a tie on any vote of the Committee, the University Provost may break the tie if physically present at the meeting.

IX. RESPONSIBILITIES OF THE PARTIES

Responsibilities of the Inventor or Author:

Responsibility for timely disclosure of Intellectual Property subject to this policy rests with the developer(s) who shall take all reasonable steps, including the execution of assignments where necessary, to permit prompt evaluation of the Intellectual Property and perfection of patent or other rights.

It is the responsibility of the developer(s) to disclose fully to the Intellectual Property Office the circumstances surrounding the Intellectual Property including the names of all those within or outside of the University who participated in its development, the name(s) of any sponsors, and the degree of use of University Resources.

It is the responsibility of the developer(s) to secure any and all consents and/or releases for the use of printed, spoken and/or audio and visual materials that are used in copyrightable work(s) from the originator(s) and/or copyright holders of these materials. These originators may include students, guest speakers, and other contributors.

Employees of the University who believe that they have invented items outside the scope of this policy shall not file, or permit others to file in their name, patent applications without providing at least thirty days notice and a statement of the circumstances of the invention to the University through the Intellectual Property Office. Upon request, additional information as to the nature and circumstances under which the item was developed and a copy of the invention disclosure shall be provided.

Individuals planning to engage in consulting or business activities, and those charged with approving such plans on behalf of the University are responsible for ensuring that any related agreements with external entities are not in conflict with this policy or other commitments involving the University.

Written approval from the University's Intellectual Property Office must be obtained before Tangible Research Property associated with products of University research is transferred to any person or entity for commercial purposes. Tangible Research Property belonging to the University includes, but is not limited to, models, devices, designs, computer programs, cell lines, antibodies, recombinant materials, chemical compounds, compositions, formulations, plant varieties, records concerning inventions or discoveries, and collections.

Responsibilities of the University:

When the University makes a determination to exercise its rights to Intellectual Property, it will promptly make appropriate efforts to protect them legally and with the assistance of the developer(s) it will search out and initiate negotiations with prospective licensees, or purchasers or take other appropriate steps to bring the development into commercial use.

If the University chooses neither to exercise its rights through pursuit of legal protection and commercial development or otherwise, nor to transfer the rights to another party, nor to dedicate the rights to the public, they shall be transferred or waived to the developer(s), if so requested in writing.

If the University has chosen to protect an item, but does not arrange for its commercial development or dedication to the public within a reasonable time, the developer(s) may make a written request for transfer or waiver of rights from the University's Intellectual Property Office. The Office, in conjunction with the University's cognizant administrators, will either grant the request or will advise the developer(s) of the University's plans for the Intellectual Property. In addition to the retention by the University of a non-transferable, royalty-free license, appropriate conditions agreed to by the developer(s) and the Intellectual Property Office shall be applied to any transfer or waiver, subject to review by the University Intellectual Property Committee in the event of a dispute.

The University shall treat disclosures of Intellectual Property subject to this policy as confidential and shall make reasonable efforts to avoid loss of rights due to lack of appropriate documentation or to improper or premature disclosure or to publication without proper copyright notice, but it will not be liable in regard to any such loss.

APPENDIX A

UNIVERSITY OF MAINE SYSTEM BROAD APPLICATION COPYLEFT LICENSE

Background

The concept of "copyleft", as generally understood, is use of a copyright notice to permit unrestricted redistribution and modification of a work, provided that all copies and derivatives retain the same permission. This licensing approach is directly responsible for recent massive voluntary information resource sharing and production, such as the recent production of free software by tens of thousands of individuals working independently and in collaboration with each other. Among the benefits of the use of this licensing approach include the following:

- (i) The work may be freely distributed but the identity of the original author is always maintained and the identity of contributors to derivative works are maintained;
- (ii) The same license must be applied to all derivative works which prevents any future value-adding author from capturing any ownership in the past contributions of others;
- (iii) Fees may not be charged for ownership interests yet fees may be charged for transmission allowing creation of revenue streams and thus incentives to facilitate distribution;
- (iv) No further restrictions may be imposed on the original work or on any derivative works;
- (v) Enforcement may be through any person in the chain of derivative rights; and,
- (vi) Liability exposure is minimized for all value-adders.

Sample Notice

To be effective, a notice must be attached to any article, multimedia product, or other copyrightable intellectual work making use of the licensing approach. A sample Copyleft Notice using the University Copyleft license is as follows:

Copyright 2001 Name of Author (E-mail of Author)

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Language of the License

The following text shall be known as the "University of Maine System Broad Application Copyleft License". This license is currently identical to the DESIGN SCIENCE LICENSE found at <http://www.dsl.org/copyleft/dsl.txt> and which text is also listed as follows:

DESIGN SCIENCE LICENSE

TERMS AND CONDITIONS FOR COPYING, DISTRIBUTION AND MODIFICATION

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Verbatim copying of this document is permitted, in any medium.

