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APPENDIX A. State Oath of Allegiance and Patent Agreement (including University of California Patent Policy)

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I. REFERENCES

- A. Regental Standing Order 100.4 (gg): Duties of the President of the University.
- B. Regental Standing Order 103.1 (a)(b): Service Obligations.
- C. University Regulation Series No. 4 - Special Services to Individuals and Organizations, June 23, 1958.
- D. Office of the President Administrative Statement - Patent Agreements and Non-University Compensated Users of Computer Facilities Within the University, October 13, 1964.
- E. Office of the President Administrative Statement - Summer and Incidental Employment of Faculty and Staff Members, June 20, 1966.
- F. Office of the President Administrative Statement - Reimbursement of the University for Costs Incurred in Faculty Conduct of Consulting or Private Practice Activities, July 14, 1967.
- G. Regental Action - Schedule of Support and Patent Privileges, February 21, 1968.
- H. Contract and Grant Manual, Chapter 1, 1-410 and 1-420: Restrictions on Rights to Publish or Disseminate Information Resulting From Work Under Sponsored Projects.
- I. Office of the President Administrative Statement - Patent Obligations to Sponsors of Research, August 5, 1971.
- J. Presidential Administrative Statement - Reporting of Inventions to the Board of Patents [now Office of Technology Transfer or Appropriate Licensing Office], July 13, 1973.
- K. Presidential Administrative Statement - Patent Agreement Requirements--Graduate Students (includes 11/15/63 Regents' Action concerning Patent Agreements and Certain Exemptions), January 14, 1976.
- L. Presidential Administrative Statement - Patent Policy; Non-Compensated Researchers, Visiting Scholars, July 14, 1976.
- M. Academic Personnel Manual, Section 025 - Policy on Outside Professional (Consulting) Activities of Faculty Members.
- N. University of California Patent Policy (as amended April 16, 1990).

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- O. Guidelines on University-Industry Relations, May 17, 1979.
- P. University Policy on Integrity in Research, June 19, 1990.
- Q. Redelelegation to Associate Vice President Pastrone from Senior Vice President Administration Brady: Execution of Documents for Administration of University Patent and Other Intellectual Property Matters, April 23, 1985.
- R. Delegation of authority (0957), to Chancellors from President Gardner: Authority to Solicit and Except or Execute Certain Extramural Grants and Contracts , March 29, 1988.
- S. Delegation of authority (0966), to Senior Vice President Administration Brady from President Gardner: Execution of Documents for Administration of University Patent and Other Intellectual Property Matters, June 15, 1988.
- T. Redelelegation to Director Wootten from Associate Vice President Pastrone: Execution of Documents for Administration of University Patent and Other Intellectual Property Matters, November 14, 1990.
- U. Academic Personnel Manual, Sections 660-667: Additional Compensation.
- V. Contract and Grant Manual, Chapter 1, Sections 1-410 and 1-420.
- W. Contract and Grant Manual, Chapter 11: Intellectual Property and Related Matters.
- X. Reassignment of Responsibility for Administration of University Patent and Other Intellectual Property Matters, to the Director, Lawrence Berkeley Laboratory, from Senior Vice President Brady, effective 9/18/87.
- Y. Reassignment of Responsibility for Administration of University Patent and Other Intellectual Property Matters, to the Director, Lawrence Livermore National Laboratory, from Senior Vice President Brady, effective 9/18/87.
- Z. Reassignment of Responsibility for Administration of University Patent and Other Intellectual Property Matters, to the Director, Los Alamos National Scientific Laboratory, from Senior Vice President Brady, effective 9/18/87.
- AA. Reassignment of Responsibility for Administration of University Patent and Other Intellectual Property Matters, to the Chancellor, Los Angeles Campus, from Sr. Vice President of Administration effective 01/01/90.
- BB. Reassignment of Responsibility for Administration of University Patent and other Intellectual Property Matters, to the Chancellor, Berkeley Campus, from Sr. Vice

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President of Administration effective 01/01/90.

CC. California Fair Political-Practices (Fair Political Practices Commission, West's Government Code sec. 83, 101-83,123).

## II. INTRODUCTION

Business and Finance Bulletin G-40 sets forth the administrative procedures implementing the University of California Patent Policy of November 18, 1985 as amended April 16, 1990.

Within a major research university, innovative research results often give rise to patentable inventions, even though the research is conducted for the purpose of gaining new knowledge. The University's patent program provides a comprehensive system for determining the rights and responsibilities associated with patentable inventions arising from University research and for administering these rights.

Technology transfer is an important part of the public service mission of the University, and is encouraged and legislated by both Federal and State laws and initiatives. The patent program is administered for the benefit of the inventors, the University and the public. The procedures used in carrying out the program are guided by University of California Presidential policy and are implemented so as to maximize the transfer of technology for the public benefit. In order for the program to be successful, close coordination between the University inventors and the various offices established to assist in technology transfer is required. The procedures outlined herein are issued to assist in this coordination.

