

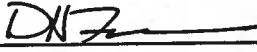
AGENDA ITEM NO. \_\_\_

**THE UNIVERSITY OF BRITISH COLUMBIA**

**FOR INFORMATION**

**FORWARDED TO:** BOARD OF GOVERNORS ON RECOMMENDATION  
OF PRESIDENT STEPHEN J. TOOPE

**APPROVED FOR SUBMISSION:**

  
for Stephen J. Toope, President & Vice-Chancellor

**DATE:**

\_\_\_\_\_



**PRESENTED BY:**

Hubert Lai, University Counsel  
John Hepburn, Vice President, Research & International 

**DATE OF MEETING:** April 3, 2012

**SUBJECT:** Amendments to Policy #88 – Patents and Licensing

**DECISION REQUESTED:** For information only (No action required).

**EXECUTIVE SUMMARY:**

The current Policy #88 has been in place, without amendment, since 1993. A copy of the Policy that is currently in effect (the "Current Policy") is attached as Attachment "B".

The Office of the University Counsel initiated a process to substantially revise Policy #88 in order to create a Policy (the "Revised Policy") that is both reflective of and that furthers the University's mandate to foster research and to see the product of that research implemented in practical applications of benefit to society. Whereas the Current Policy is focused on the commercialization of inventions arising from University research, the Revised Policy aims to maximize the impact of University research in the broadest sense, whether that is through commercial or other means. The intention was also to create a Policy that reflects the University's latest thinking and practices and that can be implemented in the current research environment so as to most efficiently and effectively support the University's mandate.

The Revised Policy, which is attached as Attachment "A," meets these stated aims.

**ORIGIN OF REQUEST AND CONSULTATION:**

Since the adoption of the Current Policy, the technical, collaborative, and educational environments in which the University operates have changed significantly. Similarly, the University's practices in relation to the management of intellectual property arising from University research have evolved to such an extent that anyone reviewing the Current Policy would struggle to understand the University's practices.

The University has received numerous and increasing requests, from industry, governments and other stakeholders, to revise the Current Policy. Many of these requests call for changes that have already been adopted by the University at an operational level but that are not clearly reflected in the Current Policy. Other requests address matters which, if clarified, would assist the University both in its efforts to engage with industry and other community partners and in furthering its mandate to facilitate the creation of knowledge and to see that knowledge transferred from theoretical concept to practical application.

In response to these requests for revision and in recognition of the inconsistency between the Current Policy and both the scope of the University's mandate and its existing operational practice, the Office of the University Counsel initiated a process to create a revised Policy that would achieve the following goals:

1. further the University's mandate to facilitate the dissemination of knowledge and maximize the impact that University research and inventions have on society;
2. encourage potential industry partners and other stakeholders to support research and learning at the University by empowering inventors to not only publish the results of their research, but to also utilize other non-commercial means to implement the product of their research into society without unnecessary restriction from the University; and
3. accurately reflect the University's current practices with respect to the treatment of University inventions.

The revision process was informed by input from the University - Industry Liaison Office and a comprehensive review of comparable policies at the University's peer institutions in Canada and the United States. The Office of the University Counsel then constituted a Policy #88 Review Committee (the "**Policy Review Committee**") to consider and advise on the creation of the Revised Policy.

The Policy Review Committee, comprised of the following members, met on five occasions in October 2011 and January 2012 to conduct the review and formulate the Revised Policy:

- Hubert Lai, University Counsel (Chair)
- William Aiello, Professor, Computer Science
- Helen Burt, Associate Vice President, Research and International
- Jennifer Choi, Graduate Student, Biochemistry and Molecular Biology
- Alan Hu, Professor, Computer Science
- Mario Kasapi, Associate Director, UILO

- Chris Lennon, Associate, Richards Buell Sutton LLP
- Angus Livingstone, Managing Director, UILO
- Robert McMaster, Professor, Medical Genetics and Executive Director, VCHRI
- Mahmoud Pouladi, Graduate Student, Centre for Molecular Medicine and Therapeutics
- Spiro Yannacopoulos, Associate Dean and Director, Engineering, UBC Okanagan

The Policy Review Committee has agreed to put forward for the Board's information, and for public consultation, the Revised Policy as attached as Attachment "A". The Revised Policy is supported by the University Counsel and the Responsible Executive for the Policy.

