

~~(Adopted August 23, 1978)~~

APPENDIX J G

THE UNIVERSITY OF ALABAMA

PATENT POLICY

In view of the far-reaching research in the various divisions of the University, it is inevitable that new discoveries and inventions will be made. The University of Alabama recognizes that the protection and control provided under the patent laws may have to be invoked to obtain the greatest public benefit and usefulness from the products of scientific research. It is recognized that employees of the University need assistance in determining and evaluating patentability and in prosecuting patent applicants of inventions made by them. Many such inventions involve equities beyond those of the inventor himself or herself since the use of University facilities, the assignment of duties as a condition of employment, and the use of research funds with contractual obligations regarding patent rights give rise to complicated questions concerning rights and equities of all concerned. Therefore, in order to appraise relative rights and equities of all parties concerned, to facilitate patent applications, licensing, equitable distribution of any royalties or other financial returns, to provide a uniform procedure in patent matters, and to serve the public benefit and interest, The Board of Trustees of The University of Alabama (herein called University), on recommendation of the University Council and the President of the University, authorizes the establishment of a Patent Committee and the adoption of the patent policy as set forth herein.

1. The President of the University is hereby authorized to appoint a University Patent Committee composed of members representative of the entire University to administer the patent policy and to designate a Patent Administrator to administer the policies of the committee. This committee and the Patent Administrator shall serve at the pleasure of and their actions shall be subject to the approval and right of review of the President of the University.

2. Subject to the approval of the President of the University, the Patent Committee shall have power to adopt such rules and procedures as are deemed appropriate; to determine the interest of the University in all reported inventions; to cause all reported inventions to be investigated in order to evaluate the interest of the University in said invention (with due consideration given to the achievement of the inventor and the financial returns to the inventor and the University); to authorize the Patent Administrator to execute a release when the Patent Committee decides that the University has no interest in the invention or decides that the University does not desire to pursue the patenting or development of the patent; to authorize applications for patents on reported inventions and to retain patent counsel, in association with the University Attorney, for matters pertaining to patent applications; and to make recommendations to the President of the University with regard to the prosecution and protection thereof and any litigation that may arise therefrom. The Patent Committee shall also have power to do all things appropriate for the investigation of patent rights and for the exploitation of patent rights by direct exercise, exclusive or non-exclusive licensing, and make recommendations to the President of the University with regard to partial or total assignment or sale thereof. All questions concerning the methods by which the patent shall be commercially exploited shall be decided by the Patent Committee.

3. All faculty members and University employees, both while employed by the University and thereafter, shall report to the Patent Committee any invention or discovery which they have conceived or developed or which has been conceived or developed under their direction during their University employment.

4. Any such invention or discovery (1) which is the result of research carried on by or under the direction of any employee of the University and/or having the costs thereof paid from University funds or from funds under the control of or administered by the University or (2) which is made by an employee of the University and which relates to the inventor's field of work at the University, or (3) which has been developed in whole or in part by the utilization of University resources or facilities belonging to the University shall be assigned to the University or a University designated non-profit organization established for its benefit. In other situations the Patent Committee should determine that the University has no interest in the invention or discovery. Releases shall be executed by the Patent Administrator when the Patent Committee decides that the University has no interest in the patent or does not desire to pursue the patenting of the invention.

5. The Patent Committee shall cause each invention or discovery to be investigated in order to determine the interest of the University and, if the Patent Committee determines that the University has an interest in the invention which it desires to pursue, it shall undertake to obtain a patent on the invention. In determining whether or not the University has an interest in the invention, the Committee shall consider the benefits that might accrue to both the University and the inventor. The Patent Administrator and the Patent Committee are responsible for prompt action for the purpose of protecting the property rights of the inventor and the University.

6. As further consideration for the assignment rights set forth herein, the University agrees to pay annually to the inventor, his heirs and assigns, fifty percent (50%) of the royalties, fees, or other financial returns received by the University from such invention after a deduction of fifteen percent (15%) thereof for overhead costs, plus a deduction for costs of patenting and protection of patent rights. Recoupment of any unusual expenses paid by the University or the inventor may be allowed by the Patent Committee on patents assigned to the University or to a University designated non-profit organization established for its benefit.

7. The above policy shall not preclude the properly designated University officials from approving and executing research proposals, contracts, grants, and consulting agreements from or with the United States Government or its agencies, from or with corporations, or from or with

individuals wherein the University's patent interest and the patent interest of the researcher, with his approval, are at variance with the above paragraphs; and the terms of said contracts, grants, and agreements shall prevail. Any of the above University officials may refer said proposals, grants, contracts, or agreements to the Patent Committee for recommendations prior to approval. To the extent the provisions of these proposals, contracts, grants, and agreements permit, the University shall administer such patents so as to make them broadly available in the public interest. This may be accomplished through non-exclusive licensing on a royalty-free, or on a reasonable royalty basis. Exclusive licensing may be utilized for limited periods when further development is needed on investment or risk capital is not readily available, or there is no other incentive for the development of the invention.

8. This statement of policy shall not apply to copyrights except as they may pertain to inventions covered by this policy. A separate copyright policy exists. See Appendix *H*.