## III. SCOPE

The policies and procedures described in this Bulletin apply to the Office of the President, the campuses, the Department of Energy (DOE) Laboratories, and all other University facilities. The DOE Laboratories participate in the patent program to the extent that the University's patent procedures do not conflict with contractual obligations with the Department of Energy or applicable law. This Bulletin does not include policies and procedures on copyrights, trademarks, or tangible research property.

## IV. DEFINITIONS

Appropriate Licensing Office (ALO) -

Licensing Office: The Office of Technology Transfer or the office of those campuses and Laboratories that have been delegated patent and licensing authority.

Assignment: A transfer by the owner of rights in an invention to another party.

Disclosure: The communication to the University by an inventor or another of a potentially

**Commented [FL1]:** The points in this Introduction are covered in the University Licensing Guidelines (<https://researchmemosapi.ucop.edu/index.php/site/document?memo=U1BBQy0xMi0wMg==&doc=91>). Here is the opening paragraph: "The purpose of licensing University intellectual property (IP) rights and materials is to encourage the practical application of the results of University research by industry for the broad public benefit; meet our obligations to sponsors of University research; build research relationships with industry partners to enhance the research and educational experience of researchers and students; stimulate commercial uptake and investment; stimulate economic development; and ensure an appropriate return of taxpayer investments in University research. Financial returns from technology licensing provide additional support for research and education, an incentive for faculty retention, and support of the University technology transfer program. Technology Managers (TM) within University authorized licensing offices (ALO) are charged to pursue these objectives in licensing University IP. In carrying out their duties, TMs are called upon to make complex licensing decisions based upon a multiplicity of facts and circumstances and by applying their professional experience, in consideration of the following guidelines."

**Commented [FL2]:** The scope section is only necessary if G-40 is revised, and can be deleted if G-40 is rescinded.

**Commented [FL3]:** Many of these definitions are unnecessary or outdated. The pertinent definitions have been updated and are in the Policy.

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patentable invention in sufficient detail for the recipient to understand and use the invention.

**Invention:**A new and useful process, machine, or composition of matter, including any new variety of asexually propagated plant, or any new or useful improvement thereof.

**Laboratories:**The three major University Laboratories which are funded primarily by the U.S. Department of Energy--Lawrence Berkeley Laboratory, Lawrence Livermore National Laboratory, and Los Alamos National Scientific Laboratory.

**Option Agreement:**An agreement which holds open a right to do or elect to do certain acts. In the ALO, the agreement is used to extend the term of election of a right to negotiate a license.

**Office of Tech-Office of Technology Transfer (OTT) - Within the Office of the  
nology Transfer:** President, the Universitywide office responsible for the operation, management and performance of the patent program.

**Patent:**A property right to an invention granted by the government to an inventor conferring the right to exclude others from manufacturing, using or selling the inventions defined by the claims in the printed patent.

**Patent Application:** A document filed with a government comprising a written description of an invention and the process and manner of using it.

**Patent Coordinators:** The person on each campus assigned to assist the faculty in interactions with the ALO.

**Patent License:**A contract in which a patent owner grants to another party an exclusive or a non-exclusive right to make, use and/or sell the patent owner's invention covered by the patent with a defense against infringement based on the licensed patent.

**Royalty:**Consideration paid by a licensee to licensor for the right to make, use or sell an invention.

**Secrecy Agreement:**A contract that requires someone to hold specified information in confidence and not disclose it to others, most often for the purpose of protecting patent rights through what might otherwise be a public disclosure. Often includes a "non-use" statement.

**Shop Right:**The employer's right to use employees' inventions in the employer's business. Specifically, the University's right to use certain employee inventions for noncommercial purposes, without payment of a royalty.

**Sponsor:** An extramural provider of research funds or other support.

Technology Liaison Office (TLO) to OTT for faculty interaction, disclosure processing and, in some cases, licensing. The office established on a campus that serves as an assistance

Technology Transfer Advisory Committee (TTAC): considerations to the appropriate Senior Vice President. The University's Technology Transfer Advisory Committee that recommends operational and intellectual property policy

## V. UNIVERSITY OF CALIFORNIA PATENT POLICY

The major objectives of the patent program are to promote the progress of science and technology, to assure that inventions are made available to the public, and to provide appropriate royalty revenues to the University and to inventors.

These objectives form the basis for the University of California Patent Policy, the full text of which appears as part of Appendix A. Briefly summarized, the Policy provides that the University retains all patent rights to inventions resulting from University research or employment. University employees and those using University facilities or funds under the control of the University agree to promptly disclose the conception or development of potentially patentable inventions to the University and to assign all rights to all such inventions and patents conceived or developed in the course and scope of their University employment or through use of University facilities or funds under the control of the University. Royalty income is shared between inventors and the University.

**Commented [FL4]:** This is covered in the University Licensing Guidelines <https://researchmemosapi.ucop.edu/index.php/site/document?memo=U1BBQy0xMi0wMg==&doc=91>

## VI. ADMINISTRATION

The patent program is administered by the Office of the President and by the Appropriate Licensing Office on those campuses and Laboratories that have been delegated patent licensing authority.

