

Section 1: Introduction

1.1: Nature of a Patent

Patent protection provides the owner with a limited period of time in which the owner can exclude others from making, using, offering to sell, or selling the invention. The resulting temporary exclusive rights to the invention can provide an incentive for a patent owner or a licensee to invest the resources required to advance the invention toward commercialization and use by the public. In return for offering temporary exclusive rights to the owner of a patent, a government requires the owner of the patent to make details of the invention available to the public in the patent document. Under U.S. law, the life of a patent extends 20 years from the date of application.

A patent is the grant of a property right by a government to the owner of an invention. Unlike copyright protections, patent rights do not follow automatically from the act of creation. The inventor or the patent's owner generally must request patent protection from the government of each country in which a patent is desired. The Patent Office in each country then will examine the application against its own laws and regulations and will---in due course---either deny or allow the grant of a patent in its jurisdiction. Because patent laws and associated administrative procedures are fairly complex, patent applications generally are prepared and prosecuted by specialists working on behalf of the inventor or owner.

1.2: Inventions Eligible for Patent Protection

In the U.S., an invention or discovery may be eligible for patent protection if it is a process, a machine, a manufactured object, a composition of matter, or a new use or improvement of any of the preceding. Courts have interpreted the Patent Statute to extend to software-related inventions when there is some connection to a useful, concrete result, and to biological substances when there is some evidence of human intervention. For example, isolated DNA sequences or their purified protein products can be patented because in their “natural” states they are neither isolated nor purified. New uses of “products of nature” also may be patented, as may genetic modifications of otherwise natural organisms.

If an invention meets the threshold eligibility conditions for patenting, it still must meet additional criteria in order to earn a patent. Under U.S. law, a patented invention must be useful, novel, not obvious and supported by adequate information.

1.3: Nature of Inventorship: To be named as an “inventor” on a patent an individual must have made an original contribution to the conceptualization of the invention as it is defined in the patent. The aspects of a patent that assert the defining elements of an invention are called the “claims” of the patent. If an individual has made a contribution to the conceptualization of anyone defining claim of patent, then he or she is an “inventor” of the claimed invention. If any individual is responsible for all the claims of a patent, then he/she is the sole inventor of the patent. In any other situation, the patent will have more than one co-inventors. One is not an inventor if his/her contribution was limited to “reducing to practice” the conception of the invention.

1.4: Objectives of the University of Iowa Patent Policy

The primary objective of the University of Iowa Patent Policy is to enable the public to use and benefit from inventions originating at the University. In pursuing this objective, the University will seek to manage inventions in a way that advances the academic missions of the institution, including research and scholarship. The Patent Policy further provides a framework for the orderly transfer of academic inventions to the private sector in exchange for equitable compensation to the institution as well as to individual inventors. In keeping with the University’s academic objectives, the policy directs that portions of the institutional earnings from any patent will support research broadly across campus, research related to the patent, and administrative efforts to secure and manage additional patents.

Section 2: The Policy

2.1: Summary of the Policy

Through its designee, the University of Iowa Research Foundation, the University will assume ownership of patents on qualifying inventions made by its employees and appointees. In a limited number of situations, the University, through its designee, will assume ownership of patents on qualifying inventions made by students and institutional visitors. Earnings from patents subject to this policy will be distributed according to the provisions of this policy.

2.2: Applicability of the Policy

The policy applies to inventions meeting either of the criteria below. For convenience, inventions meeting either of these criteria will be designated as “Qualifying Inventions.”

a. Inventions made by University employees or postdoctoral appointees in the course of their employment or appointment or in a field or discipline reasonably related to the inventor’s/inventors’ field(s) of employment or appointment.

b. Inventions enabled by use of University resources when made by University employees, postdoctoral appointees, students not employed by the University, or institutional visitors not employed by the University. In this context, “institutional resources” may include funds, assistance of University staff, or use of University equipment or facilities.

In both a. and b., “employees” includes faculty members, staff members, part-time employees, and student employees.

2.3: Role of the University of Iowa Research Foundation

The University of Iowa designates the University of Iowa Research Foundation (“UIRF”) as the owner of its patent rights and manager of its interests in Qualifying Inventions.

2.4: Disclosure Required

Any individual who believes that he or she has made, or contributed to the making of, a Qualifying Invention must disclose the invention in writing to the UIRF on the Invention Disclosure Form provided by UIRF. [add link]

2.5: University Rights in Qualifying Inventions

On behalf of the University, UIRF shall assume ownership of patents to Qualifying Inventions. In order for the UIRF to assume ownership, inventors subject to this policy shall assign to the UIRF their entire right in the invention and shall provide reasonable assistance to the UIRF in obtaining patent protection and in licensing the patent rights to others. In the case of Qualifying Inventions arising from federal research support, this assertion of ownership rights follows from federal law [add link to Bayh-Dole explanation]. In other contexts, the University’s right to require assignment from its employees or appointees will be understood as a condition of employment or appointment. Similarly, the limited right of the University to claim ownership of patents in inventions made by students will be understood as a condition of enrollment, whereas the limited right of the University to claim ownership of patents to inventions made by institutional visitors will be understood as a condition of their access to institutional resources. Institutional visitors must acknowledge in writing their awareness of this policy before making use of institutional resources.

