

PATENT AND INVENTION POLICY

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

(Approved by Board of Trustees, April 19, 1984)
(Amended November 21, 1996, September 2, 2004)
(Approved by the UNC Office of the President September 16, 2005)

PART A - PREAMBLE, AUTHORITY, AND COVERAGE

I. Preamble

The University of North Carolina at Greensboro (hereinafter referred to as “UNCG”) is dedicated to its mission of instruction, research and service. It is the policy of UNCG that its faculty, staff and students carry out their scholarly work in an open and free atmosphere, and that consistent with applicable laws and policy, they publish the results of such work without restraint, limited only by a short time delay in cases in which it is necessary to prepare and file patent applications. Patentable inventions and other proprietary information may sometimes arise from the activities of UNCG faculty, staff and students using UNCG facilities, either wholly or in part. As a public service institution, UNCG has an interest in assuring the utilization of inventions and information for the public good. Protection must be provided for some of these inventions and proprietary information through patent applications and confidentiality to encourage their development and commercialization. Additionally, UNCG is committed to providing an environment that maximizes the creative potential of its faculty, staff and students. This UNCG Patent and Invention Policy (hereinafter referred to as this “Policy”) implements these principles and commitments.

II. Authority

The University of North Carolina Patent and Copyright Policy (hereinafter “UNC Policy”) was amended and approved by the Board of Governors of The University of North Carolina on February 9, 2001. The UNC Policy indicates that the chief executive officers of each institution are to take certain steps to implement the UNC Policy, including the adoption of an institutional policy that will comport with the terms of the UNC Policy. This Policy is issued pursuant to that directive and under the Chancellor's executive authority provided in G.S. 116-34. This Policy shall be administered in accordance with the UNC Policy.

III. Persons Covered

Compliance with the UNC Policy and this Policy is a condition of employment for all UNCG employees and a condition of enrollment for all UNCG students.

IV. Definition of Invention

For the sake of this Policy the term “Invention” shall mean any innovation, or process (way of doing or making things), device, contrivance, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plant, or any computer software originated from a discovery or finding resulting after study, research or experimentation, whether or not patentable under the law of any nation.

PART B – OWNERSHIP AND RESPONSIBILITIES

I. Ownership

1. As defined by the UNC Policy, to which this Policy is expressly subject, UNCG owns all inventions of UNCG employees and students that are conceived or first actually reduced to practice as a part of or as a result of UNCG research or other activities within the scope of the inventor's employment by UNCG and/or matriculation at UNCG, or activities involving the use of UNCG time, facilities, staff, materials, UNCG information not available in the public domain, or funds administered by UNCG.
2. UNCG employees and students whose inventions are made on their own time and without UNCG facilities, materials, or resources and which inventions are, therefore, their exclusive property as specified by this Policy, may avail themselves of the opportunity to submit the invention to UNCG for possible patenting and/or commercial exploitation and management under terms to be agreed upon between the inventor and UNCG.
3. The provisions of this Policy are subject to any applicable laws, regulations or specific provisions of the grants or contracts which govern rights in inventions made in connection with sponsored research.
4. Under the terms of certain contracts and agreements between UNCG and various agencies of government, private and public corporations, and private interests, UNCG may be required to negotiate agreements to provide the sponsor with intellectual property rights to UNCG inventions. UNCG retains the right to enter into such agreements whenever such action is considered to be both in its best interest and in the public interest. Ordinarily, UNCG will not agree to grant rights in future inventions to private corporations or businesses except as set forth in this Policy.

II. Responsibilities of UNCG Personnel.

1. In order to determine whether UNCG may have an interest in an invention, UNCG employees and students who, either alone or in association with others, make an invention at any time during the period of their employment at or enrollment in UNCG shall formally acknowledge such inventions in an invention disclosure form

provided for this purpose by the Office of Technology Transfer (refer to Appendix A). The Office of Technology Transfer will acknowledge, in writing, its receipt of the invention disclosure form to all inventors listed on the form. The Office of Technology Transfer will notify the inventors if there is a requirement for additional information concerning the invention either to complete the invention disclosure form or aid in the process of assessment and evaluation of the invention. If the inventor believes that the invention was made : (a) on his or her own time, (b) outside the scope of employment or matriculation at UNCG, and (c) without UNCG facilities, materials, or resources, the inventor may request a determination of ownership in accordance with Part D, II of this policy