**Commented [FL5]:** This is a summary of the Patent Policy.

### A. University Patent Agreement

An agreement to assign inventions and patents to the University, except those resulting from permissible consulting activities without use of University facilities, is mandatory for University employees, for persons not employed by the University but who use University research facilities, and for those who receive gift, grant, or contract funds through the University. Persons signing the Patent Agreement agree to disclose promptly all potentially patentable inventions to the University. The University of California Patent Agreement is included in Appendix A.

**Commented [FL6]:** The new Policy clarifies that patenting and commercialization decisions will be made locally, and not at the Office of the President.

#### 1. Students

Students generally are not required to sign the Patent Agreement. However, graduate and

**Commented [FL7]:** This requirement is already stated in the Policy.

undergraduate students are required to sign the Patent Agreement if they are also University employees or if they participate in an extramurally funded research project (see: Administrative Statement dated 1/14/76, President Saxon to Chancellors, Laboratory Directors: "Patent Agreement Requirements-Graduate Students" (includes 11/15/63 Regents' Action concerning "Patent Agreements and Certain Exemptions")). Graduate students who conduct research funded by outside sponsors must sign the University's Patent Agreement, and they must be fully apprised of their specific commitments to the University and to the sponsor of the research. There are certain situations where students, particularly graduate students, may be actually employed in private industry and their education subsidized by their employer. In these circumstances, the students often retain their employee status with their industrial employer and remain bound by their employers' patent agreements. In no circumstances should such students be permitted to participate in research projects funded by outside sponsors unless those students have signed the University Patent Agreement and unless these students have assured their respective Deans or department heads that they have no overriding patent obligations to an outside employer.

## 2. Consulting/Outside Employment

University employees who engage in consulting, or in summer or incidental employment, outside the University are advised to consider any proposed agreements carefully to insure that no conflict exists with the University's Patent Agreement. (See: 6/20/66 Official Statement - Cunningham - "Summer and Incidental Employment of Faculty and Staff Members"). Employment agreements used by commercial firms normally contain language which places severe restrictions on the individual where matters of publication or inventions are concerned, and these restrictions frequently extend to post-employment obligations. Many of these agreements are not enforceable if the University employee has already signed the University Patent Agreement and can be the source of significant legal problems. It is recommended that the contents of proposed employment agreements be carefully studied by the employee, that the outside employer be informed of the employee's obligations to the University, and that any agreement concerning patent or invention rights contain the phrase "subject to prior obligations to the University of California."

## 3. Visiting Scientists

Visiting scientists who are not employed by the University but who visit the University and use University funds and facilities are required to sign the University Patent Agreement. This is a particular concern if such a visitor participates in an extramurally funded research project. The main purpose of this requirement is to prevent a conflict with obligations under sponsored research agreements and to prevent outside organizations from reaping the benefits from work that was performed at or paid for by the University.

## 4. Exemptions

**Commented [FL8]:** Would like to move this to FAQ 18. See attached draft FAQs and the existing FAQs at:

<https://www.ucop.edu/research-policy-analysis-coordination/policies-guidance/intellectual-property/patent-policy-faqs.html>

**Commented [FL9]:** More recent and comprehensive information on consulting is available at:

<https://www.ucop.edu/research-policy-analysis-coordination/files/Consulting-Industry-White-Paper-2003.pdf>. Existing FAQ 11 also answers the common question of whether the University owns IP resulting from permissible consulting activities.

**Commented [FL10]:** FAQ12 clarifies that UC owns IP created by visiting researchers and states that UC locations can authorize exceptions.

<https://www.ucop.edu/research-policy-analysis-coordination/policies-guidance/intellectual-property/patent-policy-faqs.html>

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Four categories of individuals are exempt from signing the University's Patent Agreement subject to the condition that the individual does not use University research facilities or contract, grant, or gift funds obtained through the University. (See: 7/14/76 Administrative Statement, President Saxon to Chancellors, Laboratory Directors, "Patent Policy; Non-Compensated Researchers, Visiting Scholars"). The exempt categories are:

a.military personnel on assignment at the University but who are not compensated by the University;

b.teachers and lecturers of University Extension, and teachers and lecturers of regular University curricula (including visiting scholars) on special short-term assignments of one year's duration or less;

c.lecturers making one-time appearances or series appearances; and

d.clinical appointees who are not compensated by the University.

Exemptions which fall into the four categories noted above may be authorized by the head of the employing department and must be documented in the exempted individual's personnel file. A copy of an appropriate exemption document is included as Appendix B.

Exemptions other than the four categorical exemptions described above may be authorized pursuant to the Patent Policy, Section II. A. in those circumstances when the mission of the University is better served by such action, provided that overriding obligations to other parties can be met, and provided such exemptions are consistent with other University policies. Campus personnel have not been delegated authority for approving exemptions to the requirement for signing the Patent Agreement, except for the exemption categories 1. through 4. specified above. Requests for such exemptions should be referred to the OTT Campus Liaison Group for review by OTT and approval by the President or his/her delegatee. All approved exemptions will be reported by the Director, OTT to the TTAC, as requested.

