

**Southeast Missouri State University
INTELLECTUAL PROPERTY PROCEDURES**

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SECTION 1. OBJECTIVES

Inventions, discoveries, copyrightable works and other creative works that have the potential to be brought into practical use may result from the activities of University employees in the course of their duties or through the use, by any person, of University resources such as facilities, equipment, or funds.

The primary purpose of the Intellectual Property Procedures is to provide the necessary protections and incentives to encourage both the discovery and development of new knowledge and its transfer for the public benefit; a secondary purpose is to define the distribution of revenue for the University and the creators. The University is guided by the following objectives:

- (i) To ensure that the educational mission of the University is not compromised;
- (ii) To optimize the environment and incentives for research and for the creation of new knowledge at the University;
- (iii) To bring the products of creative efforts into practical use for the public benefit as quickly and effectively as possible; and
- (iv) To protect the interest of the people of Missouri through an equitable recovery by the University of its investment in research.

SECTION 2. DEFINITIONS

A. *Intellectual Property.* The term "intellectual property" as used herein is broadly defined to include inventions, discoveries, know-how, show-how, processes, unique materials, copyrightable works, original data and other creative or artistic works which have value. Intellectual property includes that which is protectable by statute or legislation, such as patents, copyrights, trademarks, service marks, trade secrets, mask works, and plant variety protection certificates. It also includes the physical embodiments of intellectual effort, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, demonstration software, biological materials, chemicals, other compositions of matter, plants, and records of research.

B. *Traditional Creative and Academic Works.* "Traditional creative and academic works" are works created independently and at the creator's initiative for traditional academic purposes. Examples include class notes, books, theses and dissertations, educational software (also known as courseware or lessonware), articles, non-fiction, fiction, poems, musical works, dramatic works including any accompanying music, pantomimes and choreographic works, pictorial, graphic and sculptural works, or other works of artistic imagination that are not created as an institutional initiative (as specified in Section 4.A.2. below).

C. *Creator.* "Creator" refers to an individual or group of individuals who make, conceive, reduce to practice, author, or otherwise make a substantive intellectual contribution to the creation of intellectual property. "Creator" includes the definition of "inventor" used in U.S. patent law and the definition of "author" used in the U.S. Copyright Act.

D. *University Resources Usually and Customarily Provided.* When determining ownership and license rights in creative and academic works, "University resources usually and customarily provided" includes such support as office space, library facilities, ordinary access to computers and networks, including Internet access and space for course pages, or salary. In general, it does not include use of students or employees as support staff to develop the work, or substantial use of specialized or unique facilities and equipment, or other special support provided by the University unless approved as an exception.

E. *Sponsored Projects*. Sponsored projects are activities funded in whole or in part by funds provided from internal University sources or provided by grants, contracts or other agreements with external entities. Internal sources of funding include, but are not restricted to, formally identified programs in which faculty, staff and/or students compete for support, as well as other instances wherein funds are provided from unit budgets. Exceptions are expected in units where the tradition is to provide support to some faculty in the form of graduate assistants to help prepare traditional creative and academic works. Exceptions are also expected in situations where creators use University-provided facilities and resources in the creation of works of artistic imagination, for example, use of studios, pottery wheels, or kilns for the creation of paintings, sculpture or ceramics. Other individual exceptions may be approved on a case-by-case basis (see Section 6.J.).

F. *University Investment*. Investment in a project or endeavor made by the university over and above “University Resources Usually and Customarily Provided” as defined in Section 2.D.

G. *University Intellectual Property Committee*. The University Intellectual Property Committee shall be appointed annually by the President, composed of five (5) members, no fewer than two (2) of which shall be full-time ranked faculty recommended by the Faculty Senate, to make recommendations to the President regarding procedures, guidelines, investments and responsibilities for the administration and development of intellectual property and such other matters as the President shall determine. The Committee may also make recommendations regarding administrative, procedural and substantive disputes relating to these procedures. The Vice President for Finance and Administration shall serve as a permanent, non-rotating member of the University Intellectual Property Committee, and additional Committee members may be added on an ad hoc basis depending upon the nature of the issue under review or the academic discipline being discussed.

