

Western Kentucky University Intellectual Property Policy

(Approved by the WKU Board of Regents on January 28, 2000;
Revision approved by the WKU Board of Regents on January 31, 2003)

I. PREAMBLE

Universities are essentially institutions committed to the creation and dissemination of knowledge. They are society's means for encouraging, fostering, and protecting both individual and collective scholarship, research, and creativity, and for sharing the results as widely as possible. Universities bear the important intellectual and cultural role of transmitting and perpetuating traditions of inquiry which society has found valuable, and of protecting them from encroachments that would obviate or distort them, or make them inaccessible to other inquirers. Universities are therefore committed to the academic life in the broadest sense of the word, beginning with their students but ultimately including all of humankind.

Notwithstanding their legal and economic status, and the accompanying privileges and responsibilities of those roles, the primary goal of universities is not financial gain. Moreover, their relation to the faculty is not a simple employer-employee relationship but rather a collaborative association in which the university serves as catalyst, facilitator, and capacitor of professionals committed to pedagogical, scholarly, and service activities. That is, the crucial and definitive interactions take place laterally among faculty members, students, and the larger intellectual and cultural world, and not vertically or hierarchically between the university and individual, isolated employees.

WKU's intellectual property policy respects these basic relationships and affirms the university's commitment to academic freedom and the fostering of a rich and vibrant public sphere in which it can flourish. Pursuit of these goals includes the recognition and protection of the intellectual property rights of faculty, staff, students, and the university, and the acknowledgment of the supportive, enabling role of the academic community. It also requires the fair distribution of any benefits arising from activities in which the university and its members are jointly engaged, including public recognition and, where appropriate, financial remuneration. The following policy attempts to articulate and balance these sometimes competing interests in a fair, manageable, and productive way.

II. OBJECTIVES

- A. to make clear the university's values with regard to intellectual property
- B. to encourage research, scholarship, and a spirit of inquiry, thereby generating new knowledge
- C. to facilitate the dissemination of knowledge and technology for the benefit of the University community and the larger society

D. to provide an administrative system to assist faculty and staff members in bringing new discoveries and developments into public use

E. to provide an administrative system to evaluate, where appropriate, the commercial significance of new discoveries and developments

F. to provide for the equitable disposition of interests in shared intellectual property among the author, creator, developer, the university and, where applicable, the external sponsor

G. to provide incentives to creators in various forms, including professional development, recognition, and financial compensation

H. to safeguard intellectual property, so that it may receive adequate and appropriate legal protection against unauthorized use

III. COVERAGE & DEFINITIONS

A. This policy covers all intellectual property conceived, first reduced to practice, written, or otherwise produced by faculty, staff, or students of WKU using WKU funds, facilities, or other resources.

B. Intellectual property, for the purpose of this policy, is defined as the tangible or intangible results of scholarship, research, development, teaching, or other intellectual activity. Intellectual property may include but is not limited to the following categories:

- 1.** Inventions, discoveries, or other new developments which are appropriate subjects of patent applications.
- 2.** Written materials; exhibits; sound, video, and other media productions; computer programs; computer-based instructional materials; works of art including paintings, sculptures, and musical compositions; and all other material which may be copyrightable.
- 3.** Tangible research materials including biological, chemical, physical, and technological products; as well as analytical procedures and laboratory methods. These may or may not be patentable or copyrightable.

The three categories above are not mutually exclusive; a given article of intellectual property may include aspects of all three categories.

IV. GENERAL POLICY

By law, all rights to intellectual properties defined in Section III, except those exempted hereafter, shall be owned and controlled by WKU. When a WKU faculty member, staff member, or student creates an item of intellectual property which, under the terms of this policy may be owned and controlled by WKU, the creator shall report the intellectual property to the Office of Technology Transfer by completing a Disclosure Form under "Forms" at http://ored.wku.edu/Technology_Transfer_&_Industry_Relations/Forms/. The creator shall also: cooperate in the execution of legal documents and in the review of literature and prior art (e.g., patent searches); be given the opportunity to assist in the further commercial development of the intellectual property as defined in Section VI; and have an interest in and share in any income derived from the commercialization of such property.

