

CATEGORY:	Administrative Regulation
POLICY STATUS:	Approved

POLICY TITLE: INTELLECTUAL PROPERTY POLICY
POLICY NUMBER:
POLICY ADDRESS: *This policy is included in the Faculty Handbook (Appendix F & referenced in Sec. 16.16)*
POLICY PURPOSE: Define policy on intellectual property
APPLIES TO: Faculty, students and staff

SUB-SECTIONS:

POLICY STATEMENT

I. Preamble

Northern Kentucky University, hereinafter referred to as the “University,” is dedicated to teaching, research, and the sharing of knowledge with the public. The University recognizes as two of its major objectives the production of new knowledge and the dissemination of old and new knowledge. Inherent in these objectives is the need to encourage the production of creative and scholarly works and the development of new and useful materials, devices, processes, and other inventions, some of which may have potential for commercialization. Such activities contribute to the professional development of the individuals involved, enhance the reputation of the University, provide additional educational opportunities for participating students, and promote the general welfare of the public at large.

Such creative and scholarly works and inventions that have commercial potential may be protected under the laws of various countries that establish rights regarding “Intellectual Property,” a term that includes patents, copyrights, trade secrets, trademarks, plant variety protection, and other rights. Such Intellectual Property often comes about because of activities of University faculty, administrators, staff and students who have been aided through use of University resources, including facilities, equipment, funds, etc. The University as well as the authors, creators, or inventors, hereinafter referred to as the “Originators,” have rights that must be protected in order that future creativity may be encouraged and stimulated. It is therefore important to establish clear policies regarding the ownership, commercialization, and financial rewards resulting from the creation of such Intellectual Property. In order to establish the respective rights and obligations of the University and Originators regarding Intellectual Property, the University has established the following Intellectual Property Policy.

II. Objectives of the Policy

- A. To clarify the University’s values with regard to intellectual property.
- B. To encourage the creation and transfer of knowledge.
- C. To clarify rights and responsibilities of all parties involved in the development of intellectual property.
- D. To provide for a system to assist Originators and the University in bringing new discoveries into public use.
- E. To define the legal rights of all parties and to provide for the disposition of these interests.

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- F. To safeguard intellectual property against unauthorized use.

III. Definitions

- A. **“Copyrightable Works”** shall include but is not limited to any copyrightable material as defined by federal law. For purposes of this Policy, Copyrightable Works is divided into two categories: (1) Traditional Copyrightable Works, and (2) Encoded Copyrightable Works. However, some materials created at the University are both copyrightable and patentable (*e.g.*, an Encoded Copyrightable Work may embody a patentable invention).
- B. **“Traditional Copyrightable Works”** shall include but not be limited to printed materials such as books, manuscripts, journal articles and reviews; works of art such as paintings, sculptures, musical or dramatic compositions, choreographic works, pictorial or graphic works, movies, and television programs; course materials such as lecture notes, exams, class syllabi, workbooks, laboratory manuals; and any other materials that have historically been the property of the Originator.
- C. **“Encoded Copyrightable Works”** shall include but is not limited to computer software, databases, circuit diagrams, engineering drawings and other technologies used to support the electronic capture, storage, retrieval, transformation and presentation of digital data and information or to interface between digital forms and other communications and information media. The University will exercise its equitable ownership interest in Encoded Copyrightable Works under the circumstances identified below.
- D. **“Invention”** shall include but is not limited to any discovery, process, composition of matter, article of manufacture, know-how, design, model, technological development, biological material, strain, variety, culture of any organism, or portion, modification, translation or extension of these items, which is or may be patentable or which may be commercially licensable, and any mark used in connection with these items.
- E. **“Intellectual Property”** refers to all Copyrightable Works and Inventions.
- F. **“Originator”** shall include faculty (including part-time, visiting and lecturer appointments), visiting researchers, staff, administrators, students, volunteers, any groups or combinations thereof, and any others using funds, facilities or resources of the University as the authors, creators, or inventors of Intellectual Property. If a group of individuals with assistance from the University originate Intellectual property, they will be treated as an individual with respect to this policy. Therefore, they are responsible to decide issues that relate to their shared ownership.
- G. **“Substantial Use of University Resources”** refers to the use of University funds (including grants, contracts or awards made to the University or its designee by extramural sponsors), laboratory, office space, studio, audiovisual, video

