Rice University Policy No. 333

PATENT AND SOFTWARE POLICIES

I. General Policy

The purpose of this document is to set forth the general policies and guidelines that define the rights and obligations of Rice University faculty, staff, and students with regard to inventions and other intellectual property that result from their University activities.

Basic Objectives

Rice University is dedicated to teaching, research, and dissemination of all new knowledge generated within the University community. Thus, the basic goal of our policies that govern the disposition of intellectual property generated at Rice is to promote the progress of science and technology and to ensure that discoveries, inventions, and creations generated by our faculty, staff and students are utilized in ways most likely to benefit the public. At the same time it is recognized that the University must assist its faculty and other researchers in properly disclosing their scholarly work, in complying with applicable laws and formal agreements, and in gaining the protection available under United States laws governing patents, copyrights, and trademarks.

The basic objectives of the policies set forth in this memorandum include the following:

1. To create an environment that encourages and expedites the dissemination of the discoveries, creations, and new knowledge generated by the faculty and other members of the campus community for the "greatest public benefit".
2. To protect the traditional rights of scholars to control the products of their scholarly work.
3. To ensure that the commercial results, financial, or otherwise, are distributed in a fair and equitable manner that recognizes both the contributions of the inventors or developers and the University.
4. To ensure that both intellectual property and other products of scholarly research and teaching are made available to the public through an efficient and timely process of technology transfer.
5. To encourage research and scholarship without regard to potential gain from royalties or other such income.

A member of the Rice community encountering any perception(s) of departures from these objectives, internal or external to the University, should communicate them forthwith and in writing to the Vice Provost for Research & Graduate Studies.

1. Invention and Patent Policy

General Policy

All patentable inventions conceived or first reduced to practice in the conduct of University research by full time, part time or visiting faculty, postdoctoral researchers, staff and/or students of Rice (defined in these policies as University researchers) shall belong to Rice University. For the purpose of this patent policy, University research includes all scholarly research conducted in the course of the inventor(s) University employment including performance of research sponsored by the University or an external agency/corporation or with University facilities or resources.

Although not explicitly described elsewhere in this document, inventions (and other intellectual property) developed by any Rice employee during the course of non-research activities of the University shall also belong to Rice University.

Rice University shall have sole right to determine the disposition of such inventions. In making such a determination the University will act in a manner, which in the judgment of the University, is in the best interests of the University, its inventors, its research sponsors and the public.
Invention Disclosures
All potentially patentable inventions conceived or first reduced to practice in whole or in part by University researchers in the course of their University responsibilities shall be disclosed in a timely manner to the University regardless of the source of funding. The inventors shall assign all intellectual property rights to the invention to the University at the time of the disclosure. The University, in turn, will be responsible for notification to sponsors of invention disclosures.

Rights to Ownership
University-Supported Efforts
Rights to inventions developed by members of the University shall vest in the University when there was support of the inventor(s) efforts through use of University funds, facilities, personnel or other resources. In this case the inventor(s) will share in University-earned income according to the allocation formula described below.

Sponsor-Supported Efforts
A grant or contract between a sponsor and the University usually contains specific provisions with respect to the disposition of rights to patentable inventions, software and other intellectual property and such prior contractual obligations determine the disposition of intellectual property produced during the project.

In the case of Government-supported research, the Bayh-Dole Act and subsequent amendments and federal regulations provide the basis for current University technology transfer practices. Accordingly, while the University is assigned the rights to intellectual property generated during the course of federally-sponsored research activities, the Government retains the option to claim ownership under certain circumstances. In the event that the Government does not exercise its option (the usual circumstance) and regardless of ownership, the Government retains a non-exclusive, non-transferable, irrevocable, royalty-free, worldwide license to the invention or to copyrightable material produced under Government sponsorship.

In those cases in which all patent rights are vested in the University, or in cases in which income is shared between the sponsor and the University, the inventors will share in University-earned income according to the allocation formula described below.

Individual Efforts
Patent rights to inventions made by individuals on their own time and without the use of University resources belong to the inventor. In such cases the University shall make no claim on royalties.

Multi-Institutional Efforts
In cases in which a University researcher is co-inventor with an individual(s) from another institution(s) or business entity and in which income is shared between the participating entities, the Rice inventors will share in Rice University-earned income according to the allocation formula described below.

There are often cases in which a member of Rice participates in research at another University or entity when the effort is co-sponsored by both institutions. In these cases, the patents shall be normally co-owned by the participating institutions and the distribution of derived royalties between the institutions shall be normally negotiated after an invention disclosure, but prior to the initiation of patent filing.