### **IMPLICATIONS (current and future)**

**BUDGET:** N/A

**HEALTH/ENVIRONMENTAL:** N/A

### **DISCUSSION SUMMARY**

The Policy Review Committee supports the Revised Policy for the following reasons:

1. The Revised Policy clarifies the scope of the policy as addressing those inventions and discoveries that arise serendipitously from research facilitated by the University and conducted by members of the University. The Revised Policy is not restricted to commercial endeavors nor is it primarily concerned with the generation of financial gain from inventions. To reflect this clarity of scope, the title of the Revised Policy has been changed to "Intellectual Products," from "Patents and Licensing."
2. The Revised Policy states clearly and unequivocally that members of the University are permitted and encouraged to discuss and publish the results of their research as they see fit, provided only that the relevant member complies with the terms of any agreement that supported the research.
3. The Revised Policy recognizes the existence of the many affiliation and research agreements that the University maintains with hospitals, governments and other industry partners. This is something that is not addressed at all in the Current Policy.
4. The Revised Policy also confirms that the University may enter other agreements with third parties to support research at the University and that in so doing such third parties may be granted rights in inventions arising from the research they have supported. This explicit recognition of third party affiliations and agreements is expected to be welcomed by current and potential industry partners.
5. The Revised Policy sets out the way in which the University, through its University - Industry Liaison Office, will assist members of the University community in seeing the product of their research implemented in practical applications that positively impact society. This "Mobilization" of University Research Products, as it is characterized in the

Revised Policy, may be done through commercial means or alternatively through various other means which the Current Policy does not contemplate.

6. The Revised Policy also distinguishes University Research Product from other categories of inventions, in order to clarify that certain inventions are not caught by the scope of the Revised Policy. One such category of invention, now termed Student Academic Product, includes the product of initiatives primarily aimed at teaching and student development, but which rely heavily on third party support and funding, such as the entrepreneurship @ UBC program and the Capstone Project. The Revised Policy establishes clearly that these and other intellectual products of relevance to members of the University community are not subject to the Revised Policy. The Current Policy is not similarly clear in this regard.
7. The Revised Policy has not maintained or attempted to expand on the distinctions between categories of intellectual property rights which exist in the Current Policy. Rather, the Revised Policy recognizes that inventions invariably incorporate a collection of intellectual property rights and accordingly that it would be unfeasible to consider Mobilizing a particular University Research Product if the varying rights which subsist in such invention (e.g. patents, trade secrets, know-how) were to be treated distinctly under the Revised Policy.
8. In order to ensure that any Mobilization of University Research Products carried out by the University is done in a coordinated and efficient manner, the Revised Policy, as with the Current Policy, continues to consolidate the ownership of University Research Products with the University. When industry partners contract with the University to mobilize an invention, they require assurance that the University holds the rights to the invention.
9. To further support the objective of maximizing the impact of University inventions on society, the Revised Policy also grants inventors, automatically and without need for any special steps to be taken by the inventors, a license to mobilize inventions themselves through non-commercial means. No such license is granted to inventors in the Current Policy. It is expected that the inclusion of this license in the Revised Policy will be welcomed by both members of the University community and stakeholders throughout society who are interested in seeing the impact of University research maximized. This change will also assist the University in fulfilling its mandate to facilitate the creation and distribution of knowledge for the betterment of society and should lessen any concerns that the University, due to administrative processes, hinders rather than promotes a broad distribution of knowledge and inventions.
10. As with the Current Policy, the Revised Policy continues to provide that, where the University's Mobilization of University Research Product generates net revenue, such net revenue will be shared with the inventors. Neither the concept nor the relative split of such net revenue has been altered in the Revised Policy. The process to be followed, however, surrounding the disclosure of University Research Products and the collection and distribution of revenue, has been clarified and brought in line with current University practice. One such clarification addresses and in fact confirms the degree of input that

University inventors will have in determining the plan to Mobilize a particular University Research Product pursuant to the Revised Policy.


**FURTHER ACTION REQUIRED FOLLOWING BOARD/COMMITTEE DECISION**

Subject to any feedback from the Board of Governors, the next steps will be to post the Revised Policy for public comment by the University community. The Policy Review Committee will be asked to consider any comments received and if necessary, further revisions may be made to the proposal before the Board is then asked to approve the Revised Policy.

