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CALIFORNIA STATE UNIVERSITY, HAYWARD

DESIGNATION CODE: 94-95 CR 1/FAC 7
DATE SUBMITTED: May 18, 1995

TO: The Academic Senate
FROM: The Committee on Research
The Faculty Affairs Committee
SUBJECT: CSUH Patent Policy
PURPOSE: Action by the Academic Senate

ACTION
REQUESTED: That the Academic Senate approve the proposed CSUH Patent Policy

BACKGROUND INFORMATION:

The CSUH Academic Senate approved a Copyright and Patent Policy on June 5, 1990. The policy, however, never received Presidential approval. Then President McCune sent the document to the Chancellor's Office for advise on legal issues, and although several inquiries were made about its status, the campus never received a response.

At a meeting of campus Senate Chairs in Long Beach on October 13, 1994, Statewide Senate Chair Harold Goldwhite informed Chair Merris that it would be useless to wait for a response from the Chancellor's legal staff on this issue. He advised that because case law is divided, it is especially important for campuses to have formal policies in place.

At its meeting of November 8, 1994, the Executive Committee referred the issue of intellectual property rights to both the Committee on Research and the Faculty Affairs Committee, with the recommendation that a joint subcommittee be formed to revisit this issue. Alan Almquist (Anthropology), Bruce Glasrud (History), and Gary McBride (Accounting & CIS) were appointed to serve on the joint subcommittee.

The subcommittee prepared two separate policies, a CSUH Patent Policy (94-95 CR1 /FAC 7) and a CSUH Copyright Policy (94-95 CR2/FAC 8). Both policies were approved by the Faculty Affairs Committee on May 17 and by the Committee on Research on May 18, 1995.

CALIFORNIA STATE UNIVERSITY, HAYWARD PATENT POLICY

California State University, Hayward is dedicated to teaching, research, service, and the transfer of knowledge to the public. Personnel at the university recognize as two of their major objectives the production of new knowledge and the dissemination of both old and new knowledge. Inherent in these objectives is the need to encourage the development of new and useful devices and processes. Such activities promote the general welfare of the public at large, provide additional educational opportunities for students, contribute to the professional development of the individual staff members involved, and enhance the reputation of the university.

Inventions often come about because of activities of the university's faculty, staff, or other employees who have been aided wholly or in part through use of facilities of the university. It becomes significant, therefore, to ensure the utilization of such inventions for the public good and to expedite their development and marketing. The rights and privileges, as well as the incentive, of the inventors must be preserved so that their abilities and those of other employees of the university may be further encouraged and stimulated.

California State University, Hayward establishes the following policy with respect to inventions and their subsequent potential patentability and marketability. This policy applies to all CSUH employees and to students who may produce inventions as a result of projects completed as course assignments or master's theses or any activity where university facilities are used or faculty guidance is received.

Determination of Patentability

A patent is a grant issued by the United States Government giving an inventor the right to exclude all others from making, using, or selling the invention within the United States, its territories and possessions, for a period of 17 years. When a patent application is filed, the U.S. Patent

Office reviews it to ascertain if the invention is new, useful, and nonobvious, and, if appropriate, grants a patent--usually two to five years later. Not all patents are valuable or insusceptible to challenge.

Not all inventions are patentable. Questions relating to patentability are often complex and usually require professional assistance:

1. General criteria for patentability. An important criterion of patentability is that an invention must not be obvious to a worker with ordinary skill in that particular field. It also must not have been publicly known or used by others in this country or patented or described in a printed publication anywhere prior to the date of invention.

2. Loss of patentability. Inventions that initially are patentable may become unpatentable for a variety of reasons. An invention becomes unpatentable in the U.S. unless a formal application is filed with the U.S. Patent Office within 12 months of disclosure in a publication or of any other action which results in the details of the invention becoming generally available.

3. Circumstantial impairment of patentability. Many other circumstances may impair patentability, such as lack of "diligence." For example, unless there is a record of continuous activity in attempting to complete and perfect an invention, it may be determined that the invention has been abandoned by the initial inventor, and priority given to a later inventor who showed "due diligence."

4. International variation of patentability regulations. Regulations covering the patentability of inventions and application filing procedures vary considerably from country to country and are subject to change. It is important to note that an invention is unpatentable in most foreign countries unless a patent application is filed before any verbal or written publication occurs.