SECTION 3. APPLICATION

These procedures as amended from time to time shall be deemed part of the conditions of employment for every employee of the University and part of the conditions of enrollment and attendance at the University by students. It is also the procedure of the University that individuals (including visitors) by participating in a sponsored project and/or making significant use of University-administered resources thereby accept the principles of ownership of intellectual property as stated in these procedures unless an exception is approved in writing by the University. All creators of intellectual property shall upon request execute appropriate assignment and/or other documents required to set forth effectively ownership and rights as specified in these procedures.

SECTION 4. CREATIVE AND ACADEMIC WORKS

A. *Ownership*. Unless subject to any of the exceptions specified below, creators retain all rights to traditional creative and academic works as defined in Section 2.B. above. (See, however, Section 4.B.2. below.) This includes all works developed by employees outside of University time and without use of University resources inaccessible to the public. The University shall own these works as described following.

1. Works created pursuant to the terms of a University agreement with an external party, or
2. Works created as a specific requirement of employment or as an assigned University duty that may be specified, for example, in a written job description or an employment agreement.

Such specification may define the full scope or content of the employee's University employment duties comprehensively or may be limited to terms applicable to a single creative or academic work. Absent such prior written specification, ownership will vest with the University in those cases where the University provides the motivation for the preparation of the work, the topic or content of which is determined by the creator's employment duties and/or when the work is prepared at the University's expense. Works created by University staff and administrative employees shall be considered to fall within this category, unless and except as specified by written agreement to the contrary, approved by the appropriate Vice President and the President of the University.

3. Works specifically commissioned by the University. The term "commissioned work" is hereafter used to describe a work prepared under a written agreement between the University and the creator when (1) the creator is not a University employee or (2) the creator is a University employee but the work to be performed falls outside the normal scope of the creator's University employment. Contracts covering commissioned works shall specify that the author convey by assignment, if necessary, such rights as are required by the University.

4. Copyrights owned by the faculty member under these procedures will not transfer to the University simply because the work is also patentable.

B. University Rights in Creator-Owned Works

1. Traditional creative and academic works created using University resources usually and customarily provided are owned by the creators. Such works need not be licensed to the University.

2. Traditional creative and academic works created with use of University resources over and above those usually and customarily provided shall be owned by the creators but licensed to the University. The minimum terms of such license shall grant the University the right to use the original work in its internally administered programs of teaching, research, and public service on a seven-year royalty-free, non-exclusive basis. The University may retain more than the minimum license rights when justified by the circumstances of development.

3. These procedures shall be administered consistently with the University's procedures and guidance relating to the use and ownership of courses and materials [explicit reference or link to location of these procedures should be provided].

C. Student Works. Unless subject to the provisions of paragraph 4.A. or provided otherwise by written agreement, works prepared by students as part of the requirements for a University degree program are deemed to be the property of the student but are subject to the following provisions:

1. The University shall have, as a condition of the degree award, the royalty-free right to retain, use and distribute a limited number of copies of the thesis, together with the right to require its publication for archival use.

2. Creative works developed by a student employed by the University are owned, not by the student, but by the faculty member or the University as provided by these procedures.

3. The original records (e.g., data) of an investigation for a graduate thesis or dissertation shall be jointly owned by the University and student.

D. *Copyright Registration and Notice.* University-owned works should be protected by copyright notice in the name of the Board of Regents of Southeast Missouri State University. Such copyright notice should be composed and affixed in accordance with the United States Copyright Law. Registration of the copyright for University-owned works shall be in accordance with the operational guidelines and procedures established by the University Intellectual Property Committee. The University may also decide to release a work to the public domain and if so, should so indicate.

E. *University Publications.* University publications shall be responsible for copyright registration of works owned by the University and published for administering contracts with its authors. Such contracts shall define the rights and obligations of the author and the University and shall be processed as are other University contracts.

F. *Compliance with the Copyright Act.* University units that administer activities involving any usage regulated by the Copyright Act are responsible for knowing applicable regulations, monitoring their continuing evolution, and conducting their programs in full compliance with the applicable laws and regulations.