2. When faculty or staff members make an invention, it is their responsibility to discuss the invention with their department head, at which time disclosure of the invention should be considered. Students will first discuss an invention with their advisor, who will assist them in further discussion within UNCG. The Office of Technology Transfer will answer questions and assist faculty, staff and students in the preparation of invention disclosure forms. If an employee or student of UNCG makes an invention through collaboration with other parties outside of UNCG, that employee or student will promptly disclose the invention to UNCG in accordance with this Policy.
3. As to any invention in which UNCG has an interest, the inventor, upon request, shall execute promptly all contracts, assignments, waivers or other legal documents necessary to vest in UNCG or its assignees any or all rights to the invention, including complete assignment of any patents or patent applications relating to the invention.
4. UNCG employees and students may not: (a) sign intellectual property rights agreements with outside persons or organizations which may abrogate UNCG's rights and interests as stated in this Policy or as provided in any grant or contract funding the invention, nor (b) without prior authorization use the name of UNCG or any of its units in connection with any invention in which UNCG has a right or interest.

PART C – PUBLICATION AND PUBLIC USE

1. It is UNCG's policy that results of employee and student research should be published or juried in scholarly form. Though this Policy does not limit the right to publish, except for short periods of time necessary to protect patent rights, publication or public use of an invention constitutes a statutory bar to the granting of a United States patent for the invention unless a patent application is filed within one (1) year of the date of such publication or public use. Publication or public use also can be an immediate bar to patentability in most foreign countries.
2. In order to preserve rights to unpatented inventions, it is the responsibility of the inventor, or of his or her supervisor if the inventor is not available to make such report, to report immediately to the Office of Technology Transfer any publication,

submissions of manuscript for publication, sale, public use, or plans for sale or public use, of an invention, if an invention disclosure form has previously been filed. If an invention is disclosed to any person who is not employed by UNCG or working in cooperation with UNCG upon that invention, a record shall be kept of the date and extent of the disclosure, the name and address of the person to whom the disclosure was made, and the purpose of the disclosure.

3. Upon submission of an invention disclosure form to the Office of Technology Transfer, the inventor shall notify the Office of Technology Transfer of any acceptance for publication of any manuscript describing the invention or of any sale or public use made or planned by the inventor.

PART D – ADMINISTRATION AND REQUESTS FOR WAIVER

I. Administration

1. Upon receiving a completed invention disclosure form, the Office of Technology Transfer will begin assessing the patentability and market potential for the invention. This process will require the cooperation of the inventor(s). The Office of Technology Transfer will notify the inventor(s) in no more than one hundred eighty (180) days from the date of receipt of the complete invention disclosure form whether UNCG intends to pursue commercialization of the invention. Should UNCG decide not to pursue commercialization of the invention, the inventor(s) may petition UNCG to release the invention. This process is specified in Part D, Section II.2 of this Policy.
2. The Chancellor shall appoint a standing committee, the UNCG Patent and Commercialization Committee, consisting of no more than ten (10) or no less than five (5) members, including the Director of the Office of Technology Transfer as a permanent member. All other committee members shall be appointed to staggered terms of three (3) years in length. The majority of the committee members shall be employees of UNCG. The committee shall meet on a regular basis to review and recommend to the Office of Technology Transfer changes in this Policy, advise upon appropriate disposition of UNCG inventions, resolve any appeal or questions of invention ownership, and make such recommendations as are deemed appropriate to encourage innovation at UNCG and assure prompt and effective handling, evaluation, and prosecution of invention opportunities and to protect the interests of UNCG and the public.
3. Upon completion of the first level of assessment of the invention, the Office of Technology Transfer shall provide its recommendations for the invention to the UNCG Patent and Commercialization Committee at its next meeting. The UNCG Patent and Commercialization Committee will review each written disclosure promptly. The inventor or his or her representative shall be allowed to examine all

written materials submitted to the UNCG Patent and Commercialization Committee in connection with his or her disclosure and to make a written and, where practicable, oral presentation to the UNCG Patent and Commercialization Committee. The UNCG Patent and Commercialization Committee will decide on the proper disposition of the invention to secure the interests of UNCG, the inventor, the sponsor if any, and the public. Its decision may include, but is not limited to, one or a combination of the following:

- (1) To submit the disclosure for review by a patent or invention management firm;
- (2) To make inquiries of potential licensees that may have an interest in the invention, including the financing of a patent application, where applicable;
- (3) To study the feasibility of applying for a patent with UNCG resources (an option with limited application because of financial constraints);
- (4) To acknowledge receipt of the disclosure but take no further action pending the results of further experimentation or other work deemed necessary in order to determine the proper course of action regarding commercialization; and
- (5) In proper cases, to release its rights to the inventor subject to an agreement to protect the interests of UNCG, the sponsor if any, and the public, including an obligation to pay to UNCG a percentage of future royalties.

