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A5.000 ACADEMIC AFFAIRS

A5.502 PROCEDURES FOR INVENTION IDENTIFICATION, DISCLOSURE AND REPORTS  
UNDER EXTRAMURAL CONTRACT PATENT CLAUSES

1. Purpose.

Extramural contracts and grants usually contain patent clauses relating to the respective rights or options available to the parties in respect to inventions developed thereunder. If a contract or grant contains such a clause, it is essential that the Principal Investigator be thoroughly familiar therewith, and comply promptly with the procedural requirements relating to invention identification, timely disclosure and reporting; otherwise the patent rights available to the University, and the continuing contract or grant relationship between the contracting agency and the University may be placed in jeopardy.

2. Objective.


The general procedures outlined below should be followed to assure uniformity and responsiveness in the handling of such inventions. As used herein the words "contract" also refers to "grant".

3. Applicability.

These procedures apply to all inventions conceived and/or developed under extramural funding.

4. Procedure.

The Principal Investigator (P.I.) shall maintain laboratory notebooks or equipment records as are reasonably necessary to document the conception and/or the first actual reduction to practice of inventions, and to show that the procedures for identifying and disclosing inventions are followed. These records shall be available upon request of the funding agency, or the University and their duly appointed representatives.

- A. The P. I. shall furnish the funding agency through the Office of Research Administration:
- (1) A complete technical disclosure for such invention within the period specified in the contract, usually within six (6) months after conception or first actual reduction to practice, which ever occurs first in the course of the contract but in any event prior to any sale, public use, or publication of such invention. The disclosure shall identify the contract and inventor(s), and be sufficiently complete in technical detail, and appropriately illustrated by diagram to convey a clear understanding of the purpose, and physical, chemical, biological, or electrical characteristics of the invention;
  - (2) Interim reports, as required in the contract [usually at least every twelve (12) months from date of contract]; a form similar to the attached Exhibit A, or the appropriate form specified by the funding agency, may be used for this purpose. It should list inventions during that period and certify that all inventions have been disclosed, or that there are no inventions;
  - (3) A final report, as required in the contract [usually within three (3) months after completion of the work]; Exhibit A, or the appropriate agency form, may be used for this purpose.
  -  (4) As required by OMB Circular A-124, the Office of Research Administration will disclose each subject invention to the Federal agency (when the project is federally funded) within two months after the inventor discloses it in writing to the Patent and Copyright Committee.
  - (5) The Patent and Copyright Committee will recommend to the Chancellor who will elect in writing whether or not to retain title to any such invention by notifying the Federal agency funding the project within twelve months of disclosure to the Committee.
  - (6) The University will file its initial patent application within the time limits specified in OMB-Circular A-124.
- B. In every subcontract initiated by the P. I. under a prime contract containing a patent rights clause, the University shall

include the prime contract patent clause in order to notify the subcontractor of the rights retained by the prime contracting agency in inventions resulting from the conduct of experimental, developmental, or research work by the subcontractor, and that the subcontractor is bound thereby. (The University Procurement and Property Management Office has appropriate general conditions for this purpose, and routinely attaches them to all subcontracts under extramurally funded contracts.)

- (1) The University is required under most prime contracts containing a patent rights clause to notify the prime contractor promptly in writing of the award of each subcontract; the P. I. shall identify the subcontractor, the prime contract and the applicable patent rights clause, the nature of the work to be performed, date of award, and estimated completion and submit the same via the Office of Research Administration to the prime contractor on Exhibit A, or the appropriate agency form; upon completion of the subcontract, a report thereof shall be submitted on the final report required by A(3), supra.
  - (2) All invention disclosures, reports, and other information required of subcontractor under the patent rights clause may be submitted to the University for transmission by the P. I. through the Office of Research Administration to the prime contractor.
  - (3) In the event of a refusal by a subcontractor to accept such clause, the University and the P. I. shall promptly notify the prime contracting agency setting forth the reasons for subcontractors refusal and shall await written authorization before proceeding with the subcontract.
  - (4) The funding agency is a third party beneficiary of any subcontract clause granting rights to the funding agency in inventions; the University under such clause usually automatically assigns to the agency all rights University would have to enforce the subcontractor's obligations for the benefit of the agency with respect to such inventions. Therefore, University would not normally be obligated to enforce the subcontractor's agreement relating to its obligations to the funding agency.
- C. All books (including laboratory notebooks), records, documents, and other supporting data relating to the invention(s) shall be retained for the period specified in the contract [usually three

(3) years following final payment], to permit the funding agency to examine such records, and to determine compliance with the requirements of the contract.

- D. All rights in an invention may be forfeited to the funding agency if the above requirements are not complied with; however, such forfeiture shall not apply if it can be established that the failure to disclose did not result from the fault or negligence of the University.
- E. Final payment under a contract may be withheld for failure of the University to maintain appropriate records, and deliver to the funding agency all of the required disclosures and final reports.
- F. Each faculty and staff member engaged in research is subject to and bound by the above reporting requirements, as well as conditions relating to determination of the rights of the funding agency, and the University in inventions or publishable materials vis-à-vis the Inventor or Author which are specified in Board of Regents Bylaws and Policies, Section 5-3(f), which also appear in Appendix H of the Faculty Handbook.
- G. A guide to faculty on Inventions and Patents is available in the Office of Research Administration.

