



# UNIVERSITY SYSTEM OF MARYLAND

## IV-3.00 - POLICY ON PATENTS

Approved by the Board of Regents, May 31, 1990; Technical Amendment May 2003; Technical amendments by the Board, December 12, 2014)

(On February 8, 2002, the Board of Regents replaced this policy with Policy on Intellectual Property IV-3.20 for all patents disclosed on or after July 1, 2002. This policy remains applicable only for intellectual property disclosures made before July 1, 2002).

### I. Objectives

The objectives of this policy are to encourage and aid research at the University System of Maryland, to provide financial compensation as well as professional recognition to inventors, and to protect and best serve the public interest. To these ends, this policy encourages disclosure of inventions and discoveries and their evaluation for possible patenting and licensing and establishes principles for determining the rights of the constituent institutions and inventors. The University System of Maryland continues to encourage scholarly publication of the results of faculty and student research.

### II. Applicability

A. The University System of Maryland Patent Policy applies to all personnel. As used in this policy, "personnel" means all paid and unpaid full-time and part-time faculty members and staff, and all paid employees (including those on approved leaves); and students and fellows.

### III. General Policy

A. The University System of Maryland has an interest in all inventions of personnel which are conceived or first actually reduced to practice as a part of or as a result of: a University System Administration or constituent institution administered program of research; activities within the scope of the inventor's employment by the University System Administration or constituent institution; or activities involving the use, to a substantial degree, of University System Administration or constituent institution time, facilities, or materials or of University System Administration or constituent institution information not available to the public. "Invention" means any invention or discovery which is or may be patentable or which may be commercially licensable. At the time of appointment of visiting faculty and staff a signed acknowledgement of this policy will be required. An invention shall be considered as resulting from activities "within the scope of the inventor's employment" whenever his or her duties include research or investigation or the supervision of research or investigation and the invention is relevant

to the general field of inquiry to which the inventor was devoted or assigned. "Time, facilities and materials" paid for from funds administered by the University System Administration or constituent institution shall be considered University System Administration or constituent institution time, facilities and materials whether the funds arise from federal or state appropriations, student fees, donations, grants, contracts or other sources.

B. The University System Administration or constituent institution has a right to ownership of any invention in which it has an interest. Unless otherwise agreed, this Policy also applies to any inventions in which the University System Administration or constituent institution has an interest under the terms of contracts, grants or other agreements. An invention in which the University System Administration or constituent institution does not have a legal interest may be offered to the University System Administration or constituent institution, and, if accepted, the University System Administration or constituent institution will administer such invention in accordance with this Patent Policy or as otherwise agreed.

C. Except under special circumstances the University System will not agree to assign rights in future inventions to private corporations or businesses.

#### IV. Responsibilities of the University System of Maryland and Delegations of Authority

A. The University System shall: (1) notify the inventor promptly whenever it decides not to pursue or to abandon the pursuit of patenting or commercialization of an invention, (2) execute, upon request, all contracts, assignments, waivers or other legal documents necessary to transfer to the inventor the University System's interest in any invention which it has so chosen not to pursue, (3) act with reasonable promptness and in good faith on all inventions disclosed to it, and (4) remit to the inventors their shares of income from inventions as specified in Section VI of this policy. Subject to these responsibilities, the University System may, at any time, decide not to pursue or to abandon the pursuit of patenting and/or commercialization of an invention in which it has an interest.

B. Authority and responsibility for Patent Policy is delegated to the Chancellor (or his designee). The Chancellor (or his designee) may seek the advice and assistance of the University System of Maryland Intellectual Property Committee (hereafter called the Intellectual Property Committee; see Section VIII below). The responsibility for administration of the University System of Maryland Patent Policy (including subparts 1-4 of IV.A.) is delegated to the chief executive officers of constituent institutions, except that rights in future inventions shall not be assigned unless the Chancellor determines in writing that doing so is in the best interests of the System. Each constituent institution shall develop procedures for implementing this policy.