SECTION 5. TRADEMARKS

Trademarks and service marks are distinctive words or graphic symbols identifying the source, product, producer, or distributor of goods or services. Registration of trademarks or service marks, at the state or federal level, shall be approved by the appropriate campus or University level officer. Proceeds received from commercialization of a mark that is related to an intellectual property license will be shared with all creator(s) of the associated property as specified in Sections 7.B. and 7.C. below. Except as provided herein or unless subject to prior written agreement between the creator(s) and the University, the University will not share the proceeds from commercialization of a mark with the individual(s) who created the mark.

SECTION 6. INTELLECTUAL PROPERTY ADMINISTRATION

A. *Disclosure.* Any invention or discovery made by an employee of the University or resulting from research carried on under the direction of an employee in which the University may have a financial interest or which may have a financial impact shall be promptly reported by such discoverer to the University Intellectual Property Committee and the discoverer's Academic Dean or Division Vice President. All intellectual property in which the University has an ownership interest under the provisions of these procedures and that has the potential to be brought into practical use for public benefit or for which disclosure is required by law shall be reported promptly in writing by the creator(s). The University Intellectual Property Committee will handle the disclosure in accordance with procedures developed for evaluation of the potential merit of the intellectual property. The Academic Dean or Division Vice President will review the disclosure and provide recommendations on the potential merit of the intellectual property and convey this to the University Intellectual Property Committee through standard administrative routing. The disclosure shall constitute a full and complete disclosure of the subject matter of the discovery or development and identify all persons participating therein. The creator(s) shall furnish such additional information and execute such documents from time to time as may be reasonably requested.

B. *Evaluation and Exploitation Decisions.* After evaluation of the intellectual property and review of applicable contractual commitments, the University may develop the property through licensing, may release it to the sponsor of the project under which it was made (if contractually obligated to do so), may release it to the creator(s) if permitted by law, or may take such other actions as are determined to be in the public interest. Exploitation by the University may or may not involve statutory protection of the intellectual property rights, such as filing for patent protection, registering the copyright, or securing plant variety certification.

C. *Questions Related to University Ownership.* In the event there is a question as to whether the University has a valid ownership claim in intellectual property, such intellectual property should be disclosed in writing to the University by the creator(s) in accordance with Section 6.A. Such disclosure is without prejudice to the creator's ownership claim. The University will provide the creator with a written statement as to the University's ownership interest within one year of the disclosure.

D. *Informing Creators of Decisions.* The University will inform principal creators of its substantive decisions regarding protection, commercialization and/or disposition of intellectual property which they have disclosed. However, specific terms of agreements with external parties may be proprietary business information and subject to confidentiality restrictions.

E. *University Abandons Intellectual Property.* Should the University decide to abandon development or protection of University-owned intellectual property, ownership may be assigned to the creator(s) as allowed by law subject to the rights of sponsors and to the retention of a license to practice for University purposes. The minimum terms of such license shall grant the University the right to use the intellectual property in its internally administered programs of teaching, research, and public service on a perpetual, royalty-free, non-exclusive basis. The University may retain more than the minimum license rights, and the assignment or license may be subject to additional terms and conditions, such as revenue sharing with the University or reimbursement of the costs of statutory protection, when justified by the circumstances of development.

F. *Commercialization by Creator(s).* The University may, at its discretion and consistent with the public interest, license intellectual property to the creator(s) on an exclusive or non-exclusive basis. The creator(s) must demonstrate technical and business capability to commercialize the intellectual property. The creator(s) may be required to assume the cost of statutory protection. Agreements with creators will be subject to review and approval of conflict of interest issues in accordance with applicable University procedures.

G. *University's Acceptance of Independently Owned Intellectual Property.* The University may accept assignment of intellectual property from other parties provided that such action is determined to be consistent with the public interest. Intellectual property so accepted shall be administered in a manner consistent with the administration of other University-owned intellectual property.

H. *Consulting Agreements.* Employees engaged in external consulting work or business are responsible for ensuring that agreements emanating from such work are not in conflict with University procedures or with the University's contractual commitments. Such employees should make their University obligations known to others with whom they make such agreements and should provide other parties to such agreements with a statement of applicable University procedures regarding ownership of intellectual property and related rights. Employees of the University have no authority to enter into agreements inconsistent with these procedures.