The approved use of University owned computer facilities by non-University personnel is not considered a use of University research facilities and such users are not required to sign the University's Patent Agreement unless there are overriding patent obligations to outside sponsors. (See: 10/13/64 Administrative Statement, Owens to Chief Campus Officers: ("Patent Agreements and Non-University Compensated Users of Computer Facilities within the University."))

#### B.Patent Clauses in Contract and Grant Agreements

Contract and grant agreements with sponsors supporting University research projects or transferring materials for research purposes often contain patent provisions. Those provisions establish the rights of the various parties interested in potentially patentable inventions. The

**Commented [FL11]:** UC locations can authorize Policy exemptions and have more flexibility than prescribed here. This baseline list of exemptions should still be useful for UC locations, and we propose putting this information into a guidance document on Policy Exemptions.



existing patent obligations of all parties concerned need to be fully understood so as to avoid conflicting obligations in proposed new agreements. (See: 8/5/71 Administrative Statement, Owens to Chancellors: "Patent Obligations to Sponsors of Research.") Therefore, early consideration of patent rights during negotiations with research sponsors is an important element of the patent program. The level of sponsor support determines the extent of patent rights available to the sponsor. In order to obtain a first right of negotiation to an exclusive license, an industrial funding sponsor must fund all the costs of the University research, including overhead costs and a pro-rata share of the principal investigator's salary. The Summary of Sponsor Patent Rights Applicable to Funding Agreements with Industrial (For-Profit) Sponsors of Research is included as Appendix C. A deviation from this Presidentially-issued administrative statement can be made only by the President or his/her delegatee.

**Commented [FL12]:** This background is laid out in Contracts and Grants Manual Chapter 11.

**Commented [FL13]:** The Summary of Sponsor Patent Rights has been rescinded.

**Commented [FL14]:** UC Locations can approve deviations as of July 1, 2024.

In the negotiation of intellectual property clauses in contracts and grants, Contract and Grant Officers are guided by operational guidance issued by OTT, including the Contract and Grant Manual, Chapter 11. Chapter 11 contains guidelines and model clauses which have been approved by the OTT. A deviation from Chapter 11 guidelines and from other OTT-issued guidance requires the approval of the Director of OTT or his/her delegatee. OTT Campus Liaison Group will assist Contract and Grant Officers and/or Patent Coordinators in accordance with any OTT/campus Memoranda of Understanding in the negotiation of modifications to standard intellectual property clauses with sponsors and in requesting exceptions to OTT-issued guidelines.

It is important to note that neither the delegation of patent and licensing functions to appropriate campuses nor the delegation of contract and grant authority includes the function or authority of approval of patent clauses that fail to conform to OTT-issued guidelines. (See: Letter of September 11, 1989, Sr. Vice President R. Brady to Chancellor Ira Heyman "Reassignment of Patent and Licensing Responsibilities;" Letter of April 17, 1989 Sr. Vice President R. Brady to Chancellor C. Young, "Reassignment of Patent and Licensing Responsibilities;" and Letter of March 29, 1988, President to Chancellors "Authority to Solicit and Accept or Execute Certain Extramural Grants and Contracts.")

In cases where campus personnel and OTT cannot reach agreement on an acceptable patent clause, a Chancellor, Laboratory Director, or Vice President may request review by the Senior Vice President--Administration. Such requests for review may take the form of a letter signed by the Chancellor, Laboratory Director, or Vice President.

**Commented [FL15]:** UC Locations can continue to use Contract and Grant Manual Chapter 11 as guidance, but the remainder of this section is outdated because the decision making will be local (not UCOP where OTT resided).

**Commented [FL16]:** Already covered in FAQ 10.

### C. Reporting of Inventions

Individuals signing the Patent Agreement must disclose all potentially patentable inventions whether or not the invention was developed as part of, or outside of any University duties or use of University facilities. Rights to non-University inventions would be returned to the appropriate party(s) per Section VI.F. of this Bulletin. The ability of the University to meet its obligation to research sponsors and to transfer the results of research to the public through the

**Commented [FL17]:** Under the updated Policy, UC does not own inventions that are not University IP (as defined in the Policy). There is a disclosure requirement but there is no "return" because UC cannot give back an item that UC doesn't own. Comment in section VI.F is related.

patent and licensing process depends on early reporting of potentially patentable inventions to the University. Potentially patentable inventions include any new or useful process, device or apparatus, article of manufacture, composition of matter (including chemical compounds, microorganisms, and the like), asexually propagated plant, or related improvement to any of the foregoing, or a new use for a known material or device. Such inventions are reported on the University's Record of Invention Form which is submitted by the inventor either to the ALO, or to the Technology Liaison Officer (TLO) or the Patent Coordinator (PC), as appropriate. The TLO or PC checks the Record of Invention, for completeness and forwards it to OTT for action. The Record of Invention Form provides some of the information necessary for the University to evaluate patentability, inventorship, assignment obligations, the desirability of obtaining patent coverage, and patent obligations to research sponsors. A copy of the Record of Invention Form used by the OTT is included as Appendix D. The information reported in the Record of Invention is confidential and should be kept confidential by the inventor. If details of an invention are to be communicated, it should be accomplished under Secrecy Agreement procedures established by the ALO.