television, broadcast, personal computers, servers, licensed software, computer networks, or other facilities, equipment, resources and faculty, staff or students which (1) fall outside of the scope of the Originator's normal job responsibilities or the student's academic program, or (2) entails the Originator's use of such resources that are not ordinarily available to all or virtually all faculty, administrators, staff or students with comparable status in the same division, college, department or academic program. The term does not include the use of personal office space, local telephone, library resources and personal computer equipment incidental to outside activities that are permitted under the University's Ethical Principles and Code of Conduct (Administrative Regulation AR-I-1.0-1) and the Faculty Handbook.

- H. **"University Assigned Works" or "Works for Hire"** refer to those works within the scope of the Originator's University employment or, in the case of faculty, specifically assigned to the Originator by the University. This includes projects that have been assigned for the purpose of use by a larger University audience – *e.g.* a syllabus template, course materials for use in a multiple section course, distance learning or online course materials or videos for which the creator is compensated for developing, promotional materials for a department or other unit of the University. The conditions of such an assignment are negotiable between the Originator and the University and must be documented prior to commencing the assignment. Documentation will address compensation, ownership of the Intellectual Property, reproduction and usage rights, and be signed by the Originator and the University's authorized designee.

IV. **Ownership Rights in Intellectual Property**

All Intellectual Property produced by an Originator is presumed to be owned by the University or its designee unless it falls within one of the exceptions defined herein. In general, the University will assign all of its ownership rights in Intellectual Property to the Northern Kentucky University Research Foundation, Inc. (NKURF). NKURF shall manage the Intellectual Property on behalf of the University according to the policies laid out in this document.

A. **Copyrightable Works:**

This policy recognizes the longstanding custom and understanding that faculty members own copyright to their scholarly and creative work. In general, this understanding extends to administrators, staff and students with regards to their professional work or studies. Therefore, copyright ownership of all work created by faculty, administrators, staff, students or others shall vest in the Originator except under the following circumstances:

For both Traditional and Encoded Copyrightable Works:

- i. *Subordination to Other Agreements:* Copyright ownership of all material that is developed in the course of or pursuant to a sponsored research or other agreement to which the University or its designee is a party shall be determined in accordance with the terms of the sponsored research

or other agreement. In the absence of terms specifically assigning ownership, the copyright shall become the property of the University only if the terms of such agreement directly or indirectly create University obligations as to Intellectual Property developed thereunder or if ownership is conferred upon the University by operations of another provision of this Policy.

- ii. *University Assigned Work or "Works for Hire"*: The copyright of material that is created by administrators, staff or students within the scope of University employment or by faculty pursuant to a specific direction or agreed assigned duty (other than the traditional obligation of teaching courses) from the University or any of its units shall be the property of the University.

For Encoded Copyrightable Works Only:

- i. *Substantial Use of University Resources*: Copyright ownership of all Encoded Copyrightable Works which are developed with the Substantial Use of University Resources shall reside in the University.

B. Inventions:

All Inventions made by an Originator with a University appointment and resulting from activities carried out in furtherance of his or her University responsibilities, and/or with the Substantial Use of University Resources, including those provided through an externally funded grant, contracts, or other type of award or gift to the University, shall be owned by the University or its designee.

C. Student Ownership Issues:

Intellectual Property created by students are additionally subject to the following rules:

1. The University makes no claim to copyright or patent ownership of works created by students working on their own, *i.e.* not within the scope of an employment relationship with the University or in conjunction with one of its employees, and not making Substantial Use of University Resources.
 2. Students working on a project governed by a contract or agreement to which the University is a party shall be bound by the terms of that contract or agreement.
 3. Students who are hired to perform specific tasks that contribute to Intellectual Property will ordinarily not have rights to ownership of that work, regardless of the source of funds from which they are paid or the portion of work performed or contributed by the student.
 4. Students working collaboratively (*i.e.* unpaid or unfunded work) with
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other Originators on projects that result in Intellectual Property *may* be granted the same rights and obligations as any other Originator working collaboratively on the project. Students and other Originators should establish these rights in writing *at the outset of their collaboration*. Unless otherwise informed by the parties, the University will presume that any Student working collaboratively on a project with other Originators has no rights and obligations with regard to the Intellectual Property.