The Policy contemplates that UIRF uniformly will assert the ownership rights provided here. In many instances, UIRF will pay for the prosecution and licensure of patents it owns. However, when UIRF determines that incurring the expenses for maintenance of a patent or continued prosecution of a patent application in one or more jurisdictions is not prudent, UIRF simultaneously will inform the following constituencies of this determination:

- Head(s) of the college(s) or comparable major academic unit(s) from which the invention has arisen
- Head(s) of the academic department(s) from which the invention has arisen

■ Inventor(s)

Using the order of priority listed above, any one of these constituencies will have the opportunity to become a “compensating partner” of the UIRF by paying for the patent protection that UIRF has declined to pursue. The “compensating partner” will enter an agreement with the UIRF that will require:

- Acknowledgement that ownership of the paid-for patent(s) and all associated licensing rights remain with UIRF.
- Acknowledgement that specified payments for pursuit of patent protection be made to UIRF in advance.
- Acknowledgement by both parties of the nature of the financial risk being undertaken by the compensating partner.
- Articulation of a plan for the division of any licensing proceeds that accommodates both the risk undertaken by the compensating partner and the institutional rights inherent in UIRF’s retained ownership. In the event that the parties cannot agree on a plan for the distribution of proceeds, the matter will be referred to the UIRF board whose determination shall be subject only to the appeal process defined in Section 3.5 below. Unless there is a written agreement to the contrary, the distribution of any licensing proceeds under this protocol will be made as follows:
 1. Patent expenses incurred by UIRF and its compensating partner should be repaid prior to any additional distribution. Such “direct reimbursement” of incurred expenses will be drawn from the proceeds on a pro-rated basis consistent with the proportion of expenses incurred by UIRF and the compensating partner.
 2. Thereafter, the policy-based distribution of earnings described in Section 2.7 will apply. However, UIRF will share 50% of its allocated portion of the proceeds with the compensating partner until such time as the compensating partner has recovered an amount equal to its original contribution to patent costs; this sum paid to the compensating partner will be in addition to the prior “direct reimbursement” of the partner’s expenses treated under point 1 above and will serve as compensation for the partner’s financial risk.

If, for uncommon, compelling reasons UIRF believes that a patent application should not be filed for a Qualifying Invention in any event, it may, through the concurrence of its board, choose to cause any such patent rights to be abandoned.

2.6: Licensure of Inventions Assigned to UIRF

Consistent with the objectives of this policy and subject to the rights of any other parties, UIRF will seek diligently to license to others the right to use inventions under patents assigned to it.

2.7: Distribution of Proceeds of Licensure

The UIRF shall receive all payments due under a license and shall distribute such earnings under the terms of this policy within 45 days from the end of the quarter in which the earnings were received. Prior to any distribution the UIRF shall recover any out-of-pocket expenses incurred in applying for the licensed patent(s), maintaining the licensed patents(s), or defending the licensed patent(s). Also prior to any distribution under this policy the UIRF shall make any payments to others required by agreements, including but not limited to interinstitutional agreements for the management of jointly owned patents. Gross UIRF earnings, less its out-of-pocket expenses, less payments required to others, is designated as "Distributable Income." Distributable Income shall be allocated as follows:

The inventor shall receive the first \$50,000 in Distributable Income from an invention. In the event that the invention is covered by more than one patent or in the event that there is more than one University inventor, the \$50,000 shall be divided pro-rata first among the patents and then among the various inventors.

Thereafter the following allocations will prevail:

- 1) The inventor(s) shall receive 30% of Distributable Income.
- 2) An institution-wide Research Enrichment Fund administered on a discretionary basis by the UI Vice President for Research shall receive 25% of Distributable Income.
- 3) The UIRF shall receive 25% of Distributable Income for its operating and legal expenses.
- 4) The home academic department(s) of the inventor(s) shall receive the following portion, it being understood that if more than one academic department is owed a share, the allocations shall be made pro-rata unless there is an agreement to the contrary:
 - 20% of cumulative distributable income less than \$2.5 million (i.e., up to a departmental share of \$500,000)
 - 10% of cumulative distributable income greater than \$2.5 million but less than \$5million
 - 5% of cumulative distributable income greater than \$5million
- 5) The home college of the inventor(s) shall receive the following portions, it being understood that if more than one college is owed a share, the allocations shall be made pro-rata unless there is an agreement to the contrary:
 - 0% of cumulative distributable income less than \$2.5million
 - 10% of cumulative distributable income greater than \$2.5 million but less than \$5million
 - 15% of cumulative distributable income greater than \$5 million

- 6) Institution: In the event distributable income exceeds \$5 million in a single year, the institution will have an opportunity to negotiate an institutional share of the earnings. Any such institutional share will be used to help ensure the long-term viability of the University's research mission.

