

Maine Medical Center Institutional Policy Manual

Policy Title: Rights and Responsibilities with Respect to Intellectual Property

Policy Summary:

It is the policy of Maine Medical Center (MMC) to seek to encourage creativity and entrepreneurship among its researchers and staff. MMC invests in this endeavor by making available its own facilities, equipment, personnel, and information resources. MMC also actively seeks specific support for creative activity from external sources, both public and private.

Inventions, discoveries, and creative works that are developed by individuals at MMC, may have commercial as well as scientific and scholarly value. The intent of this policy is to provide incentives that foster creative activity and to help assure that any such intellectual property produced will be exploited for the benefit of the creator(s), MMC, and the public. To help meet these policy objectives, MMC makes available from the Office of Medical and Academic Affairs, technical and legal assistance to protect ownership of intellectual property and to aid in its commercial development.

The specific aims of this policy are the following:

1. to encourage creativity among, MMC researchers and staff;
2. to increase the likelihood that ideas, inventions, and creative works produced at MMC are used to benefit the public;
3. to protect the traditional rights of the creator(s) with respect to owning the products of their intellectual endeavors;
4. to assure compliance with the provisions of contracts with external sponsors; and
5. to provide that, when intellectual property is introduced for commercial development, the creator(s) and MMC share any net profits.

Scope of Policy

Who Is Covered: MMC Personnel Community

For purposes of this policy, MMC personnel community refers to MMC faculty, adjunct, member and visiting scientists, investigators, administrators, office and technical staff, medical staff, contractors (as appropriate), consultants, and all others whose primary work affiliation is with MMC, whether compensated by MMC or not.* MMC personnel are obligated under this policy when their creative work is developed partially or entirely during performance of their MMC responsibilities or when it involves the use of MMC resources such as space, facilities, equipment, staff, or funds, as stipulated for the particular circumstances described in the sections below “Determination of Rights . . .” for both patentable and copyrightable material.

* As a condition of affiliation with MMC, members of the MMC personnel community are bound by all MMC policies, including this one.

Policy:

1. What Is Covered: Intellectual Property

All intellectual property produced at MMC by its personnel (defined above) is covered by this policy. Intellectual property shall consist of, for example and without limitation: inventions, creative works, patentable subject matter, copyrightable materials, know-how, electronic or paper documents, software, multimedia or audiovisual materials, and photographs. For purposes of this policy, intellectual property is divided into two categories:

1. "Patentable intellectual property" shall include, without limitation, all inventions, discoveries, know-how (despite the fact that these may not benefit from patent protection) and discoveries or other material that is patentable under US law (whether or not produced in the US), as well as all software that is excluded from "copyrightable material" (whether or not patentable under US law).
2. "Copyrightable intellectual property" shall include, without limitation, all creative works, electronic or paper documents, software, multimedia or audiovisual materials, and photographs, and any other materials that may be copyrightable under US law (whether or not produced in the US).

2. Patentable Intellectual Property

Responsibility for Disclosure of Patentable Intellectual Property: MMC personnel who alone, or in association with others, create patentable subject matter with any use of MMC resources are responsible for disclosing the patentable subject matter to MMC. Such disclosure shall be made in a timely manner when it can be reasonably concluded that a patentable subject matter has been created, and sufficiently in advance of any publications, presentation, or other public disclosure to allow time for possible action that protects rights to the intellectual property for the creator and MMC. Individuals with patentable subject matter should:

1. Fill out the disclosure form (attached to the policy) describing the patentable matter and other related facts.
2. Forward disclosure form to the Administrative Director of Maine Medical Center Research Institute (MMCRI).

The Patent Committee will review the form and respond to the creator within 60 days. The Patent Committee will consist of the Administrative Director of MMCRI as Chair, the Director of the Center for Molecular Medicine, the Intellectual Property Officer and depending on the patentable matter for discussion, will include an expert of that subject area.

Determination of Rights to Patentable Subject Matter: Except for Patentable Intellectual Property developed independently and without MMC resources as noted below, all Patentable Intellectual Property produced by MMC Personnel shall be deemed "work made for hire" and be MMC's sole and exclusive property. MMC will assert ownership rights to patentable intellectual property developed under any of the following circumstances:

1. Development was funded by an externally sponsored research program or by any agreement that allocates rights to MMC.
2. Development required use of MMC resources (for example but not limited to facilities, equipment, funding, or personnel). MMC has rights to patentable material derived from research carried out with any use of MMC resources. However, patentable material developed independently by the creator outside of normal duties associated with the creator's position and with no use of MMC resources or facilities is vested with the creator and/or with the organization whose resources were used.
3. The creator was assigned, directed, or specifically funded by MMC to develop the material.
4. Material was developed by administrators or staff in the course of their employment duties and constitutes "work for hire" under US law.