The inventor will be notified, in writing, of the decision of the UNCG Patent and Commercialization Committee on whether UNCG will accept the invention for patenting, licensing and/or commercial handling as applicable. If UNCG chooses neither to file a patent application or otherwise make available commercially nor to dedicate to the public an invention in which it asserts its rights, the invention at the UNCG Patent and Commercialization Committee's discretion may be released, in writing, to the inventor, with the permission of the sponsor, if any. If, after UNCG has filed a patent application, it decides to abandon the patent application, the inventor will be notified, in writing, and all rights to the corresponding invention may be released by UNCG in a written agreement to the inventor subject to terms specified in Part D, Section II, subsection 2 of the Policy, and subject to the written permission of the sponsor, if any.

4. Notwithstanding the foregoing, in cases requiring immediate decisions concerning the filing of patent applications necessary to preserve patent rights for UNCG as a result of statutory bars of patent law, the Director of the Office of Technology Transfer may authorize the immediate filing of patent applications as deemed necessary by the staff of the Office of Technology Transfer and subject to the availability of funds. The Director of the Office of Technology Transfer will report any such authorization to file patent applications at the next scheduled meeting of the UNCG Patent and Commercialization Committee.

II. Inventor Requests for Waiver of UNCG Rights.

1. If the inventor believes that the invention was made: (a) on his or her own time, (b) outside the scope of employment or matriculation at UNCG, and (c) without UNCG facilities, materials, or resources and if the inventor does not choose to assign the rights in the invention to UNCG, the inventor shall, in the invention disclosure process, request that the Office of Technology Transfer examine the respective rights of UNCG and the inventor to the invention. The following points shall be included in the acknowledgement information:
 - a. The circumstances under which the invention was made and developed;
 - b. The employee's or student's duties and responsibilities at UNCG at the time of the making of the invention;
 - c. Whether the employee or student requests a waiver or release of any UNCG claims or acknowledgement that UNCG has no claim;
 - d. Whether the employee or student wishes a patent application to be prosecuted by UNCG, if it should be determined that an assignment of the invention to UNCG is not required under this Policy; and
 - e. The extent to which the employee or student would be willing to voluntarily assign domestic and foreign rights of the invention to UNCG if it should be determined that an assignment of the invention to UNCG is not required under this Policy.

The Office of Technology Transfer shall decide under the terms of this Policy whether UNCG has ownership of such invention. The inventor shall be notified, in writing, of the decision of the Office of Technology Transfer. If unsatisfied with the decision of the Office of Technology Transfer, the inventor may petition the UNCG Patent and Commercialization Committee, in writing, to review such decision. At its next meeting, the UNCG Patent and Commercialization Committee shall hear the inventor's appeal of the decision and make a final ruling on the ownership of the invention.

2. If UNCG decides not to pursue commercialization of any invention disclosed by a UNCG inventor, the inventor may petition the UNCG Patent and Commercialization Committee, in writing, to release the rights of the invention to the inventor. If there are no obligations to any other third party, including but not limited to sponsors or government agencies, UNCG, at the UNCG Patent and Commercialization Committee's sole discretion, may release the invention to the inventor, provided, however, that, as a condition of such release of rights, UNCG shall be entitled to ten

percent (10%) of all future revenues or other monetary or financial considerations resulting from the invention.

3. In those cases in which the University has obtained a patent without obligation to sponsors, if no arrangement has been made for commercial development within a reasonable period from the date of the issuance of the patent, the inventor(s) may request in writing a release of UNCG's patent rights. The UNCG Patent and Commercialization Committee will either grant the request or will advise the inventor of UNCG's plans for the development of the invention. In cases where such patent rights are released, the inventor(s) will be required to reimburse UNCG for all out of pocket costs of obtaining such patent rights.