Section 3: Administration of Policy

3.1 Patent Advisory Group

The University of Iowa Patent Policy shall be administered under the oversight of the Vice President for Research. The University's Intellectual Property Committee, defined in Section 2 of the University's overarching Intellectual Property Policy, shall advise the Vice President for Research on general matters pertaining to intellectual property policies. The Vice President for Research shall designate those members of the Intellectual Property Committee who will serve on the Patent Advisory Group.

The role of the Patent Advisory Group shall be to advise and make recommendations to the Vice President for Research regarding patent matters, including, but not limited to, the following:

- (1) Resolution of disputes concerning the application and interpretation of the Patent Policy;
- (2) Amendments to the Patent Policy resulting from technological and legal changes affecting patents; and
- (3) Changes to administrative procedures involved in the implementation of the Patent Policy.

In addition, the Patent Advisory Group shall provide an opportunity for members of the faculty, staff, and student bodies to make recommendations about the Patent Policy.

The day-to-day administration of the Patent Policy will be performed on behalf of the University by the University of Iowa Research Foundation, under the supervision of the Vice President for Research.

3.2: Disclosure Review Committee

With advice from the UIRF, the Vice President for Research shall appoint a disclosure review committee to assist UIRF in determining the disposition of selected invention disclosures. In this respect, the Disclosure Review Committee will focus its advice on the technical merit and potential uses of disclosed inventions

3.3 Appeal process

Any University faculty member, staff member, postdoctoral scholar, or student who believes he/she is adversely affected by any action or non-action of the Vice President for Research or UIRF pursuant to the Patent Policy may appeal such action or non-action.

Where the action or non-action is based on the University's statutory or contractual obligations, or where the action or non-action has resulted in a contract or license, any such appeal may be presented in writing to the President of the University. In the case of any other basis for the action or non-action, the appeal may be made pursuant to the grievance process normally applicable to the individual's University status.

Section 4: Examples

Case 1: Faculty member A makes an invention while working under the terms of a federal research grant. The UIRF assumes ownership of the related patent. (See 2.2.a and 2.5.)

Case 2: Faculty member B is an acknowledged expert in cancer therapy. Working at her desk at home on Saturday, she designs a chemical compound that may fight non-Hodgkins Lymphoma. The UIRF assumes ownership of the related patent. (See 2.2.a and 2.5.)

Case 3: Staff member C is employed by the University to fabricate medical devices. Working in his garage on Saturday, C invents a novel device for pruning rose bushes. The UIRF may not assume ownership of the related patent. (See 2.2.a and b.)

Case 4: D is a researcher spending a year-long leave at the University. D is not an employee of the University but is assigned a laboratory at the University and is provided access to University research equipment. Working in a University laboratory, D invents a device for monitoring airflow in a wind tunnel. The UIRF assumes ownership of the related patent. (See 2.2.b and 2.5). Note that D must acknowledge in writing awareness of the University's Patent Policy prior to beginning work.

Case 5: As a result of a class assignment, Student E invents a novel method of manufacturing a fine chemical. UIRF's review of E's obligatory disclosure determines that E did not make significant use of University resources in making the invention. The UIRF may not assume ownership of the related patent. (See 2.2.b.)

Case 6: Working on her dissertation in her advisor's laboratory, Student F invents a novel method for the manufacture of a pharmaceutical agent. Review of F's obligatory disclosure determines that F did make significant use of University resources in making the invention. The UIRF assumes ownership of the related patent. (See 2.2.b and 2.5.)

Case 7: Faculty member G discloses an invention to UIRF. After receiving advice from the Disclosure Review Committee, UIRF determines that it does not wish to incur the expense of filing a patent application treating G's invention. UIRF then invites G's college, G's department and G himself to pay for the patent application in the name of UIRF. The college and department decline to pay, but G offers to do so. UIRF and G enter an agreement consistent with 2.5 and UIRF assumes ownership and files the patent application.

Case 8: Faculty member H discloses an invention to UIRF. After receiving advice from the Disclosure Review Committee, UIRF determines that it does not wish to incur the expense of filing a patent application covering H's invention. UIRF then invites H's college, H's department and H herself to pay for the patent application in the name of the UIRF. When the college, department, and H decline to pay, UIRF assumes ownership but lets the patent opportunity lapse. (See 2.5.)

Case 9: Faculty member I discloses an invention to UIRF. In the course of reviewing the disclosed invention it becomes clear that a national professional organization of which I is a member has issued an advisory suggesting that inventions such as I's should not be patented. The matter is referred to the board of the UIRF. The board heeds the advice of the professional organization and directs that a patent application should not be filed. (See 2.5.)