**ATTACHMENTS:**

Attachment "A" - Revised Policy #88 - Intellectual Products

Attachment "B" - Current Policy #88- Patents and Licensing

 <p><b>The University of British Columbia Board of Governors</b></p>	<p><b>Policy No.:</b>  <b>88</b></p>	<p><b>Approval Date:</b> &lt;@&gt; <b>Last Revision:</b> &lt;@&gt;</p>
<p><b>Responsible Executive:</b> Vice-President Research &amp; International</p>		
<p><b>Title:</b></p> <p style="text-align: center;"><b>Intellectual Products</b></p>		
<p><b>Background &amp; Purposes:</b></p> <p>The University is committed to the advancement and dissemination of knowledge. As such, the University wishes to encourage research which explores aspects of the world in which we live, and to aid in the mobilization of discoveries which may be of benefit to society.</p> <p>Recognizing that discoveries and inventions can be transmitted through various commercial and non-commercial means, the University aims to consider a range of avenues available to move a discovery into the world in a practical form. Accordingly, as used in this Policy or the related Procedures, mobilization (which is expressly defined below with respect to University Research Products and Work Products) is understood to mean the development and implementation of a plan to maximize, whether through commercial or non-commercial means, the impact that a discovery will have on society.</p> <p>In addition, the University recognizes that faculty members, students, staff members and other University Persons regularly participate in an array of projects and pursuits capable of producing inventions and discoveries. Moreover, the University believes that certain categories of intellectual products should be distinguished from the intellectual products arising from University Research.</p> <p>Accordingly, this Policy distinguishes University Research Products from other categories of discoveries in order to define and clarify the ownership of intellectual products, including University Research Products, which arise from the activities of University Persons or the University and to facilitate the public use and mobilization of University Research Products while simultaneously enabling the mobilization of other intellectual products.</p>		
<p>Related Policies, Materials and Notes</p> <p>Policy 85 - Scholarly Integrity  Policy 87 - Research  Policy 97 - Conflict of Interest and Conflict of Commitment  Policy 105 - Acceptance, Management and Sale of Technology Licensing Equity</p>		

*Defined terms are capitalized in this Policy. The definitions which are not found embedded within the Policy can be found at the end of the Procedures.*

## 1. General

- 1.1 In accordance with the University's desire to foster research for the betterment of society, University Persons are encouraged to discuss and Publicly Disclose the results of their research, including University Research Products, as soon and as fully as may be reasonable and possible, provided that doing so will not violate any agreements that supported or are related to their research.
- 1.2 As used in this Policy and the related Procedures "**Publicly Disclose**" or "**Public Disclosure**" means disclosing to one or more other persons by any means, except on a confidential basis.

## 2. Student Academic Product

- 2.1 "**Student Academic Product**" means any inventions, discoveries, know-how, compounds, biological materials, compilations of data, software, integrated circuit topographies, blue prints, drawings and designs, processes, and prototypes, and all intellectual property through which it may be protected that is created, developed, discovered, conceived or invented in the course of or as part of an undergraduate student's coursework, or a graduate student's non-thesis related coursework, provided that such coursework does not involve:
- (a) activities for which such student is paid by the University;
  - (b) research that is the subject of an agreement (including a Sponsored Research Agreement) with a third party; or
  - (c) research carried out by a research team where the principal investigator has made it a condition of participation that all participating University Persons are participating in University Research or that any intellectual product arising from such University Research shall be governed by this Policy.
- 2.2 As the University wishes Student Academic Product to remain with its creators, the ownership and mobilization of Student Academic Product will be determined in accordance with applicable law and shall not be impacted by this Policy.

## 3. Non-University Activity Product

- 3.1 "**External Activity Product**" means any inventions, discoveries, know-how, compounds, biological materials, compilations of data, software, integrated circuit topographies, blue prints, drawings and designs, processes, and prototypes, and all intellectual property through which it may be protected that is created by University Persons but that is not created, developed, discovered, conceived or invented in the course of University Research.
- 3.2 As the University wishes External Activity Product to remain with its creators, the ownership and mobilization of External Activity Product will be determined in accordance with applicable law and shall not be impacted by this Policy.

## 4. Sponsored Research Product

- 4.1 In order to facilitate collaborative research, the University maintains a number of affiliation and research agreements with certain hospitals, governments, non-profit

organizations, and industry partners under which University Research is conducted. In addition, to further foster research and dissemination of discoveries for the betterment of society, the University may enter into agreements (each a "**Sponsored Research Agreement**") with third parties from time to time with respect to University Research and the intellectual products arising from such University Research, which agreements may grant such third parties rights in such intellectual products.

- 4.2 "**Sponsored Research Product**" means any inventions, discoveries, know-how, compounds, biological materials, compilations of data, software, integrated circuit topographies, blue prints, drawings and designs, processes, and prototypes, and all intellectual property through which it may be protected that is created, developed, discovered, conceived or invented in the course of University Research that is the subject of a Sponsored Research Agreement.
- 4.3 Any agreements with third parties, including Sponsored Research Agreements, must be executed by the authorized signatories of the University in accordance with the signing resolutions approved by the Board of Governors. Since University Research involves the use of University-administered funds, equipment, or other facilities, individual University Persons are not authorized to execute such agreements.

