

New York University

University Policies

Title: Policy on Patents
Effective Date: December 12, 1983
Supersedes: Policy on Patents, November 26, 1956
Issuing Authority: Office of the General Counsel
Responsible Officer: Senior Vice President, General Counsel and Secretary

Purpose of this Policy:

The purpose of this policy is to establish procedures with respect to patentable inventions developed at New York University.

Scope of this Policy:

This policy applies to the NYU academic community.

Procedures for Implementation:

1. Objectives

The policies and procedures with respect to patentable inventions developed at New York University are directed toward the following objectives and purposes: (a) establishment of an orderly system whereby inventions resulting from research conducted under University auspices will be developed and utilized in the best interests of the public, the inventor, and the University; (b) provision for both the University and the inventor to share equitably the royalties and other income arising out of inventions developed under University auspices.

11. Administration

- a) Any school or college of the University may establish a school or college patent committee that shall make recommendations to the dean on matters pertaining to inventions and patents within the school or college.

b) The recommendations of the school or college shall be subject to the general oversight of the University Sponsored Research Committee and approval by the Chancellor of the University.

III. Contract with University Patents, Inc.

- a) The University, exclusive of the Medical Center, has entered into an agreement with University Patents, Inc., a patent management firm engaged in the business of promoting patentable inventions, whereby the University will submit to University Patents, Inc., any invention to which the University has acquired or has the right to acquire title and rights to commercial exploitation and which the University believes may be patentable and should be developed for use public. Such invention may or may not be accepted by University Patents, Inc., depending upon the evaluation of the invention made by University Patents, Inc.;
- b) Upon accepting an invention (i) University Patents, Inc., acquires sole right and title, subject to contractual obligations of the University, to the invention and all patents obtained thereon; (ii) University Patents Inc., uses its best efforts to obtain a patent on and to license the invention; (iii) University Patents, Inc., pays to the University a certain portion of the royalties or other income arising from the invention as set forth in the agreement with University Patents, Inc.;
- c) Copies of the agreement between the University and University Patents, Inc. are kept on file in the Office of the Chancellor.

Research is an integral part of the educational program at New York University. Such activity, stemming from the interests of the University staff, is part of the staffs regular employment, and, in some instances, is covered by contractual arrangements with sponsors. In the latter situation, patent and invention rights of the inventor and the University are generally defined.

The next two sections, IV and V, of this Patent Policy delineate procedures for processing inventions developed under these two different sets of circumstances: (a) inventions developed by faculty, staff, and students and (b) inventions developed on University research projects and sponsored research projects.

IV. Inventions Developed by Faculty, Staff, and Students

- a) As a condition of either employment or continued employment by the University, or the receipt or continued receipt by a student of support from or through the University, every member of the faculty or research staff, or other employee or student shall promptly after discovery submit to the Office of Sponsored Programs or to his or her school or college committee if one exists, any invention, which reasonably could be considered patentable, developed by him or her, or with some other person, either in the course of his or her employment by the University or in connection with research or

related activities as a student. The University shall offer the invention to University Patents, Inc., pursuant to the terms of the aforementioned agreement between it and the University; or shall offer said invention to some other entity under similar conditions; or shall take other steps to evaluate and exploit the invention; or declare its lack of interest to the inventor within a reasonable time. In the event the University rejects the invention, it shall become the property of the inventor or inventors, subject, however, to the limitations set forth in paragraph (f) hereof.