**Commented [FL18]:** The disclosure requirement is already stated in full in the Policy.

Carefully kept records can be very useful in determining patent rights because similar inventions by others may occur at about the same time. Therefore, documentation of research data as they are being compiled and analyzed is encouraged. Suggestions for Invention Record Keeping are included as Appendix E.

**Commented [FL19]:** These are operational details that do not need to be prescribed at the systemwide level.

The administration of the patent program is conducted so as not to delay the prompt publication of research results through normal academic channels. However, the timing of communications to the academic community or public can be a factor in the determination of patent rights. Prompt disclosure of an invention to the University allows the University and the inventor to plan the further communications regarding the invention so that U.S. and foreign patent rights will not be lost.

**Commented [FL20]:** A reminder about good recordkeeping practices seems better suited for a Faculty/Researcher handbook.

United States patent law allows for the filing of a patent application within a one year grace period after the first "publication," the definition of which is highly technical under U.S. and foreign patent laws. Any one of the many and various forms of academic communications or public use may well establish the date from which the one-year filing period is measured. Public disclosure of an invention before filing a U.S. patent application will preclude patent rights in nearly all foreign countries.

**Commented [FL21]:** This is educational content about patent laws and filing.

The ALO reviews all new invention disclosures for patent obligations owed to sponsors of research. The ALO takes appropriate action reporting such obligations to the sponsor as required. Inventors are not required, and should not, report inventions directly to sponsors. Consultation and advice on these highly technical matters are available from the TLO's, PC's and professional staff in the ALO.

**Commented [FL22]:** Move to FAQ 19.

#### D. Evaluation of Inventions

A preliminary evaluation of the Record of Invention is made by professional staff in the ALO. Factors such as patentability, benefit to the public, commercial potential, and patent rights of outside parties are considered in selecting cases to pursue further. The cost of patent prosecution, which can be many thousands of dollars, and any impending publication bar date are also considered. Complicated cases may take several months to review and analyze, and inventors are urged to keep the ALO professional assigned to the invention apprised of any action they are contemplating, especially any public disclosures that might affect rights in the invention. The ALO's preliminary evaluation normally takes about 30 days.

If evaluation by the ALO determines that a case qualifies for further consideration, marketing of the invention to find a qualified licensee is started. The goals of marketing are to access commercial interest in the invention and to find qualified licensee(s). When sufficient information on the patentability and the commercial viability has been gathered and at a time determined by the ALO, the case may be referred to a patent attorney, who upon express authorization and instructions may (1) conduct a prior art search in the United States Patent and Trademark Office, (2) render a preliminary opinion on patentability, or (3) file a patent application. The attorney's opinion is normally issued within 60 to 120 days.

#### E. Filing of Patent Applications

If it is decided to proceed with filing a patent application, the ALO authorizes and coordinates the process, and a patent attorney is engaged to draft the patent application. In doing so, the inventor works closely with the attorney to complete the application. The completed patent application is submitted in the inventor's name to the United States Patent and Trademark Office. At the time of filing of the application, the inventor executes legal documents assigning the patent to the University pursuant to the inventor's Patent Agreement.

Once an application is filed, the patent process is a negotiation with the patent examiner in the United States Patent and Trademark Office. Normally a series of communications is required. During this phase, the patent attorney, the ALO, and the inventor work together to respond to the examiner's requests (called "Office Actions") and to seek the broadest possible protection for the invention. In general, about a year elapses before the first substantive action is taken by the examiner on the newly filed patent application. The whole process normally takes at least two years. Most applications filed by the University result in an issued patent.

Procedures for filing applications in foreign countries vary, and are very costly. The ALO files foreign patent applications only when the cost is likely to be recovered from a licensee. If a publication has been made after a U.S. patent application filing, a preliminary foreign filing date must be made within one year of the U.S. filing date in order to preserve rights in other countries.

#### F. Patent Rights to Sponsors and Inventors

**Commented [FL23]:** These are licensing office operational details that doesn't rise to the level of policy or guidance.