PART E – REVENUE SHARING AND EQUITY

I. Revenue Sharing

1. UNCG shall share revenue it receives from patents or inventions with the inventors. In some cases, specific provisions of grants or contracts may govern rights and revenue distribution regarding inventions made in connection with sponsored research; consequently, revenues UNCG receives from such inventions may be exclusive of payments of royalty shares to sponsors or contractors. Moreover, UNCG expects to contract with outside persons or organizations for the obtaining, managing, and defending of patents, and any royalty shares of expenses contractually committed to such persons or organizations may be deducted before revenues accrue to UNCG.
2. The revenues (less any financial obligations as specified in the preceding paragraph) which UNCG receives from a patent or invention will be applied first to reimburse UNCG for any expenses incurred by it in obtaining, maintaining or defending patents and/or in marketing or licensing such inventions. After deductions from received revenues for such expenses, the inventor's share of received revenues by UNCG shall normally be as follows:

Net Revenue (Total net revenues received over the life of invention)	Inventor(s)	Dept.	School or College	UNCG
First \$500,000	50%	15%	10%	25%
\$500,001 - \$1,000,000	50%	10%	5%	35%
Above \$1,000,000	50%	-	-	50%

3. However, notwithstanding the preceding, in no event shall the share payable to the inventor or inventors in the aggregate by UNCG be less than fifteen percent (15%) of gross royalties received by UNCG.
4. In the case of an invention with more than one (1) inventor, each such inventor's share of the revenues shall be agreed to, in advance and in writing, by all such inventors on the invention disclosure form. Should the inventors fail to agree to the amount of each inventor's share of the revenues, UNCG Patent and Commercialization Committee, in its sole discretion, shall determine the share of each inventor.
5. In the case of an invention with more than one (1) inventor, some of which are not UNCG employees or students, in order for such inventors to have a right to share in the revenues received by UNCG for such invention as specified under this Policy, such inventors must assign all of their rights of ownership of such invention to UNCG in writing.
6. An inventor's rights to receive his/her share of revenues received by UNCG for any given invention or patent as specified under this Policy, do not depend on the inventor's continued employment or matriculation at UNCG.
7. Notwithstanding the preceding, any invention discovered in the process of a work-for-hire endeavor by an employee or student of UNCG shall not be eligible for sharing of any revenues under Part E of this Policy. However, at the sole discretion of the Provost, a sharing of revenues may be approved for any person deemed to have been an inventor of such invention. The term "work-for-hire" means (a) a work prepared by a non-faculty employee or student employee of UNCG that is within the scope of his or her employment; or (b) a work specially ordered or commissioned by an independent contractor or UNCG.
8. To the extent practicable and consistent with state and UNCG budget policies, the remaining revenue received by UNCG on account of an invention will be dedicated to support the research purposes at UNCG.

II. Equity

1. UNCG may accept equity in a company as partial consideration for licensing a UNCG invention in appropriate circumstances on recommendation of the Office of Technology Transfer and with the approval of the Provost.
2. UNCG acceptance of equity in consideration of licensing a UNCG invention shall be based upon the principles of openness, objectivity and fairness in decision-making, preeminence of the education, research, and public service missions of UNCG over financial or individual personal gain.
3. The terms of any equity-based licensing transaction, with exception of the form of considerations, shall be consistent with UNCG transactions for comparable technologies.

4. Where there is a proposal for UNCG to accept equity in a company as consideration for licensing an invention, the Office of Technology Transfer, taking into account any legal restrictions and after considering the wishes of each inventor involved, shall arrange for the inventor(s) to receive his or her share of equity directly from the company upon execution of the relevant agreement, including provisions relating to restrictions, if any, on transfer or disposition of inventor(s) equity. The UNCG Patent and Commercialization Committee shall determine the inventor(s)' share according to this Policy as if it were revenues received from the licensing of the invention.
5. Notwithstanding the above, any individual who is a Founder of a company providing equity to UNCG as consideration for licensing a UNCG invention in which that individual is an inventor shall not be eligible to be a recipient of equity or the proceeds of equity accepted on behalf of UNCG for the license if the capital value of the company at that time exceeds Five Million U.S. Dollars (\$5,000,000) at the time UNCG accepts its share of the equity. For the purposes of this Policy, a "Founder" shall be any person who has received, receives or is likely to receive a substantial economic benefit as a result of acting as a founder, originator, or promoter of a company.

PART F – INVENTIONS SUBJECT TO BOTH COPYRIGHT AND PATENT PROTECTION

Notwithstanding the provisions of the UNCG Copyright Ownership and Use Policy, in such cases where an invention is subject to protection under both patent law and copyright law, if UNCG through the Office of Technology Transfer, decides to retain title to the patent rights of such invention, the inventor/creator shall assign copyright to UNCG. On commercialization of such works, the inventor/creator shall be compensated in accordance with the provisions of this Policy and such procedures as may be developed hereunder.