

APPENDIX D.
PATENT AND COPYRIGHT POLICY
The Texas State University System

1. COPYRIGHT POLICY.

- 1.1 PURPOSE AND SCOPE. The purpose of The Texas State University System copyright policy is to outline the respective rights which a component university and members of its faculty, staff and student body have in copyrightable materials created by them while affiliated with the component university.
- 1.2 GENERAL POLICY STATEMENT. Copyright is the ownership and control of the intellectual property in original works of authorship that is subject to copyright law. It is the policy of the Board of Regents that all rights in copyright shall remain with the creator of the work except as otherwise provided by Section 1.3 of this policy.
- 1.3 OWNERSHIP OF COPYRIGHT.
- 1.3.1 The System and its component universities claim no ownership of fiction, popular nonfiction, poetry, music compositions or other works of artistic imagination that are not institutional works. If title to such works vests within a component university, the University, upon request and to the extent consistent with its legal obligations shall convey copyright to the creators of such works.
- 1.3.2 Copyright of a work commissioned by a component university shall be held by the University.
- 1.3.3 Copyright of a *work made for hire* (as defined by the Federal copyright law) shall be held by the University.
- 1.3.4 Copyright of all materials (including software) that are developed with the significant use of funds, space, equipment, or facilities administered by a component university, including but not limited to classroom and laboratory materials, but without any obligation by the component university to others in connection with such support, shall be held by the component university.
- 1.3.4.1 For the purposes of this policy, the provision of office or library facilities alone shall not be construed as constituting a significant use of funds, space, equipment, or facilities, except in those situations where the office or library facilities were provided specifically to support the development of the material in question.
- 1.3.5 Copyright ownership of all material (including software) that is developed in the course of or pursuant to a sponsored research or support agreement (i.e., an agreement which provides funds, space, equipment, or facilities for research purposes,) shall be determined in accordance with the terms of such agreement, or, in the absence of such terms, the copyright shall be held by the component university.
- 1.3.6 Copyright of mediated courseware developed without specific direction or significant support of the component institution shall remain with the employee. No royalty, rent, or other consideration shall be paid to the employee or former employee when that mediated courseware or a modification thereof is used for instruction by the institution. The employee or former employee shall take no

action that limits the institution's right to use the instructional materials and shall provide written notice on the courseware itself of the institution's right of use.

1.3.7 Copyright of mediated courseware developed at the specific direction or with the significant use of funds, space, equipment, or facilities of a component institution shall not be used without its written consent. The institution shall have the right to modify the courseware and decide who will utilize it in instruction. The institution may specifically agree to share revenues and control rights with the employee.

1.3.8 Definitions.

1.3.8.1 For purposes of this policy, the provision of office or library facilities alone shall not be construed as constituting a significant use of funds, space, equipment, or facilities, unless they were provided specifically to support the development of the material in question.

1.3.8.2 Mediated courseware, includes but is not necessarily limited to, instructional materials delivered over the Internet, synchronous or asynchronous video or audio courses, components of courses, or instructional support materials.

1.4 DISTRIBUTION OF COPYRIGHT ROYALTIES.

1.4.1 Creators of copyrightable material not owned by a component university, or to which a component university has relinquished any ownership claim, own the copyrights in their works and are free to publish them, register the copyright and receive any revenues which may result there from.

1.4.2 Royalty income received by a component university through the sale, licensing, leasing or use of copyrightable material in which a component university has a property interest will normally be shared with the author and the component university where the material originated.

1.4.2.1 The net royalties or other net income received by the component university will, in most instances, be distributed under a formula of 50 percent to the author and 50 percent to the component university.

1.4.2.2 Any distribution which grants the author more than 50 percent of net royalties shall require approval of the Board of Regents.

1.4.2.3 In the event of multiple authors, the proper distribution of the 50 percent author's share shall be determined by their University President, as appropriate.

1.4.2.4 The disposition of the 50 percent dedicated to the University is within the discretion of the University President.

1.4.3 In the event that an author contributes a personal work to a component university, a written agreement accepting such contribution shall be executed. The terms of the agreement shall include a statement governing the division of royalties between the component university and the author.

