

INVENTIONS AND PATENT POLICY

1. Purpose.

The Inventions and Patent Policy of Wake Forest University is intended to:

- 1.1 Encourage research and the development of ideas and inventions by rewarding the developers of inventions, assisting them in implementing their ideas, and by providing a system for the encouragement of research;
- 1.2 Serve the public interest by providing means through which inventions and discoveries which arise in the course of the University's research may be made available to the public through established channels of commerce; and
- 1.3 Protect the interests of the University and its employees and students with regard to inventions developed at the University.

2. Definition of Inventions.

“Inventions” are tangible or intangible inventions, discoveries or other innovations, whether or not patentable or reduced to practice. Inventions include “device-like” software or other “device-like” copyrightable material, that like a device, is intended and likely to result in the accomplishment of a task or in allowing the user to produce, manage, analyze, or manipulate a product, such as data text, a physical object, or more software. Device-like software or material acts as a tool or building block in the accomplishment of such a task or in the creation or management of such a product or result. Inventions do not include “informational” software or other “informational” copyrightable material, which may be interactive, to the extent it is intended to inform or educate the user. In the case of software or other copyrightable material that is both device-like and informational, appropriate distinctions will be made in accordance with the principles of this policy.

3. Administrative Responsibilities.

3.1 Authority of the President.

The President of the University is responsible for administrative matters relating to inventions and patents. The President may delegate authority to another individual or individuals to carry out these responsibilities in whole or in part.

3.2 The Patent Advisory Committee.

3.2.1 The President or his designee will establish a University Patent Advisory Committee (the "Committee"). The Committee will:

3.2.1.1 Provide advice on the appointment of the Patent Administrator;

3.2.1.2 Meet at least once each semester, receive current summaries of the activities of the Patent Administrator, oversee the implementation of the program, and report its findings to the President or his designee(s) from time to time;

3.2.1.3 Advise the Patent Administrator on issues of program implementation and specific cases where guidance is sought; and

3.2.1.4 Review situations where problems arise in the implementation of this policy or the execution of the invention and patent program.

3.2.2 The Committee will consist of six faculty members, at least four of whom are engaged in scientific research, including one member from the management disciplines, appointed by the President for staggered three-year terms. In addition, the General Counsel, the University Controller, the Controller of Wake Forest University Health Sciences, the Dean of the Graduate School, the Director of Research and Sponsored Programs, the Senior Associate Dean for Research Development [now the "Associate Dean of Research"] and the Patent Administrator will be ex officio members. The President will appoint a chairman from among the membership. All members of the Committee will be voting members. The ex officio members, with the exception of the Patent Administrator, may designate an alternate with the approval of the chairman of the Committee.

3.3 The Patent Administrator.

The President will appoint the Patent Administrator with the advice of the Committee.

3.4 Program.

The Patent Administrator, in consultation with the Committee, will develop and implement a patent and licensing program ("the Program"), revised from time to time as necessary, to carry out the following functions:

3.4.1 Evaluation.

Inventions within the scope of this policy will be evaluated in order to determine whether they have sufficient promise to justify marketing and/or patenting.

3.4.2 Patenting.

Patent protection will be sought for inventions determined to be sufficiently promising to justify the effort and expense.

3.4.3 Marketing.

The Program for the sale or licensing of inventions and/or discoveries will be implemented so as to provide maximum return for the University and the inventors.

3.4.4 Sponsored Research.

The Patent Administrator will assist the appropriate University office(s) in the identification of industrial sponsors for research and in the negotiation of research agreements related to inventions.

3.4.5 Dissemination of Policy.

This policy and the implementing Program (and succeeding changes) will be brought to the attention of University employees and students. Contracts of employment and attendance as a student will be made subject to its provisions (including revision of existing contracts to the extent that is possible). Appropriate procedures will be adopted to fully protect the interests of the University and its employees and students in all sponsored research agreements. The provisions of this policy may be modified from time to time, and no employee or student of the University has a right to their continuation unmodified (but this does not affect rights to inventions or payments already established).

3.4.6 Accountability.

The Patent Administrator will from time to time inform the Committee on patent disclosures, developing markets, and other activities. The Committee will evaluate the effectiveness of the Program in achieving the stated purpose of the policy and recommend such changes as they believe appropriate.