I. *Statement by Creators.* The creators of intellectual property owned by the University under the terms of these procedures may be required to state that to the best of their knowledge the intellectual property does not infringe on any existing patent, copyright or other legal rights of third parties; that if the work is not the original expression or creation of the creators, the necessary permission for use has been obtained from the owner; and that the work contains no libelous material nor material that invades the privacy of others.

J. *Administrative Responsibility.* The President has ultimate authority for the stewardship of intellectual property developed at the University. Primary responsibility is delegated through the President to the University Intellectual Property Committee for maintaining and reviewing operational guidelines and procedures for the administration of intellectual property, including but not limited to determination of ownership, assignment, protection, licensing, marketing, maintenance of records, oversight of revenue or equity collection and distribution, and approval of individual exceptions.

K. *Contractual Authority.* Licenses, options for licenses and other agreements related to commercialization or Exploitation of intellectual property will be granted in the name of the Board of Regents of Southeast Missouri State University.

L. *Administrative Guidelines and Procedures.* Guidelines and procedures for the administration of intellectual property shall be established by the President in consultation with the University Intellectual Property Committee.

M. *Preferential Treatment of Sponsors.* Sponsored project agreements shall provide that all intellectual property developed as a result of the sponsored project shall belong to the University unless otherwise specified in writing. The sponsor may receive an option to license such resulting intellectual property on terms to be negotiated, said option to be exercised within a specified period following the disclosure of the intellectual property. When the nature of the proposed project allows identification of a specific area of intellectual property or application which is of interest to the sponsor, the University may accept project agreements with terms which entitle the sponsor to specific commercial rights within the defined field of interest. Otherwise, the specific terms of licenses and rights to commercial development shall be based on negotiation between the sponsor and the University at the time of exercise of an option by the sponsor and shall depend on the nature of the intellectual property and its application, the relative contributions of the University and the sponsor to the work, and the conditions deemed most likely to advance the commercial development and acceptance of the intellectual property. In all cases where exclusive licensing is deemed appropriate, such license agreements shall require diligent commercial development of the intellectual property by the licensee. The University may also determine, on a case-by-case basis, that it is in the University's interest to assign ownership of resulting intellectual property to the sponsor as an exception to these procedures when circumstances warrant such action, in accordance with guidelines approved by the University Intellectual Property Committee.

N. *Summer Fellowships, Educational Leaves, and Sabbaticals.* Summer fellowships, educational leaves, and sabbaticals will be considered "University resources usually and customarily provided" when determining ownership and license rights in traditional creative and academic works.

SECTION 7. PROCEEDS DISTRIBUTION FOR UNIVERSITY-OWNED WORKS

A. *Proceeds*. For purposes of these procedures, "proceeds" shall refer to all revenue and/or equity, as defined below, received by the University from transfer, commercialization, or other exploitation of University-owned intellectual property.

1. *Revenue*. "Revenue" shall mean cash from payments including, but not limited to, royalties, option fees, license fees or from the sale of the University's equity interest.

2. *Equity*. "Equity" shall include, but not be limited to, stock, securities, stock options, warrants, buildings, real or personal property, or other non-cash consideration.

B. *Revenue Distribution*. When revenue is received by the University, all direct payments or obligations attributable to protecting (including defense against infringement or enforcement actions), marketing, licensing or administering the property may be deducted from such income. In some cases, a reasonable reserve for anticipated future expenses (beyond those described in Section 2.D.) will be withheld upon agreement between the University and the creators.

1. *Creator's Share*. The creator (or creator's heirs, successors, and assigns) normally shall receive fifty percent (50%) of net revenue. If there are joint creators, the net revenue shall be divided equally among them absent a mutual agreement to the contrary.

2. *University's Share*. The University normally shall receive fifty percent (50%) of net revenue.

C. *Equity Distribution*. In any instance wherein the University executes an agreement with a corporation or other business entity for purposes of exploiting intellectual property owned by the University and the University receives or is entitled to receive equity, such equity or the proceeds of the equity shall be shared among the creator(s) and the University in the same proportions as revenue distributions (except as specified in Section 7.D. below).

