

UNIVERSITY OF HAWAI'I

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EXECUTIVE POLICY - ADMINISTRATION


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E5.500 Administration of the Patent and Copyright Policy

I. INTRODUCTION

 Section 5-3(f) of the University of Hawai'i Board of Regents Bylaws and Policies establishes the University Patent and Copyright Policy.

Because it is desirable and expedient for the University of Hawai'i to provide uniform rules and procedures for the regulation and administration of intellectual property rights generated by the activities of its faculty, employees and others associated with the University, the following objectives, policies and procedures are established for the University's administration of the Patent and Copyright Policy.

II. OBJECTIVES

1. To define, clarify and protect the rights and equities of inventors and authors, the University, the Research Corporation of the University of Hawai'i, any governmental or private sponsor of research, and the public, with respect to inventions and original works, by providing for just and equitable recognition of the legitimate interests of each of the above in such inventions and works.
2. To encourage broad utilization of the results of University research and to provide a vehicle for the transfer of new technology and ideas from the University to the community at large, by permitting exploitation (both commercial and otherwise) in the public interest and for the public benefit, in a manner consistent with the integrity and objectives of the academic process, including the goal of public dissemination of the results of research.
3. To stimulate innovative and creative scholarship, research and writing and its recognition, by facilitating where appropriate the receipt of fair economic rewards therefrom in the form of royalty payments to inventors and authors from licensees (in the case of inventions) and publishers (in the case of written or similar works).

4. To protect and benefit scholars and researchers in the University by promoting recourse to the patenting and copyright process and by providing information, support and liaison concerning the procedures and problems involved therein.
5. To encourage and assist scholars and researchers in identifying potentially patentable discoveries, to require prompt and early reporting thereof to the Patent and Copyright Committee and to promote scholarly publication concerning such discoveries in a manner that does not prejudice the obtaining of a patent.
6. To devise and promulgate clear and practicable regulations, procedures and forms for the reporting and disclosure of original works that may be copyrightable, discoveries that may prove patentable and the timely prosecution of patent applications in appropriate cases.
7. To provide for the patenting or licensing or both of any invention or the copyrighting and licensing or both of any work, where appropriate, through the Patent and Copyright Committee or a patent management organization or publishing entity designated by that Committee.
8. To protect the rights, as agreed, of any government or private sponsor of research in any invention or work that may be generated by such research, and to ensure compliance with the other terms of any such research grant.
9. To protect the rights of the University in inventions or other original works which result from the use of University funds or facilities by faculty, employees, students or trainees.

### III. ADMINISTRATION OF PATENT AND COPYRIGHT POLICY

1. The University's Patent and Copyright Committee (PCC) shall be vested with authority to administer this Policy throughout the University system and all matters appertaining to patents and copyrights which may emanate from any of the University's constituent campuses shall be referred to the PCC for disposition in accordance with such policy.
2. Membership of PCC: The PCC shall consist of the following ten persons:
  - 2.1 The incumbent Director of Research of the University of Hawai'i or his or her designated representative, who shall serve as the Chairman and Convener of the PCC.

- 2.2 Two representatives of the Research Corporation of the University of Hawai'i (RCUH) may be appointed by the Executive Director of the RCUH for three-year terms.
- 2.3 Director of Procurement and Property Management.
- 2.4 The Legal Consultant to the PCC, who shall be an ex officio non-voting member.
- 2.5 Five persons selected from among the faculties and administration of the University and appointed by the President of the University or his designee for a period of three years.

3. Meetings of PCC:

The PCC shall meet as often as the Chairman and Convener deems necessary, save that there shall be at least one meeting per academic semester.

4. Powers and Duties of PCC:

The PCC shall have the following powers and duties:

- 4.1 To interpret and apply the Patent and Copyright Policy.
- 4.2 To evaluate inventions for patentability, scientific merit and economic feasibility, and where desirable to seek expert advice to assist it in making such determinations.
- 4.3 To decide on the category into which an invention or original work falls for the purposes of determining who has or shares the equity therein.
- 4.4 To determine the patent or related rights or equities of the University and other interested parties in an invention and to decide on the appropriate division of royalties.
- 4.5 To assign inventions to the RCUH for the evaluation, patenting and licensing of inventions, and to procure the receipt of royalties or other benefits by the University, provided that, notwithstanding the above, any royalty agreement may in the discretion of the PCC provide for payment of royalties into a special fund maintained by RCUH and administered in accordance with the wishes of the University of Hawai'i solely for research, development and other educational purposes.