5. If none of the above relationships apply, students performing work compensated by the University are subject to the same provisions governing any other Originator of Intellectual Property.
6. Where Intellectual Property arising out of the student's own original work and participation in programs of study at the University is retained by the student, including copyright in theses or dissertations, the student shall grant to the University or its designee a royalty-free perpetual non-exclusive license and consent to reproduce, use and publicly distribute the Intellectual Property for the following limited purposes of the University: (1) institutional promotion and marketing, (2) education and instructional use, and (3) entries into appropriate competitions. In each instance, the University shall clearly recognize or acknowledge the student for his/her creative or scholarly work.

D. Waivers

The rights and responsibilities set forth herein constitutes an understanding which is binding on the University faculty, administrators, staff and students as a condition of their participation in University research, teaching, educational programs and service programs, and for their use of University funds, space, or facilities. Provisions of this policy may be waived only in extraordinary and compelling circumstances by the Provost or the President.

V. Procedures and Responsibilities

A. Disclosure

Whenever an Originator creates Intellectual Property which is, or may be, owned by the University as set forth in this policy, s/he must disclose as soon as practicable, but not more than thirty (30) calendar days after the work is completed, the Intellectual Property to the University or its designee by completing the "Intellectual Property Disclosure Form" available in the Office for Research, Grants and Contracts, and submitting it to:

**Northern Kentucky University
Research Foundation, Inc.
Attn: Executive Director
Nunn Drive, AC 616
Highland Heights, KY 41099**

Originator's duty to disclose the creation of Intellectual Property shall be completed before disclosing the work to any other third party internal or external to the University.

Faculty or staff members who engaged in consulting work or in private business activities outside of their regular University employment are responsible for ensuring that such services or activities do not conflict with this Policy nor with the University's commitments; and that the University's rights and the individual's obligations to the University are in no way abrogated or limited by the terms of such agreements. Faculty and staff members shall make it clear to those with whom they make such agreements their obligations to the University and shall ensure that other parties to the agreement are provided with a current copy of this Policy.

B. Commercialization of Intellectual Property

The primary functions of the University are education, research and public service. It is in the context of public service that the University supports efforts directed toward bringing the fruits of University research and creative works to public use and benefit. In many cases, mere publication of the work will be sufficient to transfer University research and artistic works to the public. In other cases, it is necessary to encourage industry, through protection of the Intellectual Property and the granting of certain licensing rights, to invest its resources to develop products and processes for use by the public. To this end, the University and Originators agree to be responsible for the following:

1. Responsibilities of the University

The Northern Kentucky University Research Foundation (NKURF) will be responsible for determining the feasibility of commercializing Intellectual Property. If the property is deemed to have commercial value, the NKURF will have the legal and financial responsibility to carry the commercialization forward. All costs, including protecting and promoting copyright or patent applications, will be paid by the University or the NKURF and be filed in its name. The University or its designee will be solely responsible for making decisions regarding the marketing and/or licensing of all Intellectual Property. In general, all licenses will include a nonrefundable license fee, patent or copyright expense reimbursement, royalty and minimum royalty payments, and a requirement of diligence and march-in rights where the licensee does not perform adequately.

In cases where the University has an ownership interest in Intellectual Property and NKURF or other designee has not provided the Originator a report detailing its ownership right and the current state of commercialization, including any steps taken in patenting, marketing or licensing the Intellectual Property, within one (1) year of receipt of a completed disclosure form, the Originator of the Intellectual Property may request in writing that all University rights in such Intellectual

Property be reassigned to the Originator. To the extent the Intellectual Property is not subject to any sponsored project rights or restrictions, and provided that all other co-Originators, if any, of the subject Intellectual Property consent to the request, the University or its designee shall reasonably consider such a request. Any reassignment of the rights by the University to the Originator shall be limited only to the substance disclosed in the original disclosure form officially on record with NKURF and further subject to the University reserving the rights to use the subject Intellectual Property for research and other educational purposes.