## 5. **University Research Product**

- 5.1 "**University Research**" means any research conducted by a University Person involving or utilizing the facilities, equipment or financial aid (including any grant funding) provided or administered by the University, but excluding research conducted as part of an undergraduate student's coursework, or a graduate student's non-thesis related coursework, provided that such coursework does not involve:
- (a) activities for which such student is paid by the University;
  - (b) research that is the subject of an agreement (including a Sponsored Research Agreement) with a third party; or
  - (c) research carried out by a research team where the principal investigator has made it a condition of participation that all participating University Persons are participating in University Research or that any intellectual product arising from such University Research shall be governed by this Policy.
- 5.2 "**University Research Product**" means any inventions, discoveries, know-how, compounds, biological materials, compilations of data, software, integrated circuit topographies, blue prints, drawings and designs, processes, and prototypes, and all intellectual property through which it may be protected that is created, developed, discovered, conceived or invented in the course of University Research but excludes all Work Product.
- 5.3 In furtherance of the University's desire to maximize the Mobilization of University Research Products, in addition to the ability to Publicly Disclose University Research Products as described in Section 1.1 of this Policy, all University Inventors are granted a non-exclusive licence to undertake Non-Commercial Mobilization of any University Research Product that the University Inventor has created, developed, discovered or invented, unless:



- (a) the University Research Product is subject to a Sponsored Research Agreement or other form of agreement under which the University has agreed to convey a license, an option, or any other interest in the University Research Product to the other contracting party(ies);
  - (b) the University Inventor has disclosed the University Research Product to the University because the University Inventor wishes the University to undertake the Mobilization of such University Research Product or because of any other reason contemplated by the Procedures; or
  - (c) the University Inventor is required to disclose the University Research Product to the University in accordance with the Procedures either because the University Inventor wishes the University to consider the Mobilization of such University Research Product or because the University Research Product is subject to a Sponsored Research Agreement or other form of agreement under which the University has agreed to convey a license, an option, or any other interest in the University Research Product to the other contracting party(ies).
- 5.4 Recognizing the University's mandate to facilitate teaching and research and to undertake the Mobilization of University Research Products for the greater good of society, the University, through its University - Industry Liaison Office, will:
- (a) review and consider University Research Products disclosed in accordance with the Procedures;
  - (b) assess the Mobilization potential of the disclosed University Research Product; and
  - (c) where appropriate, in consultation with the University Inventor:
    - (i) engage third parties to carry-out or assist with such Mobilization; and
    - (ii) in consultation with the University Inventor, negotiate any business terms and other contractual arrangements with such third parties.
- 5.5 As University Research, by definition, involves the utilization of University facilities, equipment, or financial aid, University Research Products are owned by the University. This consolidation of ownership with the University facilitates the Mobilization of University Research Products in a coordinated and efficient manner. Where documentation, including assignments, is required by law to vest ownership with the University, the University Inventors will execute such documents as are necessary to give effect to this Policy.
- 5.6 In the event that the University undertakes Commercial Mobilization of a University Research Product and generates Net Revenue from such Commercial Mobilization, the University will be responsible for all costs that it incurs, and will share any Net Revenue derived from such Commercial Mobilization with the University Inventors, subject to and in accordance with the Procedures.
- 5.7 If a University Inventor discloses a University Research Product to the University in accordance with the Procedures and the University concludes that it will not participate in, or continue with the Mobilization of such disclosed University Research Product, the University may assign such University Research Product to the University Inventors subject to any existing third party rights in the University Research Product.

## 6. Work Product

- 6.1 "**Work Product**" means anything created by University Persons whose employment duties include the creation or development of the intellectual product, including all forms of intellectual property through which it may be protected, including patents, copyrights, industrial designs, integrated circuit topographies, trade-marks, trade secrets and know-how. Examples of Work Product include web sites created by the University's web site designers, marketing materials created by the University's communications staff, and software created by the University's programming staff.
- 6.2 The ownership of Work Product is vested with the University. Where documentation, including assignments, is required by law to vest ownership with the University, the University Person will execute such documents as are necessary to give effect to this Policy.
- 6.3 As Work Product, by definition, is not a University Research Product, a University Person may not discuss or Publicly Disclose any Work Product without the University's prior written approval. However, to aid in the advancement and dissemination of knowledge, the University may, in certain circumstances, allow a University Person to undertake, through an open source license, the Non-Commercial Mobilization of a particular Work Product.
- 6.4 If a University Person wishes the University to consider the Non-Commercial Mobilization of a particular Work Product (e.g., through an open source license such as Creative Commons, The GNU General Public License, etc.), such University Person must seek approval from the Administrative Head of Unit under whose management responsibility the Work Product was created.