- 4.6 To release patent rights to the inventor in the absence of overriding obligations to outside sponsors of research, in cases where it is deemed equitable or appropriate to do so, subject to the written approval of the President or a person designated by the President.
  - 4.7 To submit its decisions on patent and copyright matters to the President of the University, or to a person designated by the President for such purposes.
  - 4.8 To provide assistance and advice to faculty and other research personnel concerning all aspects related to the patenting of inventions and the copyright in original works.
  - 4.9 To ensure an effective system of patent and copyright administration by means of an ongoing review of applicable policies and procedures and to make reports and recommendations to the President thereon.
  - 4.10 To do all things necessary to achieve the objects of the Patent and Copyright Policy, without being limited by the specific powers and duties enumerated above.
5. Appeals from Decisions of PCC:
- Any person aggrieved by any decision of the PCC may appeal to the President of the University or his designated representative. Such appeal shall be in writing, shall state the grounds of appeal and shall be submitted to the President or such representative within THIRTY (30) days after notification of the ruling of the Committee. The decision of the President or his designee shall be final and binding.

#### IV: PATENTS

1. When University has exclusive Patent Rights:  
Subject to the provisions of the Policy with respect to relinquishment of rights and royalty sharing, the University shall have exclusive patent rights and title in and to any invention or discovery which emerges from any research, development or other program funded by the University, or is conceived or developed wholly or partially at the expense of the University or with the aid of its equipment, facilities or personnel.
2. When Inventor has Exclusive Patent Rights:  
  
The University shall relinquish all rights to the inventor in the following cases:

- 2.1 If the invention or discovery is adjudged by the PCC to have been made by the inventor independently of any contractual obligations to the University and without using University equipment, facilities or funds provided by the University or an outside sponsor.
- 2.2 If the invention or discovery is a result of permissible consulting activities without any use of University facilities or of funds derived from the University or an outside research sponsor.
- 2.3 If the invention or discovery was made with the aid of University facilities or funds, but the PCC, with the written approval of the President or his designated agent decides to waive the University's rights or equity therein.

3. Procedure for Reporting Inventions:

All employees of the University, nonemployees who use University research facilities and those who receive grant or contract funds through the University shall promptly report and fully disclose any ideas for and/or reduction to practice of a potentially patentable invention or discovery to the PCC. The following procedure shall apply to such report and disclosure:

- 3.1 The report and disclosure shall be submitted in writing at the earliest opportunity to the departmental head or immediate supervisor and shall include a written statement certifying whether the potentially patentable invention or discovery was the result of private research done independently of any contractual obligations to the University and without using University equipment, facilities or funds, or whether it was the product of research done with the benefit of such assistance or with the aid of any outside research sponsor.
- 3.2 The departmental head or immediate supervisor to whom the report and disclosure are submitted shall review them and shall forward them to the PCC within THIRTY (30) days after receipt, together with a written opinion regarding the accuracy of the originator's statement submitted pursuant to Paragraph 3.1 and the reasons for such opinion.
- 3.3 The Chairman of the PCC may in his discretion authorize an originator to submit the report, disclosure and required statement directly to the PCC without referring it to the departmental head or supervisor, if he is satisfied that good grounds exist for dispensing with such reference.

- 3.4 The Chairman and members of the PCC shall take adequate steps to assure and preserve the confidentiality of all invention disclosure documents.
- 3.5 The originator shall be notified of meetings of the PCC and may attend the meetings at which his report and disclosure will be considered .
- 3.6 The PCC shall within NINETY (90) days of the submission of the report, disclosure and required statement notify the President of the University, or his designated agent, the originator and the departmental head or immediate supervisor of its decision with respect to the disposition of the matter and the respective rights or equities of any interested parties.
- 3.7 The President or his designated agent may overrule in writing the decision of the PCC, but failing such action within THIRTY (30) days of submission of the decision to the President or such agent the decision of the PCC shall be binding on all parties, unless appealed within that time.
- 3.8 The originator shall be notified in writing of the final decision of the University.

4. Duty of Inventor to Execute All Necessary Documents:

In cases where the University or an outside sponsor has an interest or equity in an invention or discovery, the inventor shall execute all such declarations, assignments or other documents as may be necessary in the course of invention evaluation, patent prosecution, or protection of patent rights in order to assure the title of the University or the RCUH or the University's ability to meet its overriding patent obligations arising from grants, contracts or other agreements of any kind with outside organizations, as the case may be.

5. Inventor's Share of Royalties:

Except as otherwise agreed and subject to any contrary obligations arising from grants, contracts or other agreements with outside sponsoring organizations, the inventor's share of royalties derived from the exploitation of any patent shall be as follows:

- 5.1 The inventor shall be entitled to receive FIFTY PERCENT (50%) of the net royalties received, "net royalties" being defined as gross royalty receipts less all costs incurred in connection with the patent.

- 5.2 If there are two or more inventors, each inventor shall share equally in the said FIFTY PERCENT (50%) share, unless all inventors have previously agreed in writing to a different distribution and have notified the University in writing thereof.
- 5.3 Distribution of the inventor's share shall be made annually in February from the amount of net royalties if any, received during the previous calendar year.
- 5.4 In the event of any litigation, actual or imminent, or any other action to protect patent rights, distribution of royalties may be withheld until resolution of the dispute.