A. In accord with the commitments expressed in the Preamble, traditional products of scholarly activity which have customarily been considered to be the unrestricted property of the author or creator are exempted from this general policy. Such traditional products include books, monographs, articles, reviews, and works of art (including paintings, sculptures, plays, choreography, musical compositions); and individual course materials such as syllabi, exams, transparencies, study guides, workbooks, and manuals. Also included are instructional software, webpages, and internet-based instructional materials developed by faculty members in the course of their usual scholarly, pedagogical, and service activities. The latter include projects undertaken during sabbatical leaves, faculty fellowships, and other special assignment periods intended for such activities.

The exemption is also understood to encompass works produced by students, either alone or with the assistance of WKU faculty or staff, if they fall under the foregoing description. WKU will not claim ownership rights to such traditional works, and it specifically disclaims any potential rights to do so under the "work made for hire" provisions of the U.S. Copyright Act, unless there is a predetermined written agreement.

The U.S. Copyright Act defines a "work made for hire" as:

- (1) a work prepared by an employee within the scope of his or her employment; or
- (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. For the purpose of the foregoing sentence, a "supplementary work" is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting charts, tables, editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes; and an "instructional text" is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.

B. Works produced in certain WKU support units (non-academic departments) whose mission includes the production of works for instructional, public service, or administrative use, and which employ designated staff or faculty for the purpose of producing such works (e.g., Career Services, Sponsored Programs, Recruitment & Admissions, Alumni/ae Relations, Center for Instructional Technology, and similar units), are deemed to be works made for hire and, therefore, the property of WKU. Such works may include brochures, films, videotapes, telecourses, recordings, displays, drawings, slides, models, computer programs, and the like. WKU shall own and control all such works produced in such units for such purposes. Income from the use of such works shall be subject to WKU resource management and budgeting policy.

The utilization of WKU support units in order to prepare instructional materials does not automatically transform such materials into work made for hire or deprive faculty of ownership rights. Rather, it generally continues the university's traditional role of facilitating the faculty's usual teaching activities and thus falls under the exemption in IV.A above. However, due to technical advances and other circumstances, new and exceptional cases, as well as interpretative disagreements may arise. Such matters will be brought to the IPC or its Designee(s) for adjudication. Disposition shall be made by the IPC and/or its Designee(s), according to the following factors: the initiation of the creative effort, control over the work's content and form of expression, and the amount of extraordinary or non-usual support afforded by the university. Creators should consult with their immediate administrative superiors in order to determine whether an official disclosure of such materials is required. The WKU support unit should discuss with the creator the ownership, use, and disposition of all instructional materials prior to their creation.

Arrangements for expertise or talent from other units, or from outside WKU, may be utilized to create, further develop, produce or commercialize the creation. Compensation for these arrangements may include a fixed fee payment or payments based on sales or usage of such works, to be negotiated by WKU, the creator and the party providing the additional expertise or talent. Such payments are considered to be a part of the costs of production. Commercialization of such works outside WKU must be through assignment to WKU, which shall be responsible for the commercial development as defined in Section VI.

However, in recognition of the differences among these units and regular academic departments, different and unique revenue-sharing arrangements may be made with the approval of the President of WKU or his/her designated representative. Nothing in this paragraph shall limit the rights of the employees of such units to works produced or developed outside the scope of their employment and not involving the use of WKU facilities or resources.

C. WKU shall own and control the rights to intellectual property resulting from sponsored projects. In some instances, the provision of additional or unusual funding, background information, product samples, or confidential proprietary data by a sponsor may create a situation in which the sponsor may claim partial ownership of intellectual property that might result from the sponsored project. In such cases, final disposition of the property may be negotiated as a part of the sponsored project agreement.