3. Copyrightable Intellectual Property

Responsibility for Disclosure of Copyrightable Intellectual Property: In contrast to historical business practice, the tradition of academic institutions is to give its personnel the right to retain ownership of their copyrightable products. This policy protects that traditional right and personnel are not obligated to disclose the creation of copyrightable material, even when the product might have commercial value, unless the material was developed under one of the qualifying conditions listed in the next section, in which case the creator is responsible for timely disclosure. All disclosures should be made to the Director, MMCRI.

Determination of Rights to Copyrightable Intellectual Property: Except for Copyrightable Intellectual Property developed independently and without MMC resources as noted below, all Patentable Intellectual Property produced by MMC Personnel shall be deemed "work made for hire" and be MMC's sole and exclusive property. To the extent that copyrightable material is developed for courses or curriculum at MMC by such individuals, and as a condition of employment by MMC, the creators of such copyrightable material grant a non-exclusive, royalty-free, perpetual license to MMC to use of such material for educational and research purposes. MMC will assert ownership rights to copyrightable intellectual property developed under any of the following circumstances.

1. Development was funded by an externally sponsored research program or by any agreement, which allocates rights to MMC.
2. MMC personnel was assigned, directed, or specifically funded by MMC to develop the material, or MMC has negotiated an understanding or formal contract with the creator.
3. The material was developed with extraordinary or substantially more use of MMC resources than would normally be provided for the creator's employment duties. This might occur as disproportionate use of staff time, networks, equipment, or direct funding.
4. Works created by non-faculty independent contractors on behalf of MMC, unless otherwise specified in a written agreement between such independent contractor and MMC. Such contractors do not share in the creator's portion of Net Royalty Income (as defined below under "Income Distribution").

4. Copyrightable Intellectual Property Created by Students

All students participating in programmatic activities at MMC and using MMC resources will be held to the same provisions of this policy as MMC personnel previously defined. Student theses and manuscripts, as creative works, will be the copyright of the student; however, all data, discoveries, and information that form the basis for these creative works, i.e. all research data (e.g. lab notebooks, machine output, spreadsheets, etc.) are the intellectual property of MMC and the supervisor under whose guidance the student's intellectual property was developed.

5. Intellectual Property Developed Under Sponsored Research Agreements

Ownership of copyrightable and patentable intellectual property developed pursuant to an agreement with any sponsor will be governed by the provisions of that agreement.

Government and nonprofit sponsors generally allow rights to intellectual property that arises from the research program to vest with the institution, subject to certain retained rights held by the federal government. Under special circumstances, sponsors, including government agencies, will provide for the institution to retain title to all intellectual property that arises in the course of the research program, with the sponsor retaining an option to acquire commercialization rights through a separate license agreement.

6. Special Agreements

Since MMC aims to encourage creativity, it reserves the right to allow some flexibility in applying this policy on a case by case basis. In such cases, ownership of materials developed pursuant to a special agreement between MMC and the creator will be governed by the provisions of any such agreement.

7. Waiver or Return of Rights

Recommendation from the Patent Committee to the Senior Vice President of Medical and Academic Affairs, may in his/her sole discretion waive, transfer, or license to the creator its rights in any intellectual property when such action does not conflict with obligations to the federal government or other interested parties. This could occur, for instance, if the costs for protecting and developing the intellectual property are not likely to be matched by anticipated income. If at any time MMC shall terminate its effort to seek protection of intellectual property, or to discontinue commercial development, the creator shall, upon filing a request with MMC and completing appropriate transfer of rights, be free at his or her expense to seek a patent or assert copyright, and/or develop, license, and otherwise use the material, subject to MMC's rights to reimbursement of incurred costs and sharing of future royalties, in amounts to be negotiated between MMC and the creator on a case by case basis. Creators shall not place patentable subject matter in the public domain without written approval from the Senior Vice President of Medical and Academic Affairs.

8. Administration of Intellectual Property

The Senior Vice President for Medical and Academic Affairs will be responsible for management and general oversight of all MMC intellectual property issues. He or she is authorized to execute agreements and other documents on behalf of MMC concerning the development, transfer, commercialization and licensing of intellectual property. Intellectual property disclosable hereunder shall be disclosed to the Office of Medical and Academic Affairs. The following duties will be delegated to the Vice President of Research in her/his capacity as Director, MMCRI:

1. will complete a timely review of the patentability and marketability of the intellectual property and prepare a recommendation for the Senior Vice President of Medical and Academic Affairs regarding the protection and the commercialization of said property.
2. will create an ad hoc Patent Committee if needed to assess, revise and facilitate patent claims.
3. will work with creators and consultants to obtain patent or other protection of intellectual property owned by MMC hereunder, and for marketing and licensing of all such intellectual property rights.
4. in conjunction with the Chief Financial Officer, will oversee distribution of royalty income as dictated by this policy.
5. will set up and manage individual expense and income accounts for intellectual property that is vested in MMC under this policy.