- b) The term "in the course of his or her employment by the University" shall not, however, include activities arising in approved consulting work.
- c) If such invention is accepted by University Patents, Inc., or other entity, both the University and the inventor or inventors thereof shall assign all their right, title, and interest in the invention to University Patents, Inc., or to said other entity, and the invention shall become the sole property of University Patents, Inc., or of said other entity, pursuant to the terms of the aforesaid agreement between the University and University Patents, Inc., or between the University and said other entity, as the case may be. Should the University itself choose to exploit the invention, the inventor or inventors shall assign all right, title, and interest in the inventions to the University. Regardless of the identity of the assignee, the inventor or inventors shall at all times cooperate with the assignee in patenting and exploiting the invention.
- d) The University shall pay to the inventor or inventors, his, her, or their heirs, executors, administrators, or assigns a portion of the net proceeds paid to the University, and such portion shall consist of and be computed exclusively from money received by the University from University Patents, Inc., or other entity and arising out of commercial exploitation of the invention. The University shall establish rules and procedures for determining what portion of the monies paid to the University by University Patents, Inc., or other entity and arising out of a particular invention shall be paid to the inventor or inventors of such invention. All decisions of the University determining the payments to be made to a particular inventor and the reasons for such decision shall be set forth in writing. The inventors' collective share of such net proceeds received by the University from the invention shall ordinarily be fifty percent (50%). Royalties and other income shall, where appropriate, be allocated and expended by the University in accordance with federal regulations governing the use of such funds. Where an invention is developed by more than one person, the inventors shall decide among themselves their respective shares of the inventors' collective share of net proceeds and shall provide to the Office of Sponsored Programs a written agreement signed by all of the inventors designating their respective shares and authorizing the University to make payments in accordance therewith. One-third of the net proceeds retained by the University shall be allocated to the department in which the invention was made, one third to the school or college in which the invention was made, and one third to the University.

- e) The payments to which any inventor shall be entitled hereunder shall be made within ninety (90) days after the receipt by the University of the monies derived from his or her invention during the year. In addition the University shall furnish the inventor or inventors with a copy of the statement of activity and computation furnished to the University by University Patents, Inc., or other entity, pursuant to its contract with the University.
- f) In the event University Patents, Inc., or other entity shall reject an invention submitted to it, the Office of Sponsored Programs, with the approval of the Chancellor, may nevertheless, on behalf of the University determine to pursue the exploitation of such invention and shall so indicate by notice mailed to the inventor or inventors within a reasonable time after receipt of notice of the rejection by University Patents, Inc., or other entity. In such event, the inventor or inventors shall assign all their right, title, and interest in the invention to New York University, which shall diligently pursue the exploitation of the invention. The invention shall become the sole property of the University, and the provisions of paragraphs (d) and (e) hereof shall be applicable with respect to the distribution of all monies received by the University and arising out of commercial exploitation of the invention.

If the invention is rejected by University Patents, Inc., or other entity, and the University shall thereafter in writing decline to exploit said invention or fail to pursue diligently its exploitation after written demand by one or more of its inventors to do so, the University shall be deemed to have waived its rights in the invention. The inventor or inventors shall then be free to take such action as he or she or they deem desirable to obtain a patent upon the invention and otherwise exploit and develop such invention. In no event shall the inventor or inventors use the name of the University in exploiting the invention without the consent of the University.

V. Inventions Developed on University Research Projects and Sponsored Research Projects

- a) The University conducts special research projects which may be sponsored (i) by the University through special appropriation; (ii) by some other person, corporation, or governmental agency under an agreement with the University. Such special research projects are understood to be those which operate under contractual agreements or Memoranda of Understanding.
- b) No person shall be assigned to any special research project as defined above unless he or she shall first sign a written statement that he or she agrees (i) to be bound by the terms of any contract or agreement between the University and any person, corporation, or other agency sponsoring such special research project to the extent that the terms of such agreement provide for the disposition of inventions developed in connection therewith, or in the absence of any such contract or agreement (ii) to be bound by the provisions of Part IV hereof with respect to any invention developed by him or her, either alone or in conjunction with some other person, as a result of his or her

assignment to such special research project; and (iii) to submit and such invention to the Office of Sponsored Programs to be processed pursuant to the procedure set forth in Part IV above.

Policy Definitions: N/A

Related Policies: N/A

Notes:

1. Dates of official enactment and amendments: The Statement of Policy on Patents has not been revised for the current edition. The University is not currently a party to a contract with University Patents, Inc. The University's patent and licensing activities are managed by the Office of Industrial Liaison (see the University Directory for contact information).
2. History: Policy amended through December, 1983
3. Cross References: N/A

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