D. In those cases where the final disposition of the property has not been negotiated as part of a sponsored project agreement, WKU will proceed as described in Section VI.

V. ADMINISTRATIVE PROCEDURES

A. The legal interests of WKU and its faculty members, staff members, and students in any intellectual property, except traditional products of scholarly activity as described in Section IV.A., shall be determined in accord with this policy by the Intellectual Property Committee (IPC) or its Designee(s).

B. The IPC shall be a standing committee appointed by the Chief Academic Officer in consultation with the Executive Committee of the Faculty Senate. Its members shall be members of the faculty and staff chosen to provide broad technical expertise across various disciplines, and an outside member with relevant expertise. Additional expertise may be sought by the IPC as needed in the consideration of a particular intellectual property matter.

C. All intellectual property not exempted in IV.A. shall be disclosed by the creator to the Intellectual Property Committee or its Designee(s) (by completing appropriate forms under “Forms” at http://ored.wku.edu/Technology_Transfer_&_Industry_Relations/Forms/) prior to public disclosure.

1. If the IPC or its Designee(s) determines that the intellectual property under consideration is exempted under IV.A., it shall release the property to the creator and WKU shall not claim the property.

2. The IPC or its Designee(s) may determine that WKU has a legal interest in the property but that the chances of successful commercialization are minimal or that the costs of pursuing such commercialization outweigh the income potential. In such cases the IPC or its Designee(s) shall, in writing, release the property to the creator as above.

3. If the IPC or its Designee(s) determines that WKU has a legal interest in the property and judges that there is a reasonable chance for successful commercialization, then the IPC or its Designee(s) shall:

(a) inform the creator in writing that WKU claims ownership rights to the property;

(b) determine and record the rights of the creator to share in any income with WKU in accord with Section VII; and

(c) refer the matter to the Chief Academic Officer together with its recommendation as to appropriate courses of action.

(d) The creator shall execute an acknowledgment and, where applicable, an assignment of ownership rights to WKU.

D. The IPC or its Designee(s) will have the responsibility for valuing the intellectual property so that WKU's interests in any subsequent negotiations are protected. The process for licensing, selling, or otherwise conveying intellectual property will comply with any applicable federal or state statutes. With close consultation and collaborations with the creator, the IPC or its Designee(s) shall determine the appropriate method of protection of the property and, where appropriate, obtain such protection. All costs associated with these actions shall be borne by WKU, except that such costs shall be offset against future income in accord with Section VII.C. WKU will distribute any net income from commercialization in accord with this policy.

E. In some cases the IPC or its Designee(s) may find that WKU has an ownership right in the creation but that the creation has not been developed to the point where a decision as to patentability or commercialization is possible. The IPC or its Designee(s) will work with the creator to establish alternative ways of further development. In such cases, the IPC or its Designee(s) shall place the creation in a pending status, provide the creator with reasons for taking such action and with suggestions as to additional information or data that might be helpful, and request that the creator report back to the IPC or its Designee(s) at some specified date.

F. The IPC or its Designee(s), will file a provisional patent application, after receiving sufficient information from the creator for filing of said application. The IPC will then assign the rights to the provisional patent application to the WKURF, which will market the creation aggressively. If the creation is not licensed, sold or otherwise commercialized, in nine months from the filing date of the provisional patent application, the WKURF will apply for a utility patent before the twelve month deadline in which to file a utility patent application claiming priority to the provisional patent application, or release the creation to the creator. If WKURF decides not to proceed with the filing of foreign intellectual property protection, it shall enter into negotiations with the creator with regard to a licensing agreement allowing the inventor to pursue foreign intellectual property protection at his or her own expense. The IPC or its Designee(s) and the WKURF shall keep the creator informed of its their actions in a timely manner.

G. WKU faculty, staff, students, or external parties, may request that WKU accept, for management and commercialization, intellectual properties not originally subject to this policy. If WKU accepts management and commercialization responsibilities for such intellectual property, the intellectual property shall become subject to, and shall be treated in accord with, all provisions of this policy. If the management and commercialization of the intellectual property includes an offer of sale of the intellectual property, WKU and the owner of the intellectual property shall come to an agreement as to percentage of the sales price to be retained by WKU, before an offer of sale may be extended.