MMC personnel who wish to pursue the commercialization of their independently developed and owned intellectual property through MMC may offer such intellectual property to MMC by following the administrative process outlined above.

9. Income Distribution

Costs and Net Royalty Income: Unless otherwise agreed, Net Royalty Income shall mean Gross Royalties in the form of cash or cash proceeds whether from the sale of equity or obtained in licensing transactions, less all commercialization costs, including but not limited to, previous and ongoing billed costs for protection of intellectual property, marketing, legal fees and other licensing costs, as well as a 10% share of all royalties, as recovery for non-reimbursed costs, distributed to MMCRI for continuation of the Intellectual Property program.

Distribution of Net Royalty Income: With respect to intellectual property owned by MMC hereunder, Net Royalty Income shall be distributed (usually annually) as follows:

1. 40% Creator(s) (personal)
2. 20% Creator's Department
3. 40% Maine Medical Center

The creator will receive personal royalties as income. If the creator chooses to donate a portion of the royalties to research, the creator may do so in accordance with the policy and procedures of the Development Office of MMC and in accordance with local, state and federal tax policies.

In the event of joint creators, the payments made to the creator under the above schedule shall be divided equally among the creators, except as may be otherwise agreed to by the creators at time of assignment and approved by the Senior Vice President of Medical and Academic Affairs. In the event that MMC receives other than monetary consideration in connection with any license, such as equity, such consideration shall be considered Gross Royalties and shall be apportioned according to the above schedule. Any equity received by MMC may be held by MMC until such time that MMC decides to liquidate such equity. MMC, under the recommendation from the Vice President of Research to the Senior Vice President of Medical and Academic Affairs, in conjunction with the Chief Financial Officer, have the right to determine the disposition of intellectual property in which it has an ownership interest. Payments for research or contributions of equipment shall not be considered Gross Royalty Income but shall be the sole property of MMC. The use of all royalties by the institution and its departments, faculty and staff will be exclusively for the continued support of research and other academic endeavors, with distribution overseen by the Senior Vice President of Medical and Academic Affairs in conjunction with the relevant department chief or the Director, MMCRI.

For the purposes of this policy, MMCRI with its faculty and staff, are considered an academic “department” of MMC.

MMC may postpone the distribution of Net Royalty Income when future expenses relating to the applicable technology, such as patent prosecution costs, or an infringement suit, are reasonably anticipated.

10. Creator Equity Participation

Creators may receive equity in return for their contributions as founders or consultants only in accordance with specific MMC policies. Annually, creators must fully disclose their equity positions and shall otherwise be and remain in compliance with the MMC Conflict of Interest policies.

11. Survival of Terms

All licenses and rights granted to MMC will survive any termination of employment or end of enrollment by a student as applicable.

12. Conflict Resolution

Administration regarding this policy shall be the responsibility of the Senior Vice President of Academic and Medical Affairs. Questions should be directed to that Office regarding the application, interpretation or implementation of the policy, or regarding disagreement among creators concerning assignment of rights or sharing of royalties. Disagreement with any determination may be directed to the Senior Vice President of Medical and Academic Affairs or his/her designee for a final determination.

13. Use of MMC Name, Mark, or Insignia

The MMC name, seal, or logo may not be used:

1. in conjunction with any private or commercial enterprise.
2. in tandem with the advertisement of any product.
3. by any individual or group promoting itself.

Any questions regarding the use of the MMC name, seal, or logo should be referred to the MMC Counsel.

14. Changes to this Policy

MMC reserves the right to change this policy from time to time. Any such policy changes shall not affect any Royalties or property interests specifically allocated or assigned to creators prior to such policy change. Proposed changes normally will be developed by the Director, MMCRI in consultation with the Office of Medical and Academic Affairs. The President, MMC has sole authority to approve changes to this policy.

Author: Dr. Donald St. Germain

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Review Date(s)

Committee(s) Approval and Date:

Institutional Policy Review Committee: 1/28/13

Policy Sponsor: _____ **Date:** _____

VP of Research

VP/SVP Approval: _____ **Date:** _____

SVP Medical and Academic Affairs