0. PREAMBLE.

Copyright law gives certain exclusive rights to the author of a work, including the rights to copy, modify and distribute the work (the "reproductive," "adaptive," and "distribution" rights).

The idea of "copyleft" is to willfully revoke the exclusivity of those rights under certain terms and conditions, so that anyone can copy and distribute the work or properly attributed derivative works, while all copies remain under the same terms and conditions as the original.

The intent of this license is to be a general "copyleft" that can be applied to any kind of work that has protection under copyright. This license states those certain conditions under which a work published under its terms may be copied, distributed, and modified.

Whereas "design science" is a strategy for the development of artifacts as a way to reform the environment (not people) and subsequently improve the universal standard of living, this Design Science License was written and deployed as a strategy for promoting the progress of science and art through reform of the environment.

1. DEFINITIONS.

"License" shall mean this Design Science License. The License applies to any work which contains a notice placed by the work's copyright holder stating that it is published under the terms of this Design Science License.

"Work" shall mean such an aforementioned work. The License also applies to the output of the Work, only if said output constitutes a "derivative work" of the licensed Work as defined by copyright law.

"Object Form" shall mean an executable or performable form of the Work, being an embodiment of the Work in some tangible medium.

"Source Data" shall mean the origin of the Object Form, being the entire, machine-readable, preferred form of the Work for copying and for human modification (usually the language, encoding or format in which composed or recorded by the Author); plus any accompanying files, scripts or other data necessary for installation, configuration or compilation of the Work.

(Examples of "Source Data" include, but are not limited to, the following: if the Work is an image file composed and edited in 'PNG' format, then the original PNG source file is the Source Data; if the Work is an MPEG 1.0 layer 3 digital audio recording made from a 'WAV' format audio file recording of an analog source, then the original WAV file is the Source Data; if the Work was composed as an unformatted plaintext file, then that file is the Source Data; if the Work was composed in LaTeX, the LaTeX file(s) and any image files and/or custom macros necessary for compilation constitute the Source Data.)

"Author" shall mean the copyright holder(s) of the Work.

The individual licensees are referred to as "you."

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(a) The Source Data is included in the same distribution, distributed under the terms of this License; or

(b) A written offer is included with the distribution, valid for at least three years or for as long as the distribution is in print (whichever is longer), with a publicly-accessible address

(such as a URL on the Internet) where, for a charge not greater than transportation and media costs, anyone may receive a copy of the Source Data of the Work distributed according to the section above; or

(c) A third party's written offer for obtaining the Source Data at no cost, as described in paragraph (b) above, is included with the distribution. This option is valid only if you are a non-commercial party, and only if you received the Object Form of the Work along with such an offer.

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The aggregation of the Work with other works which are not based on the Work -- such as but not limited to inclusion in a publication, broadcast, compilation, or other media -- does not bring the other works in the scope of the License; nor does such aggregation void the terms of the License for the Work.

APPENDIX B

UNIVERSITY OF MAINE SYSTEM / ASSOCIATED FACULTIES OF THE
UNIVERSITY OF MAINE SYSTEM
INTELLECTUAL PROPERTY

The following text is the result of negotiations between AFUM and the University of Maine System and is to be included in the February 2, 2002 policy document entitled: "Statement of Policy Governing Patents and Copyrights." It is to be included in Section VII *Disposition of Income* and is to be inserted as a new third paragraph to that section.

It is hereby agreed that:

For the first \$100,000 of cumulative net income the default minimum distribution shall be as follows:

50% to the faculty creator / inventor
50% to the University

For cumulative net income in excess of \$100,000 the default minimum distribution shall be as follows:

40% to the faculty creator / inventor
60% to the University

The above distributions shall serve as a general guideline or minimum default distribution of income, nothing precludes or prevents individual agreements being arrived at by members of the faculty and the University which exceed the distribution plan outlined above. In the event that an individual agreement is executed, AFUM, as the exclusive bargaining representative, shall receive a copy of such an agreement.

Any disputes which might arise under this policy, including disputes concerning the determination of what constitutes net income, shall be submitted to the University Intellectual Property Committee for final and binding resolution.

Frank E. Henry 8-22-02
University of Maine System Date

Ronald A. Wesley Jr. 8-30-02
President, Associated Faculties Date
of the University of Maine System