University Decisions on Disclosed Inventions or Software
A Patent Committee, appointed by the President and whose membership will represent both faculty and administration, will make decisions on behalf of the University as to whether to seek intellectual property protection on disclosed inventions or software. This committee will make every effort for prompt decisions, consistent with faculty publication and other obligations; the committee will establish procedures which empower Office of Technology Transfer to meet time-contingencies through the use of provisional applications or other appropriate measures. The policy recognizes, however, that technology evaluation procedures and prior art assessments can be complicated by a wide variety of factors. The committee shall inform inventors in writing of the status of their disclosure at intervals of no less than 90
days; in no case will the University take longer than one year to make a decision whether or not to file.

**Assignment of Right of Ownership to Inventor(s)**
Should the University not express an interest to pursue patent protection, upon request, the University will assign to the inventors the rights to the invention, subject only to sponsor restrictions. In this case, the Vice Provost for Research will notify the inventor in writing of the assignment of rights.

In all cases in which the invention is assigned to the inventor, the University will retain the rights to a non-exclusive, non-transferable, irrevocable, royalty-free, worldwide license to the invention for research and educational purposes.

It is important to recognize that under current law, ownership does not automatically revert to the inventors if the Federal Government is the sponsor. In such cases, the Government retains the option to claim ownership of the invention. In the event the Government does not exercise its option, ownership will revert to the inventors. However, regardless of ownership status, the Government will retain a non-exclusive, non-transferable, irrevocable, royalty-free, worldwide license to practice the invention.

In cases in which it is advantageous to both the University and the inventors, the University may retain ownership of the invention, but give an exclusive license to the inventor(s).

2. **Computer Software Policy**

**Definition of Computer Software**
Computer software is defined according to the revised 1995 rules of Federal sponsoring agencies. The U.S. defense agencies define computer software as anything executable in a computer. Included in the DOD definition are computer programs, source code, source code listings, design details, algorithms, processes, flow charts, formulae and related material that would enable the software to be reproduced, recreated or recompiled. In contrast the civilian agencies define computer software as computer programs, computer data bases and documentation thereof. For the purpose of University policies, both definitions are considered applicable.

**General Policy**
The computer software policy is intended to clarify both the ownership of software developed with full or partial support from the University, and the disposition of rights and responsibilities with respect to such software. Although computer programs and other software resulting from University research may be either copyrighted or patented, in the context of the University, they are considered distinct in character from literary and artistic creations and are treated like inventions.

The rights to software developed by a University researcher in the course of the developer's University employment shall reside in the University. Thus, the University, in consultation with the software developer(s), shall have the right to evaluate and determine the most appropriate disposition of its software including the assignment of ownership and licenses, and the right to market the software and distribute royalties resulting from the out-licensing.

All University-owned software that is distributed to off campus users shall bear a copyright notice imbedded in the title page or screen or other prominent location. The standard form for the copyright notice is:

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Copyright XXXX (year) Rice University
All Rights Reserved

OR

Copyright XXXX (year) Rice University
All Rights Reserved
Created by Mary Doe and Joe Smith
Department of XYZ
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Rights to Ownership
University-Supported Efforts
Rights to software developed by a University researcher shall vest in the University, when there was any support of the developer(s) efforts through use of University funds, facilities, personnel or other resources. In this case the developer(s) will share in University-earned income according to the allocation described below. For the purpose of these policies, developers are defined as those individuals whose intellectual contribution made the software possible.

Sponsor-Supported Efforts
A grant or contract between a sponsor and the University usually contains specific provisions with respect to the disposition of rights to software, and such prior contractual obligations may define the disposition of software developed during the project.

In those cases in which software ownership rights are vested in the University, or in cases in which income is shared between the sponsor and the University, the developers will share in University earned income according to the allocation formula described below.

Individual Efforts
The University does not claim ownership to software that is developed in the absence of University involvement. Such software must have been developed by individuals on their own time and without the use of any University resources. In such cases the University shall make no claim on royalties. University resources are defined here to be any resources, both material and intellectual, that are used and/or developed by the individual in the fulfillment of their responsibilities as an employee of the University.

Multi-University Efforts
In cases in which a University researcher is the co-developer of software with an individual(s) from another institution(s) or business entity and in which income is shared between the participating entities, the Rice developers will share in Rice University-earned income according to the allocation formula described below.

There are often cases in which a member of Rice participates in research at another University or entity in which the effort is co-sponsored by both institutions. An example would be a sabbatical leave at another University or at a company industry site in which a Rice faculty member draws salary and/or research support from both the home and visited institution. Similarly, Rice often serves as the visited institution for researchers who are fully or partially supported by the home institution or company. In these cases, it shall be the policy that copyright shall be normally co-owned by the home and visiting institutions and that the distribution of derived royalties between the home and visiting institutions shall be negotiated at the time of joint licensing.