**Commented [FL24]:** This is educational content about the USPTO patent filing process.

Upon review of the disclosure, it may be determined that the invention was not made in the course and scope of University employment, or through use of University funds and facilities, or was made within the scope of permissible consulting. In such cases, assignment of the invention to the University would not be required. For those inventions subject to assignment, if a decision is made that the University will not file a patent application on an invention or will not attempt to market it, the University may be required to return patent rights to Federal sponsors or to other outside sponsors. Where no sponsor rights exist, patent rights may be released to the inventor when the University elects not to file or market an invention or when the equity of the situation clearly indicates such release should be given. Once released to the inventor, however, no further research or development on that invention may be conducted using University support or facilities, and the University retains a shop right to the invention. An inventor may address a request for release of patent rights to the ALO. (See: March 6, 1987, Contract and Grant Manual Sec. 11-120, "Authority for Intellectual Property"). Releases of patent rights to inventors will be documented in writing and signed by the Director of the ALO, subject to receipt of a binding shop right agreement signed by the inventor. (See: 6/16/88, (DA0966) President to Sr. Vice President--Administration, "Execution of Documents for Administration of University Patent and Other Intellectual Property Matters;" 4/23/85, Redelegation to Assoc. Vice Pres., "Execution of Documents for Adm. of Univ. Patent and Other Intellectual Property Matters;" and 11/14/90 Redelegation to Director OTT, "Execution of Documents for Adm. of Univ. Patent and Other Intellectual Property Matters.") Even if outside sponsorship is involved, the inventors may be able to obtain their rights; ALO personnel will assist the inventor in these procedures and in the procedures necessary for the inventor to obtain clear title from sponsoring federal agencies, if applicable.

### G. Licensing

The purpose of licensing University inventions to industry is threefold: 1) to provide a mechanism for transferring the results of University research to the public for the public benefit; 2) to meet obligations to research sponsors; and 3) to generate royalty income for the benefit of the University and the inventor. To pursue the licensing of a patent, the ALO contacts appropriate qualified companies to assess their interest in obtaining a license. Central coordination of all licensing contacts serves the interest of both the inventor and the University, but information provided by the inventor as to potential licensees is important to this process. If a private company contacts an inventor directly, the inventor is responsible for referring the company to the ALO. The inventor must also report any direct or indirect financial interest in each potential licensee to the ALO prior to the time of licensing negotiations and at the time of execution of the license. The definition of financial interest in this case is the same as that promulgated by the California Fair Political Practices Commission requirements. The University may permit evaluation of an invention by potential licensees prior to the issuance of a patent through use of a Secrecy Agreement executed by the ALO.

If the potential licensee wishes to fund an inventor's future research, the inventor must disclose any financial interest that he/she has by means of a written disclosure. The written disclosure

**Commented [FL25]:** The Patent/IP Acknowledgment only assigns University IP to UC. This explanation is redundant with FAQ 15.

**Commented [FL26]:** This is covered in FAQ14.

**Commented [FL27]:** Although this is not specifically mentioned in FAQ14, each UC location would address. For example, FAQ14 includes a link to UCLA's policy which addresses further research in section III(4).

**Commented [FL28]:** These are procedural details carried out at each UC location. Does not need to be policy or guidance.

**Commented [FL29]:** This is covered in depth in the University Licensing Guidelines (<https://researchmemosapi.ucop.edu/index.php/site/document?memo=U1BBQy0xMi0wMg==&doc=91>).

**Commented [FL30]:** Conflict of interest in license agreements is covered in this guidance: <https://researchmemosapi.ucop.edu/index.php/site/document?memo=U1BBQy0yMy0wMw==&doc=3829>

statement must be reviewed and approved independently and substantively by local campus committees before funding can be approved. [See: May 17, 1989, Guideline No. 5, "Guidelines on University-Industry Relations"]. Final acceptance of such funding would be accomplished under standard contracts and grants policies, procedures, and authorities.

**Commented [FL31]:** Detailed information on conflict of interest in research is available at: <https://www.ucop.edu/research-policy-analysis-coordination/policies-guidance/conflict-of-interest/index.html>

The ALO negotiates and signs the license agreement on behalf of The Regents. Terms and conditions for licensing agreements vary, and are negotiated on a case-by-case basis. If a company needs time to evaluate an invention, an option agreement may be negotiated. An exclusive license may be granted in instances where all of the funding for the research was provided by one commercial sponsor, or when it is the best way to assure development of the invention. An exclusive license must provide for diligent development of the invention (See: 35 USC 200 et seq.), and it usually includes a minimum annual payment.

**Commented [FL32]:** This is covered in the University Licensing Guidelines (<https://researchmemosapi.ucop.edu/index.php/site/document?memo=U1BBQy0xMi0wMg==&doc=91>).

In some instances a licensee may wish to engage an inventor as an independent consultant to assist the licensee in transferring the technology from the academic to the private sector. The University does not usually become party to such consulting agreements, but University policies on faculty and employee consulting apply to the situation, and the inventor should insure that any such agreements concerning patent or invention rights contain the phrase "subject to prior obligations to the University of California." (See: Standing Order 103.1 and University Regulation No. 4).

**Commented [FL33]:** This is covered in a Consulting Whitepaper: <https://www.ucop.edu/research-policy-analysis-coordination/files/Consulting-Industry-White-Paper-2003.pdf>

If an invention was conceived or reduced to practice in whole or in part under a research agreement with a federal agency, the U.S. government also receives a royalty-free license for government use which is issued by the ALO as part of its reporting requirements to the agency.

**Commented [FL34]:** The University Licensing Guidelines page 3 mentions US government rights and the Bayh-Dole Act: <https://researchmemosapi.ucop.edu/index.php/site/document?memo=U1BBQy0xMi0wMg==&doc=91>

#### E. Royalties

Royalty rates are negotiated as part of the license agreement. Rates depend on a variety of factors such as the value of the invention, the cost of commercializing the invention, and whether the license is exclusive or nonexclusive.