D. *Exceptions When the Creator(s) Have No Entitlement*. If the University accepts support in the form of a sponsored project agreement or unrestricted grant as part of the consideration in an intellectual property license in lieu of an option fee, license fee or royalty, the creator(s) shall have no entitlement to receive a share as personal income. For the subset of equity that is buildings, real or personal property, or other non-cash consideration, the creator(s) shall have no entitlement to receive a share as personal income.

E. *Special Distributions*. Special facts or circumstances may warrant a different distribution of proceeds than specified above, and such distributions will be determined on a case-by-case basis under the authority of the University Intellectual Property Committee.

F. *Revenue From Actions for Defense or Enforcement of Intellectual Property Rights*. When the University receives revenue from third parties that results from successful actions for the purpose of defending or enforcing the University's rights in its intellectual property, such revenue may first be used to reimburse the University (or the sponsor or licensee, if appropriate) for expenses incurred in such actions. The creator(s) and their originating unit(s) shall be entitled to recovery of lost royalties from the remaining net profit, in the same proportions as specified in Section 7.B. above.

SECTION 8. UNIVERSITY INVESTMENTS AND RECOVERY FOR CREATOR-OWNED WORKS

Remuneration of University investments in creator-owned (e.g., faculty created) intellectual property shall only be sought if the University's investment in the project / program exceeds that which is usually and customarily provided (excluding awards made under the Grants Research and Funding Committee).

A. *University Project Investment.* The process for seeking University investment shall be conducted on two cycles per year similar to the current Grants Research and Funding Committee and Funding for Results project funding programs.

1. When a University employee identifies a project with commercial potential in which he/she is interested in seeking University assistance, the employee will submit a two-page concept paper to his/her supervisor, generally either a Dean, Director, or Vice President. The concept paper shall include a proposed budget, timeline and release time that may be required to complete the project.
2. The recipient of the concept paper (Dean, Director or Vice President) will assess its viability and if the project appears feasible and reasonable, will forward a copy of it to the Provost/Vice President so he/she can be aware of any release time or staff leave time request that may be involved in the project. A second copy of the paper will be sent to the Chair of the University Intellectual Property Committee. If the Dean, Director or Vice President deems that the concept is not viable or feasible, he/she will return the concept paper to the originator with comments on the reasons it was not forwarded.
3. The Chair of the University Intellectual Property Committee, upon receiving the concept paper from the Dean, Director or Vice President, may take three possible actions. He/she may choose to return it to the Dean, Director or Vice President with comments, may choose to call a special meeting of the full committee, or hold the proposal until the next regular Committee meeting is scheduled.
4. If the Committee is mobilized, the Chair has the discretion to include ad hoc members that have expertise on the subject matter. The Committee may choose to return the paper to the Dean, Director or Vice President with comments or may recommend it for funding and forward it to the President.
5. The President will return the proposal to the University Intellectual Property Committee with his/her comments if he/she does not approve the proposal. If he/she approves the proposal and budget, he/she will notify the University Intellectual Property Committee and forward it to accounting to assign a project number. The University Intellectual Property Committee will inform all parties who have been part of the decision-making process of the approval.
6. After the project number is assigned, the creator may then begin accumulating costs under the project number up to the approved budget amount.

B. *Reimbursement of University Project Investment.* If the University investment is above those usually and customarily provided and the project generates revenue of any type from product sales, royalties, licensing fees, sale of property rights, or any other form of revenue, the creator will reimburse the University investment as described in the following procedures.

1. Any and all revenue will be directed to Southeast Missouri State University to reimburse all University costs associated with the project above those usually and customarily provided. This debt will be retired in full prior to any other assignment of the revenue.
2. After the debt is retired in full, revenues from the project will continue to be payable to Southeast Missouri State University. The University will allocate the remaining revenue as follows:
 - a. 50% of the remaining revenues will be payable to the creator,
 - b. 25% will be placed into the Southeast University Revolving Fund (SURF), and
 - c. 25% will be shared by the college (10%) and the department (15%).

C. *The Southeast University Revolving Fund.* The Southeast University Revolving Fund (SURF) will exist to make investments into applied research projects and cost-saving ventures. Operations of the SURF will be overseen by the University Intellectual Property Committee with fiduciary duties assigned to the Vice President for Finance and Administration.