1.4.4 In cases of extramural funding, the terms of the funding agreement shall govern the division of any royalties that may result from commercialization of materials resulting there from. In the event that the funding agreement vests royalty rights in a component university, and does not provide any royalty share for the author, the author shall be entitled to the same proportionate share he or she would have received if the work had not been extramurally funded. Such a royalty payment to the author, however, may not violate the terms of the funding agreement. Such share shall be a proportion of whatever share is owned by the component

university under the terms of the funding agreement and this policy.

- 1.5 REVISION OF MATERIALS. Materials owned by a component university under the terms of this policy shall not be altered or revised without providing the author a reasonable opportunity to assume the responsibility for the revision. If the author declines the opportunity to revise such material, the assignment of responsibility for the revision will be made by the President.
- 1.6 WITHDRAWAL OF MATERIALS. Materials owned by a component university shall be withdrawn from use when the component university in consultation with the author deems such use to be obsolete or inappropriate. No withdrawal or other discontinuance shall take place that would violate the terms of any licensing or other agreement relating to the materials.

2. PATENT POLICY.

- 2.1 PURPOSE. The universities within The Texas State University System are dedicated to instruction, research, and public service. It is the policy of the Board of Regents of the System that each component university carry out its scholarly work in an open and free atmosphere and publish results obtained there from freely. The Board recognizes that patentable inventions and discoveries may arise on occasion in the course of scholarly work conducted by the employees and students of its component universities. It is the purpose of this policy to insure that such inventions and discoveries are used and controlled in a fashion that maximizes their benefit to the public, the inventor, and the System.
- 2.2 APPLICABILITY. This policy shall apply to all persons employed by a component university of The Texas State University System and to anyone using facilities owned or under the supervision of a component university in connection with the development of a patentable product.
- 2.3 CONDITION OF EMPLOYMENT AND ENROLLMENT. The patent policy of the Board of Regents, as amended from time to time, shall be deemed to be a part of the conditions of employment of every employee of each component university, including student employees, and of the conditions of enrollment and attendance by every student at each component university.
- 2.4 OWNERSHIP. Except as otherwise described in this policy, every invention or discovery or part thereof that results from research or other activities carried out at a component university, or that is developed with the aid of the University's facilities, staff, or through funds administered by the component university, shall be the property of the component university.
- 2.5 INVENTIONS MADE ON OWN TIME. Inventions or discoveries made by University employees or students in their personal time and not involving the use of University facilities are the property of the inventor except in case of conflict with any other applicable agreement.
 - 2.5.1 For purposes of this policy, an individual's *personal time* shall mean time other than that devoted to normal or assigned functions in teaching, extension, University service, or direction or conduct of research on University premises or utilizing University facilities.
 - 2.5.2 The term *University facilities* shall mean any facility, including equipment and material, available to the inventor as a direct result of the inventor's affiliation with the University, and which would not be available to a non-University individual on the same basis.

- 2.5.3 Persons who claim that inventions or discoveries are made on personal time and without the use of University facilities have the responsibility to disclose all such inventions to the University in accordance with the disclosure procedures applicable to inventions made on University time or with the use of University facilities. It shall be the responsibility of the inventor to demonstrate the basis of the inventor's claim that only personal time and no University facilities were utilized.
- 2.5.4 If the inventor so desires, inventions or discoveries made on personal time and without the use of University facilities may be assigned to the University. Under this arrangement, the procedures will be the same as for inventions or discoveries made by University personnel on University time or with the use of University facilities and materials.
- 2.6 PATENTS ARISING FROM GOVERNMENT SPONSORED RESEARCH. Patents on inventions or discoveries arising from research financed by federal, state, or local government may be controlled by the terms of the grants and contracts specified by the government agency sponsoring the research, or by applicable law. In some cases, the sponsoring government agency may claim rights to patents resulting from the sponsored research.
- 2.6.1 Except as provided by law or by government-supported grants or contracts, or when no patent rights are claimed by the government agency, or when such rights are waived by the government, patent arising from government sponsored research are controlled by this Patent Policy.
- 2.6.2 When a patent arising out of research supported under government grants or contracts is owned by a component university, that University will, if requested, agree to a non-exclusive royalty-free license for use of such patent by the sponsoring government agency.
- 2.6.3 If such a patent is owned by the sponsoring government agency, the component university shall be free to use the invention so covered for its own scientific and educational purposes without payment of royalty or other charge, consistent with applicable law.
- 2.7 PATENTS ARISING FROM RESEARCH SPONSORED BY NON-GOVERNMENTAL ENTITIES. Each University must ensure that its facilities and the results of the work of its employees are applied in a manner which best serves the interests of the public. Likewise, the legitimate interests of a private sponsor who provides financial or other support to research carried out through the component university must be considered.
- 2.7.1 Component universities should normally reserve the right to ownership of patents on inventions or discoveries arising out of research supported in whole or in part by grants or contracts with non-governmental organizations or firms. Contracts or agreements which are entered into between a University and such organizations or firms should contain clauses setting forth such a reservation unless deviations there from are requested by the sponsor and approved by the University consistent with the public interest.
- 2.7.2 In the interest of fair treatment to the non-governmental sponsors of research, upon request special provisions may be negotiated which grant ownership of patents arising out of research sponsored by a non-governmental organization or firm to the sponsor of such research. In such cases, the University should: (1) retain the right to use the invention or discovery for its own research, educational, and service purposes without the payment of royalty fees, (2) require the sponsor to use due diligence in the commercial use of the invention, and (3) retain the