6. Voluntary Transfer of Private Invention to University and Royalty Sharing:

A purely private invention, developed by a University employee independently of any contractual obligations and without any cost to the University or an outside sponsoring organization, may be voluntarily offered to the PCC for the purposes of patenting, development and exploitation as if it were an invention in which the University had an interest. If such offer is accepted by the PCC, the inventor shall assign his rights to the University or the RCUH and shall receive SEVENTY-FIVE PERCENT (75%) of the net royalties (being gross receipts less costs), if any, derived from the exploitation of the patent.

7. Procedure with Respect to Outside Employment and Avoiding Conflict of Interest:

Subject to any other approval that may be required pursuant to University or departmental regulations, Collective Bargaining Agreement, or Faculty Handbook and in order to avoid any conflict of interest, before any member of the University's faculty or research personnel enters into an agreement with an outside employer which provides for or contemplates the grant or any patent rights to the outside employer arising from the outside employment, the following procedure must be adopted:

- 7.1 Such members shall notify his Dean or Director in writing of the nature of the outside employment and the extent of the patent rights to be granted to the outside employer.
- 7.2 The Dean shall forthwith submit the notification to the Chairman of the PCC, together with his written recommendation thereon.
- 7.3 Unless the Chairman of the PCC notifies the member to the contrary in writing within THIRTY (30) days of the submission

of the request, the University shall be deemed to have waived its rights to any invention or discovery made during the outside employment described in the request to the extent necessary to give effect to the grant of the patent rights therein described.

- 7.4 If the Chairman of the PCC objects in writing within the aforementioned period of THIRTY (30) days, the member shall not enter into the proposed employment agreement insofar as it provides for or contemplates the grant of patent rights to the outside employer with respect to any invention or discovery made by the member while in the employ of the University and in which the University has any rights under this Policy.

8. Criteria Governing Outside Commercial Sponsorship of Research:

Contracts and other arrangements between the University and outside commercial sponsors of research must comply with the following criteria :

- 8.1 Research investigators and the University shall be free to disseminate and publish the results of sponsored research, provided that in order not to jeopardize applications for patents the University may agree that any proposed publication will be submitted to the sponsor with notice of intent to submit for publication and that unless the sponsor in writing requests a delay within TWO (2) months from the date of such notice, the investigators or the University shall be free to proceed with immediate publication. However, if the sponsor requests a delay, the submission of the manuscript will be withheld for the period requested, but in no event for longer than SIX (6) months from the date of the notice of intent to submit for publication and only in order to permit the sponsor to prepare and file the necessary application.
- 8.2 The University shall retain the right to take title to any patentable inventions or discoveries arising from the undertaking of sponsored research, except that the University may grant an exclusive license to the sponsor for a period not exceeding EIGHT (8) years and bearing a royalty to be agreed upon, or may grant a royalty-free license if the University has incurred no substantial expense and such a license is deemed appropriate.
- 8.3 Any agreement or arrangement with the commercial sponsor shall not impose any restrictions upon the University in conflict with its established policies and practices, but shall permit performance of the research or other



investigation in the same manner and subject to the same administrative requirements applicable to research financed with the University's own funds.

V. COPYRIGHTS

1. Scope:

The Policy covers books or other written materials, as well as other original works of authorship in the various forms copy rightable under the copyright laws of the United States and international copyright conventions.

2. Rights of Faculty and Staff:

Except in the case of works written or produced for hire, and subject to any restrictions imposed by outside sponsoring or funding organizations, a member of the faculty or staff of the University who writes or produces any work shall have exclusive rights thereto, including the ownership of copyright therein.

3. Rights to Classroom, Educational and Professional Materials:

Faculty and staff members shall own all rights to materials prepared on their own initiative for classroom, educational or professional purposes, and shall be exclusively entitled to the benefit of any royalties derived therefrom.

4. Works for Hire:

A work written or produced for hire is defined as:

4.1 A work commissioned by the University and prepared by an employee who is hired or assigned by the University specifically to produce such work.

4.2 A work prepared by a person who is not a regular employee of the University but who is specifically commissioned by the University to produce it pursuant to a signed written agreement which provides that the work shall be considered a work for hire.

5. Rights in Works for Hire:

With respect to works for hire, the University shall have exclusive rights, including the copyright, but subject to any contrary terms of the employee's employment agreement and any restrictions contained in any contract with or grant from an outside sponsor, the faculty or staff member who prepared or produced the work shall be entitled to receive such proportions, as the PCC in its discretion may determine, of the net royalties

(gross receipts less all costs), if any, which may be derived from the sale or licensing of such work. However, such sale or licensing shall be within the sole discretion of the University, which shall be under no obligation to develop royalties therefrom.

6. Notification to PCC of Intent to Publish Works:

A faculty or staff member who writes or produces a work which he or she intends to publish or exploit commercially shall notify the PCC in writing through the departmental head or immediate supervisor of such intention, providing appropriate details of the work and the circumstances of its preparation and seeking a determination from the PCC as to whether the work is or is not a work for hire.