H. Intellectual property given to WKU by external parties shall be assigned to the WKURF for management in accord with appropriate parts of this policy.

VI. COMMERCIALIZATION

A. All intellectual property assigned to WKU shall be further assigned to WKURF for purposes of protection and commercialization. Patent or copyright coverage may be sought, or the property may be treated as proprietary information, technical know-how, or trade secret.

B. In seeking and developing commercialization of intellectual property, WKURF, shall be guided by the following principles:

1. The primary objective and responsibility of WKURF shall be to exercise due diligence so that the products of its intellectual activity are brought into the widest possible use for the general benefit of society. This objective includes the possibility of the granting of an exclusive license for or sale of a product of intellectual activity. If the commercialization of the intellectual property includes an offer of sale of the intellectual property, WKU and the owner of the intellectual property shall come to an agreement as to percentage of the sales price to be retained by WKU, before an offer of sale may be extended.

2. Intellectual property should be treated as an asset and an appropriate return should be sought.

3. Active creator participation in all commercialization efforts shall be vigorously sought.

C. In an effort to commercialize the intellectual property, WKURF will seek a variety of arrangements such as licenses, outright assignment or sale of rights, partnerships, and joint ventures. The selection of particular arrangements will depend on the circumstances of each.

D. In some situations it may be in the best interest of WKURF, the general public, and the creator to enter into commercialization arrangements with entities wholly or partially owned or controlled by the faculty, staff, or students who originated the property. Due to the potential of such arrangements for contributing to the economic development of the state and local areas, such arrangements may be considered and accepted, provided they are not specifically prohibited by law and that adequate provisions, including full disclosure of interests, are made to avoid or otherwise protect against conflict of interest on the part of those involved.

E. Commercialization of intellectual property by WKURF may involve discussions and negotiations over months and sometimes years. Based on national data, the process more often fails than succeeds. If no commercialization has occurred within a reasonable period after the property has been transferred to WKU, the creator may request that all rights be transferred.

F. Such requests should be directed to the IPC, which shall explain what efforts have been made, what additional efforts are planned, and shall make a recommendation to the Chief Academic Officer as to disposition. If the Chief Academic Officer, in consultation with the IPC, determines that there is little chance of successful commercialization, all rights shall be transferred to the creator, and WKU shall no longer claim any rights to the property. If the Chief Academic Officer determines that WKU has undertaken reasonable efforts to commercialize and that further WKU efforts offer reasonable chances of success, the creator's request shall be denied. Such denials will be accompanied by a report summarizing the factors considered by the Chief Academic Officer in arriving at the decision. The creator may request a review of the disposition in accordance with this paragraph annually. Such requests should be directed to the IPC, which will forward a recommendation to the Chief Academic Officer.

VII. ROYALTY INCOME SHARING POLICY

A. Gross receipts refer to agreed-upon payments specified in a license or other commercialization agreement. Net revenue is defined as gross receipts, which include royalties, license fees, and similar payments received by WKURF, minus necessary deductible costs (e.g., patent applications, patent search fees, patent services, patent maintenance fees, mailing, phone/facsimile, or courier costs; necessary travel; and auditing fees and expenses). WKU shall reserve the rights to suspend distribution of net revenue when there is reason to believe that substantial deductible costs will be incurred in the future. The creator shall be informed of such decisions. A detailed accounting of revenue and costs shall be made available to the creator upon distribution of royalties or upon request.

B. Except as otherwise provided through supplementation under Section VII.C., net revenues as defined in Section VII.A. derived from the commercialization of intellectual property covered by this policy shall be shared as follows: 40% to the creator and 10% to the WKURF. The remaining 50% will be distributed as follows: 25% to the General Fund and 25% to the college/department or equivalent administrative unit of the creator (these two percentages may be negotiated based on actual expenditures).