Ownership

The ownership of patent rights varies depending upon the circumstances

of support and discovery. In general, all rights in the invention shall remain with the university* except as specified below:

1. University research. All discoveries must be assigned by the inventor to CSUH unless it is clearly demonstrated that university facilities were not used.

When a discovery has been made which might be patentable, an invention disclosure describing the invention and including other related facts should be prepared and forwarded to the office of the Provost and Vice President for Academic Affairs (VPAA). An invention disclosure is a document which provides information about what was invented, the inventor, circumstances leading to the discovery, and facts concerning subsequent activities. It provides the basis for determination of patentability. Copies of the invention disclosure can be obtained from the office of the VPAA or the CSUH Foundation. If the university chooses not to file a patent application within a year, then complete ownership rights to the invention revert to the inventor.

2. Sponsored research. Sponsored project agreements (including but not limited to those projects sponsored by the federal government, state government, private foundations, and private industries) often contain provisions with respect to patents and licensing. In the majority of cases, these agreements will stipulate that any inventions occurring during the course of the agreement will become the property of the inventor and California State University, Hayward. However, under special circumstances the sponsored agreement may be revised to waive the university's patent rights after negotiation between the Sponsor, the VPAA, and the Principal Investigator.

Under no circumstances may the sponsor prohibit or interfere with

* The greater effort needed to gain patents and the lack of a publishing industry equivalent in the patent world explains some of the copyright/patent practice differentiation. The large bureaucracy of the institution works for the faculty member in securing the patent rights, claims ownership to maintain appropriate controls, legal safeguards, and ability to compensate direct institutional costs and then generously remunerates the inventor to motivate future efforts.

the university's or inventor's rights to publish research results regarding project inventions. The university may agree to a review of proprietary information by the sponsor prior to publication of such information or to a limited waiting period before publication.

Whenever there are disputes between the university and the creator regarding patents, or otherwise as needed, the office of the Provost shall convene a Patent Advisory Committee consisting of at least one school dean, and two members of the faculty chosen by the Committee on Research; advice on legal issues shall be obtained from university counsel.

Identifying the Inventors

Only persons who made an inventive contribution to the subject matter claimed in the patent application may be named as inventors in the application. Persons who have made other contributions such as gathering essential data or constructing a practical embodiment of an invention, are not inventors--unless they make an inventive contribution. Similarly, a project supervisor is not entitled to inventor status simply because of her or his supervisory role; an inventive contribution is the singular criterion. The determination of who has made an inventive contribution may be difficult when several researchers and students have been involved in the project. It can be fatal to an otherwise successful patent application if the name of a legitimate co-inventor is omitted from the application and competing applications are filed by different inventors. Therefore, it is important to clarify inventorship before the patent application is submitted to the U.S. Patent Office. The inventor's status shall be established in writing before an invention disclosure is submitted to the VPAA.

Implementation

In the implementation of its policies, the university and the inventor may choose to pursue the invention's patentability and, if favorable, a patent for the invention, by following any of the following courses:

1. To develop and manage its patent rights program through an independent patent assistance organization so as to secure competent evaluation of inventions or discoveries, expeditious filing

of applications for patents and aggressive licensing and administration of patents;

2. To develop and manage its patent rights program through an affiliated auxiliary corporation or other nonprofit organizations established for this program;
3. To develop and manage independently its own patent rights program; or
4. (in the event that the university chooses none of the above) To release the invention to which the university has title or an interest to the inventor for management and development as a private venture after the execution of an agreement providing for the division of royalty income produced.

Division of Proceeds

In some instances, the university, the inventor, and/or a third party may have prepared a contract or agreement which provided for the division of proceeds.

If no prior contract or agreement was prepared between the inventor and the university, all costs associated with prosecuting the patent and marketing the invention are paid by the university or by a corporation contracted to prosecute patent applications.

After reimbursement for all such associated costs, the balance of the royalties resulting from an invention shall be divided as follows: 60% to the inventor(s), 20% to the inventor's department, and 20% to the university. There are no restrictions on the use of the inventor's share of the distribution. The university and the department shares, however, must be used to further promote research and faculty development at California State University, Hayward.