## **PROCEDURES**

Approved: <@>

Revised: <@>

*Pursuant to Policy #1: Administration of Policies, "Procedures may be amended by the President, provided the new procedures conform to the approved policy. Such amendments are reported at the next meeting of the Board of Governors." Note: the most recent procedures may be reviewed at <http://universitycounsel.ubc.ca/policies/index/>.*

### **1. Administration**

- 1.1 The responsibility for the administration of this Policy and these Procedures lies with the University – Industry Liaison Office. In cases where one or more University Inventors dispute a determination that has been made by the University – Industry Liaison Office pursuant to this Policy, the University Inventor(s) may refer the dispute to the Managing Director of the University – Industry Liaison Office and the Dean of the relevant Faculty within 60 days after the date the disputed determination was made and, in the event the matter cannot be resolved to the satisfaction of the parties within 60 days after the date of referral, the matter will be referred to and finally determined by the Vice President, Research & International.

### **2. Disclosure and Assessment of University and Sponsored Research Products**

- 2.1 Publicly Disclosing University Research Products may make it impossible to seek patent protection for such University Research Products. Accordingly, University Inventors are encouraged to disclose University Research Products to the University in accordance with these Procedures prior to Publicly Disclosing such University Research Products. University Inventors must assist the University in ensuring that all descriptions of University Research Products that they disclose, including any patent filings, are complete and accurate, and must assist the University, as reasonably required, with the Mobilization of University Research Products including by cooperating in obtaining patent or other protection for such University Research Product and in legal actions taken to protect such University Research Products.
- 2.2 A University Inventor must disclose a University Research Product to the University when the University Inventor wishes the University to consider the Mobilization of the University Research Product. A University Inventor must similarly disclose to the University any Sponsored Research Product and any other intellectual product arising from University Research which is subject to a Sponsored Research Agreement or other form of agreement under which the University has agreed to convey a license, an option, or any other interest in the intellectual product to the other contracting party(ies).
- 2.3 Any University Inventor who discloses a University Research Product or a Sponsored Research Product to the University must:
  - (a) fully disclose the identity of all University Inventors in connection with such University Research Product or Sponsored Research Product, their relative contribution to the University Research Product or Sponsored Research Product, and any sources of funding for the University Research that resulted in the University Research Product or Sponsored Research Product, as the case may be; and

- (b) sign, at the University's request, any documents, including assignments and waivers, that are necessary to confirm or give effect to the University's ownership of such University Research Product or Sponsored Research Product.
- 2.4 All disclosures to the University – Industry Liaison Office must be submitted and kept up to date in a timely manner using the disclosure forms prescribed by the University – Industry Liaison Office.

### **3. Mobilization of University Research Products**

- 3.1 If the University determines that it is appropriate to undertake the Mobilization of a University Research Product that has been disclosed to the University under Section 2 of these Procedures, the University will consult with the University Inventors on the proposed Mobilization of the University Research Product.
- 3.2 The University is committed to working with the University Inventors to create an appropriate plan for the Mobilization of University Research Products. Similarly, however, the University is committed to fulfilling the stated aims of this Policy. In order to ensure that the intentions of this Policy are not frustrated by disagreement or lack of consensus, the University maintains the discretion to make decisions regarding the Mobilization of University Research Products that have been disclosed to the University under Section 2 of these Procedures.
- 3.3 After consulting with the University Inventors as contemplated in Sections 3.1 and 3.2, the University may, with or without expectation of realizing any positive Net Revenue:
  - (a) enter into agreements with third parties that grant such third parties the right to undertake Mobilization of University Research Products, including agreements for the sale, Public Disclosure, assignment or license of University Research Products or the grant of an option to obtain certain rights regarding University Research Products;
  - (b) contract with third parties, to assist in the Mobilization of University Research Products, such as patent agents, lawyers, accountants and other professionals and consultants;
  - (c) establish a corporation, society or other legal entity for the purpose of the Mobilization of University Research Products;
  - (d) assign or license the University's rights in University Research Products to any third party on terms deemed reasonable to the University; and
  - (e) utilize alternative channels, such as Global Access Principles, open source licensing, patent pools and science commons, to provide access to University Research Products for the benefit of society.
- 3.4 A University Inventor may request, from time to time, but not more frequently than once per fiscal year, a report on the Mobilization of University Research Products disclosed to the University by the University Inventor and upon such request the University will use reasonable efforts to respond to such request in a timely manner.
- 3.5 If a University Inventor discloses a University Research Product to the University in accordance with these Procedures and the University concludes that it will not proceed or continue with the Mobilization of such disclosed University Research Product, the University may assign such University Research Product to one or more of its University

Inventors without charge, provided that all of the University Inventors have given their consent and further provided the assignee executes an agreement which, in the sole determination of the University, makes adequate provision for the University:

- (i) to practice the University Research Products for research, clinical, educational or other non-commercial purposes;
- (ii) to be adequately protected and indemnified from any risks associated with the use or Mobilization of the University Research Products by such assignee; and
- (iii) to address any other matters which the University determines to be prudent in the circumstances.