C. The department's share shall be retained in a separate account and shall be available for expenditure by the department in accord with a budget to be approved by the Chief Academic Officer. Such funds may be allowed to build across fiscal years.

D. The creator's rights to share in revenue as stated above (but not including the department's share) shall remain with the individual or pass to the individual's heirs and assigns for so long as net income is derived from the property.

E. When two or more individuals have made substantial creative contributions to intellectual property, such persons will determine among themselves, in writing, the individual share each will receive. A copy of the agreement will be filed with the IPC at the time of disclosure. In the event that they cannot reach such agreement, each individual will have the opportunity to present written and oral statements to the IPC. After such presentations, the IPC will make a final determination.

F. In certain WKU units, because of conditions of employment and the nature of work assignments, and the fact that units often assume continuing responsibilities for maintenance and periodic revision of the property, an alternate distribution of net income of employees may be appropriate in particular cases. Units wherein these situations may occur should propose appropriate modifications to the distribution scale in Section VII.B. Upon approval by the Chief Academic Officer, such modifications shall be added to this policy. Any funds not accepted by the faculty member can be used to benefit the college/department or equivalent administrative unit. However, such modifications may not increase the combined shares of the creator and the department as specified in Section VII.B., except in unusual and very specific circumstances.

G. Creators may make a gift of all or part of their income shares to the Office of Academic Affairs to support WKU creative activities. Upon request by a creator, WKU will retain all or part of the creator's share in a separate account within the Office of Academic Affairs for expenditure in accord with the creator's wishes. The creator may restrict such gifts to any particular program or unit of WKU, as permitted by applicable law. Such requests may be limited in duration to a specific time period or to some specific future event (e.g., the creator's retirement or resignation from WKU) and may be cancelled or modified by the creator at any time.

H. This policy shall not change revenue-sharing agreements entered into prior to the adoption of this policy.

VIII. SHARING OF RESEARCH MATERIALS

There is a long tradition in some fields of sharing research materials. WKU encourages this cooperation. However, commercialization rights and product liabilities make it advisable that there be a written agreement among the parties prior to entering into any type of sharing arrangement. This agreement is generally referred to as a "Material Transfer Agreement". You may contact the Office of Technology Transfer for assistance. When significant costs to WKU are involved in producing the material, provision for the recovery of those costs not covered by sponsor support shall be considered in making a sharing agreement. A copy of any such agreement shall be maintained by the Office of Technology Transfer.

IX. CONSULTING AGREEMENTS

A. Any faculty or staff member engaged in consulting work or in business is responsible for ensuring that clauses in the individual's agreements are not in conflict with this policy, with WKU's Consulting Policy, or with WKU's commitments or agreements with third parties; and that WKU's rights and the creator's obligations to WKU are in no way abrogated or limited by the terms of such agreements. Questions about potential conflicts should be directed to the Office of Sponsored Programs.

B. Faculty and staff members shall make clear to those with whom they make such agreements their obligations to WKU and shall ensure that other parties to the agreement are provided with a current copy of this policy.

X. BINDING NATURE OF THIS POLICY

The policies set forth herein constitute an understanding which is binding on WKU faculty, staff, and students as a condition of their participation in WKU research, teaching, and service programs and for their use of WKU funds, facilities, or other resources.

XI. REVISIONS AND MODIFICATIONS TO THIS POLICY

This policy and any associated attachments are subject to ongoing assessment and future modification in the light of actual experience. The version of this policy in effect at the time of disclosure is binding. Faculty members and others are therefore expected to acquaint themselves with the current version, which is kept on file at the library and the Office of Technology Transfer, and posted on the OTT web site at http://ored.wku.edu/Technology_Transfer_&_Industry_Relations/Forms/

For additional information or questions related to your particular projects, contact the Office of Technology Transfer at 270-745-6733, or visit the website at http://ored.wku.edu/Technology_Transfer_&_Industry_Relations/