V. Responsibilities of Personnel

A. Personnel who, either alone or in association with others, make an invention in which the University System has or may have an interest shall disclose to the chief executive officer or designee such inventions reasonably promptly. As to an invention in which the University System through the constituent institution has an interest, the inventor, upon request, shall execute promptly all contracts, assignments, waivers or other legal documents necessary to vest in the University System, or its assignees, any or all rights to the invention, including complete assignment of any patents or patent applications relating to the invention.

B. Personnel may not: (1) sign patent agreements with outside persons or organizations which may abrogate the University System's rights and interests as stated in this Policy or which otherwise conflict with this Policy, nor (2) without prior authorization use the name of the University System of Maryland or constituent institutions in connection with any invention.

VI. Revenue Sharing

A. The University System through its constituent institutions shall share with the inventor's revenue, which it receives from patents or inventions. Specific provisions of grants or contracts may govern rights and revenue distribution regarding inventions made in connection with sponsored research. Consequently, revenues received from such inventions may be exclusive of payments of royalty shares to donors or contractors. Moreover, constituent institutions may contract with outside persons or organizations for the obtaining, managing and defending of patents, and any royalty share or expenses contractually committed to such persons or organizations may be deducted before revenues accrue or before the inventor's share is distributed.

B. The revenues (net, if applicable per the preceding paragraph), which are received from a patent or invention, will be applied first to reimburse the University System Administration or constituent institution for any specific, incremental expenses incurred by it in obtaining and maintaining the patent and in marketing, licensing and defending the patent or licensable invention. After provision for such expenses, such revenues shall be shared as follows: (1) the first \$5,000 will be paid to the inventor or inventors; (2) thereafter the inventor(s) will receive fifty percent of such revenues. Applicable laws, regulations or provisions of grants or contracts may, however, require that a lesser share be paid to the inventor.

C. To the extent consistent with State and University System budget policies any net revenue received on account of an invention, after sharing with the inventor, will be dedicated to research and to the promotion of patenting and patents. If practicable, eighty-five percent of the University System Administration's or constituent institution's share of new revenue from each invention will be designated for research in the inventor's department or analogous unit up to \$100,000 in a fiscal year for a particular

department or analogous unit. The remaining part of the net revenues shall be devoted to research and the promotion of patenting and patents as directed by the chief executive officer, or designee (or, for the System Office, the Chancellor or designee).

D. If use of such funds for research within the inventor's department or analogous unit is not practicable or for an amount in excess of \$100,000 per fiscal year, the chief executive officer may allocate funds for other use within the institution.

#### VII. Special Cases

The University System recognizes that special cases will arise which are not specifically covered by this policy or which may justify waivers of this policy. Such cases may be submitted to the Chancellor or designee.

#### VIII. Administration

A. The Intellectual Property Committee consists of the Senior Vice Chancellor for Academic Affairs or designee as an ex officio member and chair and no more than fourteen other members selected and appointed by the Chancellor from candidates nominated by the chief executive officers of constituent institutions. Members are appointed for three-year terms with non-concurrent expiration dates and may serve successive terms.

B. The Intellectual Property Committee convenes at the call of the Senior Vice Chancellor or designee, who determines when implementation or interpretation of the University System of Maryland Patent Policy requires consideration by the committee. Among the matters which may be referred to the committee for recommendation to the Chancellor are: whether the University System of Maryland has an interest in an invention; questions not covered by policy; and whether some part of the policy should be waived.

C. When the committee is considering a particular invention, the inventor and/or a representative designated by the inventor may examine all materials submitted to the committee, may make written and oral presentations to the committee, and may be present during oral presentations of others.

D. It is recognized that the evaluation of inventions and discoveries and the administration, development and processing of patents involves substantial time and expense and requires talents and experience not ordinarily found in its staff. Therefore, the University System Administration or constituent institution may enter into a contract or contracts with third parties in connection with the administration of identified inventions, disclosures of invention, and developed patents.

E. Disputes on patent matters, including the interpretation of this Patent Policy, shall be referred for resolution to the Chancellor or designee.

Replacement for: BOR VII-4.00 and 4.01; BOT XIII-K