**Commented [FL35]:** Pages 8-12 of the University Licensing Guidelines cover license income. <https://researchmemosapi.ucop.edu/index.php/site/document?memo=U1BBQy0xMi0wMg==&doc=91>

Proceeds from licensing income are shared between the inventor, the State and the University. When there are two or more inventors, or two or more inventions in a single license, each shares equally in the income unless the inventors agree on an alternative distribution. When a joint invention arises involving another institution, royalties are shared with that institution and/or its inventor. The University's patent income is used to finance the administration of the patent program and to support research.

**Commented [FL36]:** This information is available in FAQs 5&6. <https://www.ucop.edu/research-policy-analysis-coordination/policies-guidance/intellectual-property/patent-policy-faqs.html>

Accounting for patent income and expenses is done by the ALO. Royalty payments are made to inventors in November of each year on amounts received in the previous fiscal year.

**Commented [FL37]:** FAQ 4 says that inventors are generally paid in November. <https://www.ucop.edu/research-policy-analysis-coordination/policies-guidance/intellectual-property/patent-policy-faqs.html>

#### I. Acceptance of Patents as Gifts

Patent applications and issued patents may be accepted as gifts to the University depending on the particular circumstances. All offers of patents and patent applications should be referred to the Director of the ALO, accompanied by a copy of the patent or patent application. A decision to accept any patent or patent application is made by the Director of the ALO in coordination with the Director of Development Policy, Gifts and Endowments. In general, the underlying invention must have obvious commercial potential, and the patent must be free of contingencies and liabilities.

If a gift of a patent is accepted by the University, the University will agree to pay reasonable legal fees for transferring title to The Regents and, if mutually agreeable, the University will agree to attempt to commercialize the invention within the normal procedures and constraints of its licensing program. If a patent received as a gift is licensed, the distribution of royalty income will normally be as agreed between the donor and the ALO.

## VII. Exceptions

Because administration of the patent program involves many technical and legal issues and because the circumstances of each case vary widely, it is not possible to anticipate and address all potential needs for exception to patent policies and guidelines. Instead, all University academic and administrative staff and students are encouraged to seek case-specific consultation and advice from the TLO, PC or the ALO whenever patent questions arise. Most concerns and problems can be resolved through discussions without formal "exceptions." Administration of the University patent program involves consideration of at least four distinct circumstances that are commonly referred to as "exceptions."

First, the University Patent Policy, Section II.A., establishes an obligation, under certain defined circumstances, for employees and others to sign an agreement to assign inventions and patents to the University. The Patent Policy provides that "exemptions" from such agreements to assign may be authorized under some circumstances. Such exemptions shall be authorized in accordance with Section VI.A., herein.

Secondly, any action or decision in the administration of the patent program which does not involve an "exemption" from signing the University Patent Agreement, but which otherwise deviates from the University Patent Policy itself, shall be made by the President or his/her delegatee.

Thirdly, in the negotiation of intellectual property clauses in sponsored or collaborative research agreements or material transfer agreements, Contract and Grant Officers are guided by Presidentially--issued administrative statements as codified in the Contract and Grant Manual, Chapter 11, and by other operational guidance issued by OTT. A deviation from such guidance requires approval pursuant to Section VI.B., herein.

Finally, an exception to other procedures authorized in this Bulletin can be authorized by the

**Commented [FL38]:** Patents as gifts happens very rarely and can be handled within normal business practices at campuses. Will archive this section in UCOP records.

Director, OTT, if the exception is in the University's best interest. If a situation arises where resolution of a problem cannot be reached in discussions between University personnel and the Director of the OTT, a Chancellor, Laboratory Director, or Vice President may bring the case to the attention of the Senior Vice President--Administration for review.

### VIII. Responsibilities in Patent Matters

The following paragraphs define responsibilities of various offices as related to patent matters.

#### A. President of the University

The President is responsible for the University of California Patent Policy and its implementation.

#### B. Senior Vice President--Administration

The Senior Vice President--Administration is responsible for administration of the patent program.

1. The University Controller oversees the operational and procedural aspects of the patent program.

2. The Director of OTT is responsible for the operation, management, and performance of the patent program and for approving intellectual property clauses which represent deviations from OTT-issued guidelines.

3. The Director, Research Administration, is responsible for policies and procedures concerning the administration of extramurally funded research contracts and grants and for publication of the Contract and Grant Manual which contains detailed information on the negotiation of patent provisions in research agreements.

#### C. Senior Vice President - Academic Affairs

The Senior Vice President - Academic Affairs is responsible for implementation of the patent program within his/her area of jurisdiction. He/she is also responsible for the development, revision and oversight of the Patent Policy upon the advice of the Technology Transfer Council.