#### **4. Distribution of Net Revenue**

4.1 Provided:

- (a) a University Inventor discloses a University Research Product to the University in accordance with these Procedures;
- (b) the University decides to undertake the Mobilization of such disclosed University Research Product, or any part thereof; and
- (c) the University Inventor assists the University with such Mobilization, as further set out in these Procedures,

the University will, unless otherwise provided for in these Procedures, distribute any Net Revenue received by the University from the Mobilization of the University Research Product as follows:

- (i) 50% of the Net Revenue will, subject to Sections 4.6 and 4.7 of these Procedures, be allocated among the University Inventors of the University Research Product in proportion to their relative contributions to the University Research Product which generated the Net Revenue, in accordance with Section 4.4 of these Procedures; and
- (ii) 50% of the Net Revenue will be retained by the University, out of which 25% of the Net Revenue will be allocated as general University funds and 25% of the Net Revenue will be allocated to the relevant Faculty, as identified by the University Inventor. If more than one University Inventor is involved, the portion of the Net Revenue allocated to the Faculties will be allocated *pro rata* to the relative contributions of the University Inventors.

4.2 If the University receives, as a result of the Mobilization of the University Research Product, payment in the form of shares or other securities, the distribution percentages set out in Section 4.1 of these Procedures will be used in determining the allocation of such shares or other securities between the University and the University Inventors, after adequate provision for those expenses contemplated in Net Revenue.

4.3 The portion of Net Revenue allocated to the University Inventors under Section 4.1(c)(i) of these Procedures will be due and payable to the University Inventors:

- (a) in the case of payments equal to or greater than \$5,000, within 60 days after the end of the fiscal quarter in which the payments were received; and
- (b) in the case of payments less than \$5,000, within 60 days after the end of the fiscal year in which the payments were received,


provided, however, that the University may withhold such amounts as it deems to be necessary to meet anticipated expenses of Mobilization, and further provided that where the Net Revenue includes shares or securities, as contemplated in Policy #105 (Acceptance, Management and Sale of Technology Licensing Equity), the distribution of shares or securities will be subject to the expiry of any hold period or other restriction on the transfer of any shares or securities included in the Net Revenue, whether imposed by agreement, legislation or otherwise.

- 4.4 If there is more than one University Inventor for any University Research Product for which Mobilization has been undertaken as set out in Section 3 of these Procedures, the University will require the University Inventors to determine a list of University Inventors and the allocation of any Net Revenue among them. This allocation will be commensurate with the relative contribution made by each University Inventor to the creation, development, discovery or invention of the University Research Product. Subject to the agreement of all University Inventors, non-inventive University Persons who contributed to the University Research Product may be included in the list described in the foregoing sentence. Any dispute relating to the list of University Inventors, their relative contributions to the University Research Product or their entitlement to the Net Revenue will be determined by the University – Industry Liaison Office.
- 4.5 For each University Research Product that is generating Net Revenue to be allocated to one or more University Inventors, the University will prepare an accounting of Net Revenue from time to time, but not less frequently than once per fiscal year.
- 4.6 A University Inventor may waive his or her right to an allocation of Net Revenue under this Section 4 by filing a waiver in writing with the University-Industry Liaison Office, in the prescribed form, prior to being allocated any portion of the Net Revenue. For greater certainty, where a University Inventor has filed a waiver under this Section 4.6, the fair market value of the Net Revenue or shares or securities, as the case may be, otherwise allocable to that University Inventor shall be retained by the University to be used at its sole discretion, and shall not form part of the Net Revenue that is allocated to the University under Section 4.1 of these Procedures.
- 4.7 If a University Inventor chooses to be directly compensated by a company receiving any rights with respect to the University Research Product, that University Inventor will not receive any portion of the Net Revenue from the Mobilization of a University Research Product. In such event, the portion of the Net Revenue that would otherwise have been allocated to that University Inventor pursuant to Section 4.1(c) of these Procedures will be allocated to the University and the other University Inventors on a *pro rata* basis.

## 5. **Additional Definitions**

- 5.1 “**Administrative Head of Unit**” means a Director of a service unit, a Head of an academic department, a Director of a centre, institute or school, a Principal of a college, a Dean, an Associate Vice-President, the Registrar, the University Librarian, a Vice-President or the President or the equivalent.