- right freely to publish the results of its research after a reasonable period necessary to protect the rights of the parties and to allow for the filing of a patent application.
- 2.8 UNIVERSITY PATENT COMMITTEE. The President of each component university shall appoint a University Patent Committee, consisting of no less than three members, one of whom shall be designated by the President to serve as chairman of the Committee. Such Committee shall perform the duties delineated in this policy and such other duties as may be assigned to it by the President.
- 2.9 DUTY TO DISCLOSE DISCOVERIES AND INVENTIONS. All individuals covered by this policy have a duty to disclose in writing their inventions and discoveries promptly to the pertinent University Patent Committee.
- 2.9.1 The duty to disclose arises as soon as the individual has reason to believe, based on his or her own knowledge or upon information supplied by others, that the invention or discovery may be patentable.
- 2.9.2 Certainty about patentability is not required before a disclosure should be made.
- 2.9.3 Individuals shall execute such declarations, assignments, or other documents as may be necessary in the course of invention evaluation, patent prosecution, or protection of patent rights, to insure that title in such inventions shall be held by the component university, where this policy indicates the University shall hold title, or by such other parties as may be appropriate under the circumstances.
- 2.10 REVIEW BY PATENT COMMITTEE. The University Patent Committee, after receiving disclosure of an invention, shall forward a recommendation to the University President concerning such discovery. Such recommendation shall include: (1) the committee's opinion whether the University has an ownership interest in the invention in question, or whether such invention was one developed on personal time and without use of University facilities, and (2) whether and how the University should assert and exploit its ownership interest in any invention or discovery.
- 2.11 WAIVER OF UNIVERSITY INTERESTS.
- 2.11.1 If the University President, after reviewing the recommendation of the University Patent Committee, concludes that an invention or discovery is one developed on personal time and without the use of University facilities, the President shall advise the inventor that the University asserts no ownership interest in the invention or discovery.
- 2.11.2 If the University President, after reviewing the recommendation of the University Patent Committee, concludes that a component university should not assert and exploit its interest in an invention developed on University time or with the use of University facilities, the inventor shall be notified that he or she is free to obtain and exploit a patent in his or her own right, and the University shall not have any further rights, obligations or duties thereto except as it may specifically reserve.
- 2.12 PATENT MANAGEMENT. The President of each component university, or any person designated by him or her, is authorized to negotiate with reputable agencies or firms to secure for each University arrangements for the management of inventions and discoveries in which the University decides to assert and exploit its ownership interest.
- 2.12.1 Such management may include, but is not limited to, competent evaluation of invention and discovery disclosures, expeditious filing of applications for patents, and licensing and administration of patents.
- 2.12.2 A component institution is authorized to administer its own patent management and licensing program without the use of a patent management agent, if it determines that such arrangement may better serve institutional and public interests.