#### D. Technology Transfer Advisory Committee

Under the direction of the Senior Vice President, Administration and the Senior Vice President, Academic Affairs, the Technology Transfer Advisory Committee is responsible for reviewing and preparing operational, budgetary and intellectual property policy guidelines for

**Commented [FL39]:** The new Policy grants authority for exceptions and exemptions to Chancellors/Lab Director/VP ANR. Contract and Grant Manual Chapter 11 will continue to serve as guidance but deviations may be approved by campuses. This section is no longer accurate.

**Commented [FL40]:** Sections A-C have been superseded by Regents Policy 5105: <https://regents.universityofcalifornia.edu/governance/policies/5105.html>  
"The responsibility, authority, and accountability for innovation transfer and entrepreneurship shall reside generally with the campuses. Those campuses with defined strategies, as well as adequate programmatic infrastructure and internal controls, will have the authority and flexibility necessary to execute its charge. The Office of the President shall continue to play an important role in facilitating the success of UC's innovation transfer enterprise by supporting and facilitating the execution of campus-based strategies and solutions. Its highest and best value comes in leveraging the power and potential of its ten campuses and to perform services no one campus can cost-effectively do on its own, as well as coordinating or addressing multi-campus needs."

these respective Senior Vice Presidents.

1. Provide senior level oversight for the Office of Technology Transfer and appropriate campus licensing offices in matters of organization, budget, operational methods and new initiatives in technology transfer;

2. Review and propose University policy on intellectual property matters including patents, copyrights, trademarks and tangible research products;

3. Provide oversight on exceptions to established policies granted by the Office of Technology Transfer; and

4. Advise the President on related technology transfer and intellectual property matters as requested.

#### E. Office of the General Counsel

The Office of the General Counsel is responsible for the provision of legal advice to the University, and for the preparation or approval of all contracts, grants, licenses and other legal documents including those relating to the University's patent program. The University official having execution authority for such documentation (e.g., campus Contract and Grant Officers for research contracts and grants and the Director, ALO for licenses) coordinates legal review with the Office of the General Counsel prior to execution of these documents.

#### F. Chancellors, Laboratory Directors, and Vice Presidents

Chancellors, Laboratory Directors and Vice Presidents are responsible for the participation of faculty, employees, and others in the University's patent program and for the submission of requests for exceptions to patent policies and procedures. All Vice Presidents have similar responsibilities for their offices, including but not limited to, the Senior Vice President - Administration for the Library Automation Program and the Vice President - Agriculture and Natural Resources for the Agricultural Experiment Station and Cooperative Extension. Laboratory Directors may exercise additional responsibilities involving necessary coordination with the Department of Energy.

##### 1. Campuses

a. Contract and Grant Officers are responsible for the acceptance of sponsored research agreements and for liaison with the ALO and OTT on related intellectual property matters. When entering into an agreement with an outside sponsor, Contract and Grant Officers must be aware of existing patent obligations and guard against entering into a new agreement with conflicting obligations.

**Commented [FL41]:** TTAC no longer exists. The oversight function is no longer appropriate. The policy function is still necessary and is addressed in Regents Policy 5105 Section C. <https://regents.universityofcalifornia.edu/governance/policies/5105.html>

**Commented [FL42]:** See: August 3, 2022 Letter from Charles Robinson (VP Legal Affairs) to Chancellors and LBNL Director. <https://regents.universityofcalifornia.edu/regmeet/oct22/s3attach1.pdf>

**Commented [FL43]:** Covered in Delegation of Authority 2569 <https://policy.ucop.edu/files/da/da2569.pdf>



b. Department Chairpersons or other department heads are responsible for including a signed Patent Agreement or exemption document in the file of all department employees, for obtaining a signed Patent Agreement from other individuals involved with departmental research projects, and for disseminating information about the patent program to all members of the department and others.

c. Principal Investigators are responsible for developing and adhering to a well-defined scope of work for each extramurally sponsored research project and for complying with the terms and conditions on intellectual property in extramural agreements.

d. All employees and others who have signed the Patent Agreement are responsible for promptly reporting all potentially patentable inventions and for assigning certain inventions to the University.

#### IX. Reporting

The President reports annually to The Regents on patent activity. The Director of the OTT gathers and coordinates reports from other ALO's and reports statistical data to the University Controller. This report includes patents held, patent applications filed, U.S. patents issued, option and license agreements issued, licenses in effect, and royalty income. This report is ultimately forwarded to The Regents.

**Commented [FL44]:** Regents Policy [5105](#) states, "The responsibility, authority, and accountability for innovation transfer and entrepreneurship shall reside generally with the campuses." This includes obtaining signed Patent/IP Acknowledgments. UCPATH is available as a tool for all UC Locations to collect signatures.

**Commented [FL45]:** This is already covered in Contracts and Grants Manual [10-330](#).

**Commented [FL46]:** Already stated in Policy on Inventions, Patents, and Innovation Transfer.

**Commented [FL47]:** This is addressed at the end of Regents Policy 5105: <https://regents.universityofcalifornia.edu/governance/policies/5105.html> "The Office of the President shall provide an annual written report detailing progress, successes, failures, and barriers to implementation for each of the areas under Policy Text."