- 5.2 **"Commercial Mobilization"** means any Mobilization which is expected, or may reasonably be expected, to result in any payments or distributions from such Mobilization.
- 5.3 **"Mobilization"** means the development and implementation of a plan to maximize the impact that University Research Products or Work Products have on society and may occur by way of commercial licensing, sale, marketing, manufacturing, distribution, open source licensing, Public Disclosure, or other disposition of a University Research Product or Work Product and/or any works, products or services covered by, claimed by, and/or incorporating a University Research Product or Work Product, as well as securing patents or other forms of protection for such University Research Products or Work Products.
- 5.4 **"Non-Commercial Mobilization"** means Mobilization other than Commercial Mobilization.
- 5.5 **"Net Revenue"** means the gross payments and distributions, whether by way of cash, equity holdings or otherwise, received by the University from the Mobilization of a University Research Product, less all direct and indirect expenses incurred in pursuing such Mobilization including any legal fees, patent and prototype costs, ongoing development and operational expenses, payments under any inter-institutional revenue sharing agreement, and any other amounts reasonably paid in the sole discretion of the University for any relevant purpose in connection with the Mobilization of the University Research Product. For greater certainty, any funding or reimbursement of research costs received by the University shall not form part of the gross payments upon which Net Revenue shall be calculated.
- 5.6 **"University Inventor"** means the University Person(s) who individually or collectively created, developed, discovered or invented a University Research Product or Sponsored Research Product.
- 5.7 **"University Person"** means full-time and part-time faculty members and staff members of the University and any other person who teaches, conducts research, or works at or under the auspices of the University. For greater certainty, University Persons include but are not limited to students, adjunct and clinical faculty, librarians, lecturers, post doctoral fellows, faculty on sabbatical, honorary professors, research associates, and visiting professors.

 <b>The University of British Columbia Board of Governors</b>	<b>Policy No.:</b>  <b>88</b>	<b>Approval Date:</b> March 1993  <b>Last Revision:</b>
	<b>Responsible Executive:</b> Vice-President, Research	
<b>Title:</b>  <p style="text-align: center;"><b>Patents and Licensing</b></p>		
<b>Background &amp; Purposes:</b>  To encourage the public use and commercial application of inventions, and in so doing to protect the rights of the inventor and the University.		

## 1. Definitions

- 1.1. *Audiovisual and computer materials* include, but are not limited to, audio and video tapes, films, slides and photographs, computer programs and computer-stored information.
- 1.2. *Invention or discovery* includes data bases, audiovisual and computer material or equivalent circuitry, biotechnology and genetic engineering products and all other products of research which may be licensable.
- 1.3. *Literary Works* include, but are not limited to, books, lecture notes, laboratory manuals, artifacts, visual art and music.
- 1.4. *Publication* means putting the public in possession of an invention by way of speech, talk, paper, tape, video recording or other electronic means, drawing, photograph, printed work, or any other disclosure given or distributed, except on a confidential basis. Deposition of a thesis in the University Library constitutes publication in the above sense and may prejudice patent action unless an appropriate provision is made for limited accessibility to the thesis.

## 2. General

- 2.1. Members of faculty or staff, students and anyone connected with the University are encouraged to discuss and publish the results of research as soon and as fully as may be reasonable and possible. However, publication of the details of an invention may make it impossible to seek patent protection. Public use and commercial application are frequently facilitated by patenting and licensing arrangements.
- 2.2. *Discoveries, Inventions, Audiovisual and Computer Materials:* If any member of faculty or staff, any student, or anyone connected with the University proposes to protect or license an invention or discovery in which University facilities or funds administered by the University were used, a disclosure must be made to the University and the rights assigned to the University. The University may decide to protect or license the discovery or invention, in return for a share of any proceeds arising. If the University decides not to protect or license, the rights may be reassigned to the inventor, who may then develop commercial application of



the invention or discovery as he/she sees fit. Where it is anticipated that inventions or discoveries may ensue from a particular research enterprise, it may be necessary to undertake special agreements concerning patent or licensing rights before the research funds are accepted for administration by the University.

- 2.3. *Literary Works*: Ownership of and intellectual property rights to “literary works” produced by those connected with the University are vested in the individuals involved.

## **PROCEDURES**

**Approved: March 1993**

*Pursuant to Policy #1: Administration of Policies, "Procedures may be amended by the President, provided the new procedures conform to the approved policy. Such amendments are reported at the next meeting of the Board of Governors and are incorporated in the next publication of the UBC Policy and Procedure Handbook."*

### **1. Administration**

- 1.1. Responsibility for administration lies with the Director, University-Industry Liaison. On matters of policy, or in cases of dispute between inventors and the University, the Executive Committee for Research may make recommendations to the Vice President Research.