- 2.13 LICENSES. The President of each component university may grant licenses for the use of inventions and discoveries in which the University has an ownership interest.
- 2.13.1 It is recognized under some circumstances the granting of an exclusive license may be appropriate because in the absence of such a condition some inventions or discoveries may not reach the market place for the public benefit.
- 2.13.2 Normally, an exclusive license may be granted for a period not to exceed five years, although the President may grant a longer period of exclusive license when he or she deems it advisable.
- 2.14 ROYALTIES.
- 2.14.1 In consideration of the disclosure and assignment of invention rights, the inventor, or the inventor's heirs, successors, and assigns, normally shall receive fifty percent (50%) of the net royalties or other net income arising from an invention or discovery, after a deduction for administrative and patent management costs. Administrative and patent management costs include, but are not limited to, the costs associated with the patenting, licensing, and protection of patent rights. The remaining fifty percent (50%) of net royalties shall accrue to the component university responsible for the invention or discovery. Special facts concerning an invention or discovery may warrant a different distribution of royalties.
- 2.14.2 Agreements with respect to royalties shall be in writing and signed by the inventor and the President of the component university.
- 2.14.3 Any agreement which grants the inventor more than fifty percent (50%) of the net royalties shall require approval of the Board of Regents.
- 2.15 DISPOSITION OF INCOME. In the disposition of any net income accruing to a component university from patents, first consideration will be given to the promotion of research.
- 2.16 AVOIDANCE OF CONFLICTS.
- 2.16.1 Any employee covered by paragraphs 2.17.2, 2.18.1, or 2.18.2 shall report in writing to the component university president, or his or her designee, the name of any business entity as referred to therein in which the person has an interest or for which the person serves as a director, officer, or employee and shall be responsible for submitting a revised written report upon any change in the interest or position held by such person in such business entity. These reports shall be accumulated in the office of the president (or designee), who shall immediately thereafter file his or her report with the System Administrative Office. Upon approval by the Board of Regents, the report shall be submitted to the Governor and Legislature as required by *Section 51.912(c) of the Texas Education Code*.
- 2.16.2 Prior to signing any consulting agreement that deals with patent rights, trade secrets, or the like, where any University time, facilities, materials or other resources are involved, University personnel and students must bring the proposed agreement to the attention of the appropriate administrators of the component university and either obtain a waiver of University rights or otherwise modify the consulting agreement to conform with this policy, as is determined by the University in its discretion.

2.17 EQUITY INTERESTS.

2.17.1 Owned by the University.

In agreements with business entities relating to rights in inventions and discoveries owned by a component university, the component university may receive equity interests as partial or total compensation for the rights conveyed.

2.17.2 Owned by an Employee.

In accordance with *Section 51.92, Texas Education Code*, and subject to review and approval by the president of a component university, employees of a component university who conceive, create, discover, invent, or develop inventions or discoveries may hold an equity interest in a business entity that has an agreement with the University relating to the research, development, licensing or exploration of those discoveries or inventions.

2.17.3 The component university may negotiate, but shall not be obligated to negotiate, an equity interest on behalf of any employee as a part of an agreement between the University and a business entity relating to inventions and discoveries conceived, created, discovered, invented or developed by the employee and owned by the University.

2.17.4 Dividend income and income from the sale or disposition of equity interests held by a component university pursuant to agreements relating to inventions and discoveries shall belong to the University and shall be distributed in accordance with the provisions of this policy. Dividend income and income from the sale or disposition of an equity interest held by University employee pursuant to an agreement between the University and a business entity relating to rights in inventions and discoveries conceived, created, discovered, invented, or developed by such employee shall belong to the employee.

2.18 BUSINESS/MANAGEMENT PARTICIPATION.

2.18.1 By Employees.

Any component university employee who conceives, creates, discovers, invents, or develops an invention or discovery shall not serve as a member of the board of directors or other governing board, or as an officer or an employee (other than as a consultant in accordance with University and System policies and regulations) of a business entity that has an agreement with the University relating to the research, development, licensing, or exploitation of that invention or discovery without prior review and approval by the president of the component university.

2.18.2 For the University.

When requested and authorized by the Board of Regents, an employee may serve on behalf of the Board as a member of the board of directors or other governing board of a business entity that has an agreement with a component university relating to the research, development, licensing or exploitation of inventions and discoveries.