Developer Control
The University recognizes the importance of ensuring that a developer(s) maintains control of software that he or she has developed. Thus, when the University owns software under this Policy, and is otherwise not restricted by terms of a sponsored agreement, the University grants the developer(s) an unlimited right to use the software for non-commercial purposes, including the right to distribute that software to colleagues at other institutions and in industry for non-commercial purposes. Developers are not required to disclose to the University software distributed for research or non-commercial purposes (i.e., not for sale); however, the University expects developer(s) to disclose software which may have commercial value.

However, distribution of registered software (see below) to a colleague at another University or to any other external entity will require a written agreement between Rice University and the external recipient that prohibits the recipient from selling or distributing the software without prior approval by Rice University and the developer(s). Developers should recognize that distribution of software to colleagues at other institutions may jeopardize patent protection should they subsequently seek it.
Copyright Registration and Licensing
Generally, the University will process federal registration for University-owned copyrightable works when the developers and the University conclude that University-owned software should be licensed for commercial exploitation or when registration is required under terms of a sponsored agreement. The University only requires disclosure and registration of software when commercial use is anticipated.

Should the developers, but not the University, express an interest to pursue registration of copyright protection and/or licensing agreements, the University will assign the rights to the copyrighted software, upon request, to the developers, subject only to sponsor restrictions and a retention by the University of a royalty-free license for research and educational purposes.

It is important to recognize that under current law, the Federal Government retains a non-exclusive, non-transferable, irrevocable, royalty-free, worldwide license to copyrightable material produced under Government sponsorship.

Software Patenting
In those cases in which the developers of software and/or the University would benefit from the patenting of software, the policies relating to patenting described elsewhere will apply.

3. Distribution of Income

Revenue received by the University generated through income or other exploitation of University owned patents or software copyright shall be distributed in a manner that recognizes the efforts and contributions of the inventors and developers. The Office of Technology Transfer will maintain a detailed accounting for all expenditures and receipts associated with each disclosed invention or software program and will manage the distribution of income according to this policy under the auspices of the Vice Provost for Research & Graduate Studies.

Income shall be distributed as follows.

i) 100% to the University until all its out-of-pocket expenses associated with the protection and exploitation of the patent or software have been reimbursed, such expenses include fees associated with patent filing and copyright registration and any other continuing costs associated with the licensing or other commercialization of the intellectual property.

ii) Thereafter, income received by the University is distributed as follows: 37.5 % to the inventor(s) or developer(s) (or their heirs)

In the absence of an agreement to the contrary, income will be split equally among the multiple inventors or developers. However, the inventors/developers may enter into an agreement among themselves that specifies a different distribution formula that takes into account the differential contributions of the individual inventors to the invention. This income distribution agreement should be submitted to the Vice Provost for Research at the time of filing of the invention disclosure to the University. In the absence of such an agreement, the University's policy will be equal income payments to all inventors/developers.

18.5 % for graduate education

14% to the organizational unit (the department and/or Center/Institute) listed as the sponsoring unit by the University researcher at the time of invention disclosure or software registration

30% to the University

Under certain circumstances the above terms of income distribution may be replaced by other terms mutually agreed upon by the inventor(s), the organizational unit, the University, and the external sponsor or a potential business partner. However, any modification in the terms described above must be approved
by the Vice Provost for Research and Graduate Studies.

If the University's receives equity in lieu of income, or in addition to income, the participation (if any) of the inventors/developers in the equity will be negotiated on a case by case basis.

4. Agreement of the Parties

These policies pertaining to the ownership and licensing of intellectual property constitute an understanding that it is binding on the University, and its academic and non-academic employees, students and others as a condition for their participation in University research, teaching and service programs or their use of University resources. Furthermore, to avoid any potential for a conflict of interest, members of the University may not enter into a consulting agreement that is in conflict with the policies described here.

Furthermore, regulations applicable to Federal grants and contracts and terms of certain sponsored agreements stipulate that the University has written agreements with their employees which require the prompt disclosure of all inventions to a Rice representative. To comply with such regulations, all faculty, research staff and students who work or intend to perform work on a Federally funded project or other sponsored projects are required to execute such agreements.

II. Responsible Official and Key Offices to Contact Regarding the Policy and its Implementation

Responsible Official: Provost
Key Offices: Office of Technology Transfer

Policy History
Clerical Change: January 9, 2018
Issued: March 1, 1999 (Previously incorporated in Policy #303-90)