### **2. Patenting and Licensing Alternatives**

- 2.1. Rights to inventions must be submitted and assigned to the University, unless there has been a prior arrangement to the contrary with a sponsor of research. The University may then develop the invention in various ways. By way of example, it may choose to:
  - 2.1.1. undertake patent and/or licensing arrangements through Office of University-Industry Liaison, using the services of patent agents, attorneys and other consultants;
  - 2.1.2. submit the proposal to a technology transfer or patenting corporation which has experience in evaluating inventions and obtaining patents on them, and which has the capability and facilities for introducing inventions and patents to public use;
  - 2.1.3. assign the University's rights in the inventions to the inventor(s), by an agreement which may make provision for the University to receive a royalty on gross sales or shares in a company or other considerations as may be negotiated.
- 2.2. The Director University-Industry Liaison will decide, after consultation with the inventor(s), which course of action will be taken. The University will normally prefer to retain patent rights and to grant non-exclusive licenses for limited periods, or make other such arrangements as may seem appropriate to facilitate technology transfer while protecting the rights of the inventor and the University. The University reserves the right to engage in litigation concerning patent and license infringements. The Vice President Research will report annually to the Executive Committee for Research regarding patents and licenses arising.

### **3. Assignment to and Development with the University**

- 3.1. Any person associated with the University who has an invention capable of being patented or licensed must complete a disclosure form providing a full description of the invention and forward it to the Office of University-Industry Liaison. The Department Head, Director or Dean should be informed when a disclosure is made.
- 3.2. The Director of University-Industry Liaison normally decides within three months whether or not the invention is accepted by the University, and if so, whether it is to be retained by the University for patenting and/or licensing, or submitted to a patenting corporation. Acceptance of an invention or

discovery by the University does not mean that patenting, exploitation or commercialization will necessarily occur. Upon receipt of the invention questionnaire, the University-Industry Liaison Office will conduct a preliminary examination. If warranted, a market/commercial feasibility assessment will be conducted. The University-Industry Liaison Office will draw on the resources of an ad hoc committee with patenting/commercialization/business expertise as needed. If the invention does not appear to be viable to the Director of University-Industry Liaison, the rights to the invention will be returned to the inventor on a timely basis.

- 3.3. If the invention is accepted by the University, the Director, University-Industry Liaison consults with the inventor(s) on the proposed patenting and licensing arrangements. If the invention is to be submitted to an outside company, the Director, University Industry-Liaison or an appointed officer seeks the advice of the inventor(s) on the choice of an appropriate organization.
- 3.4. The Director, University-Industry Liaison, asks the inventor(s) to complete a standard invention disclosure and assignment form which describes the invention and assigns the inventor's interest in the invention to the University in return for a share of the revenue which may occur from commercialization.
- 3.5. After the completion of the invention disclosure between the University and the inventor(s), the cooperation of the inventor(s) in the development and marketing of an invention is critical. The inventor(s) assists in ensuring that written descriptions and patent filings are complete and accurate, and sign necessary legal instruments from time to time relating to the filing, carrying out and maintenance of patents and the commercialization of inventions.

#### **4. Royalties to Inventor**

- 4.1. Income derived from the sale or other disposal by the University of inventions or discoveries, including that derived under the terms of agreements with patenting corporations, are distributed such that the inventor receives 50% of the net income while the University retains 50% of the net income (25% as general University funds and 25% to the relevant Faculty). Net income is calculated as gross income less direct costs.
- 4.2. When several individuals collaborate on a patentable invention, the inventor's income share is divided among themselves (including co-developers who may not legally be inventors and who must be named to be eligible as recipients of portions of income).
- 4.3. Normally, an accounting is made from time to time, but not less frequently than annually.

#### **5. Publication**

- 5.1. Inventors should be aware that "publication" of the details of an invention may make it impossible to secure patent protection. In this sense "publication" means "putting the public in possession of an invention by way of speech, talk, paper, drawing, photograph, printed work, tape, video recording or other electronic means, or any other disclosure given or distributed, except on a confidential basis." Deposition of a thesis in the University Library constitutes "publication" in the above sense and may prejudice patent action unless an appropriate provision is made for limited accessibility to the thesis. Details are available from the Office of the Dean of Graduate Studies.

#### **6. Record Keeping**

- 6.1. If a patentable device or process might arise in the course of work on any project, laboratory records should be kept in a bound (not loose-leaf) notebook and be dated, signed and witnessed, as a routine procedure.

## **7. Other Employees**

- 7.1. Members of faculty and staff responsible for work which might give rise to a patentable invention should ensure that no one associated or familiar with the material involved releases any unauthorized information. If appropriate, those associated with such a project may be asked to sign a brief agreement to this effect.

## **8. Dispute Resolution**

- 8.1. In the event of a dispute between the Director of University-Industry Liaison and the inventor(s) as to his/her respective rights, an appeal may be made in writing to the President of the University, who will make a decision on behalf of the University after seeking the advice of the Executive Committee on Research and the Vice President Research. If the President's decision does not resolve the dispute, then final resolution is determined by arbitration under the provision of The Commercial Arbitration Act of the Province of British Columbia or any successor legislation.

## **9. Detailed Procedures**

- 9.1. For further information, consult the Director of University-Industry Liaison.