2. **Responsibilities of the Originator**

In addition to the disclosure responsibilities set forth in Section A above, Originator will cooperate with the University or its designee in its effort to evaluate and protect the commercial value of any University Intellectual Property. This would include but not be limited to notifying the appropriate office of any third party interest in the property and assisting in the preparation of any legal documents required to protect the Intellectual Property. The Originator will also work collaboratively with NKURF to determine the best course of action regarding the commercialization and marketing of the Intellectual Property.

3. **Royalties**

Except in the case of Works for Hire, royalty income received by the University through the sale, licensing, leasing or use of Intellectual Property, which the University owns pursuant to any section of this Policy, will first be used to reimburse documented expenses in the following order:

- a. documented out-of-pocket costs paid by the Originator,
- b. costs as described in a contract of support. This would occur when University funds provided a grant, sabbatical, or other support for research that led to the Intellectual Property and where a contract specifying repayment accompanied the grant, sabbatical, or offer of support;
- c. direct costs paid by the University or its designee in conjunction with
 - i. processing of patent or copyright protection,
 - ii. marketing or licensing the Intellectual Property, and
 - iii. any other legal costs related to technology transfer and commercialization.

After expenditures are reimbursed, the royalties and other income will be disbursed as described in the table below:

Distribution of Royalties for Intellectual Property Owned by University

<u>Net License Revenue</u>	<u>Originator</u> ¹	<u>College</u> ²	<u>NKUR</u> <u>F</u>	<u>Gener</u> <u>Fund</u>
≤ \$5,000	100%			
\$5,001 <> \$50,000	60%	20%	20%	
\$50,001 <> \$100,000	50%	20%	20%	10%
≥ \$100,000	25%	15%	15%	45%

In general, these royalties are awarded to the Originator in recognition of his or her significant intellectual contribution to the University. Royalty payments to the Originator’s college are given to promote additional research and creative works within the college. NKURF’s portion of the royalties will be used as operating funds in support of its general mission, ongoing management of Intellectual Property matters and to cover the costs of commercialization. Royalties deposited in the University’s General Fund are to compensate it for the use of public resources as well as to provide general support for other research and scholarly activities on campus.

C. Appeals

Disputes arising over the application of this policy shall be brought to the attention of the Provost, who shall refer the matter to the Intellectual Property Committee. This will be a five person, standing committee appointed by the President with two persons nominated by the Faculty Senate, and one each nominated by the Staff Congress, Student Government Association, and the Provost. The committee will render a determination in writing within thirty (30) days of receiving the Originator’s written appeal. A copy of the decision shall also be forwarded to the Office of Legal Affairs and General Counsel for review. The Committee’s decision regarding disputes may be appealed in writing to the President and the Board of Regents, respectively, within thirty (30) days of the Committee’s decision. The decision of the Board of Regents will be final.

VI. Advice and Interpretation

Members of the University community may obtain advice from the Office of the Associate Provost for Research on the application of this Policy to their work or studies, and from the Office of Research, Grants and Contracts information about restrictions on Intellectual Property ownership related to grants or other sponsored agreements.

¹ The Originator's rights to share in net income as stated above shall remain with the individual or pass to the individual's heirs and assigns for so long as revenue is derived from the property. In cases where the Originator is a group of individuals, the individuals within the group will determine the allocation of the Originator's share of the royalties. It is recommended that this determination be made before the research or creative work is begun. If the parties cannot agree on the distribution, the money shall be deposited into an escrow account until such time as an agreement is negotiated or adjudicated.

² If the Originator does not report to a college dean, then the administrative unit most comparable to the college will receive this share of the royalties.

Disclosure forms and other model agreements regarding this Policy can also be obtained from the Office of Research, Grants and Contracts.

VII. Policy Modifications

Recommendations regarding changes to this policy should be sent to the chairperson of the Intellectual Property Committee for appropriate action.

RESPONSIBLE OFFICE: Office of Research, Grants and Contracts
APPROVED BY: Board of Regents
APPROVED ON:
EFFECTIVE ON: 11/11/09
REVIEW CYCLE:

RELATED DOCUMENTS:
REVIEW/CHANGE HISTORY: Formerly AR-II-2.0-4. Supersedes previous policy dated 11/9/2005.