3.5 Implementation of the Program.

In implementing the Program, the Patent Administrator may utilize full- or part-time University employees, independent contractors, or companies or

organizations providing such services; or a combination of them, as the Patent Administrator determines to be appropriate with regard to a particular invention and within approved budgetary limits.

4. Ownership of Inventions.

4.1 Inventions Developed by an Employee or a Student.

Inventions developed:

- 4.1.1 in the course of an individual's employment or, in case of a student, in the course of his/her academic program;
 - 4.1.2 within or useful within the individual's normal field of employment; or
 - 4.1.3 with the use of University funds or University facilities,
- are the property of the University.

4.2 Individual Work.

- 4.2.1 Inventions resulting from research or other work conducted by University employees;
 - 4.2.1.1 wholly on their own time;
 - 4.2.1.2 outside their normal field of employment; and
 - 4.2.1.3 without the use of University funds or facilities (or with insignificant use of University funds or facilities)

are the property of the individual employee and not subject to this policy unless assigned by the inventor to the University under an agreement satisfactory to the Patent Advisory Committee. The Committee will develop policies with regard to what constitutes "insignificant" use of University funds or facilities. (The term "facilities" in this document include all types of real and personal property.)

- 4.2.2 To make clear what is individual work, the employee must request approval in advance for specific consulting or contractual arrangements which may result in an invention. The appropriate Dean will review and approve these requests in a manner consistent with the policies of each campus of the University.

4.3 Research Sponsored by Third Parties.

The ownership of Inventions arising out of research or work undertaken under sponsorship by a third party (including government or private grants, sponsorship of targeted research, consulting arrangements, or otherwise) will be presumed to be the property of the University unless the terms of the contract, grant or other agreement with the sponsor modify those provisions. Each employee proposing to begin such an agreement must submit the proposed agreement to the Patent Administrator. The Patent Administrator, in consultation with appropriate academic officials, will determine if the proposed agreement will foster the research and educational purposes of the University and protect its interests as well as the interests of its employees. The Patent Administrator will seek the advice of the Committee in situations of an unusual or precedent-setting nature.

5. Resolution of Disputes.

In cases where there is a difference of opinion on ownership of inventions, division of proceeds, or other provisions of this policy, the Committee will recommend to the President a final disposition. The President's decision is binding on all parties.

6. Division of Proceeds.

6.1 Division Schedule and Recovery of Expenses.

When an invention is patented (or patent protection is sought) and/or marketed by the University (whether owned by it, assigned, or subject to the provisions of an agreement for sponsored research), the gross proceeds arising from the invention will be distributed as follows:

Before Recovery of Specific Expenses:	35%	Inventor
	65%	Wake Forest University until Specific Expenses associated with the invention are fully recovered
After Recovery of Specific Expenses:	35%	Inventor
	10%	Inventor's Department until \$1,000,000 is received by the Department
	55%	Wake Forest University Research
After \$1,000,000 Received by Dept.:	35%	Inventor
	65%	Wake Forest University Research

Gross proceeds include equity, the acquisition and disposition of which will be governed by a University policy approved by the President. Any consideration received for the performance of research is not to be defined as part of gross proceeds.

6.2 Provisions Relating to Allocation of the University's Share.

- 6.2.1 The University's share of proceeds from an invention made by an employee or student of the University will be allocated to the Reynolda Campus budget or to the School of Medicine budget, according to the inventor's place of employment or academic program. In the case of joint appointments or academic programs, proceeds shall be distributed according to the portion of the inventor's time designated to research at each campus. This will be determined by the Patent Administrator after careful consultation with the appropriate Controller(s) when a disclosure is filed.
- 6.2.2 The February 5, 1993 policy is applicable to all disclosures made prior to February 5, 1999. If inventions are not yet generating proceeds, inventors may request that their inventions fall under this policy. This will be determined by the Patent Administrator after careful consideration with the appropriate Controller(s) upon receipt of the request. (5/26/06)
- 6.2.3 The University's portion (whether to the Reynolda Campus or to Wake Forest University Health Sciences) will be utilized for the support of research as determined by the Reynolda Campus or Wake Forest University Health Sciences. Research will be defined broadly and may include support for peer-reviewed basic and clinical research programs, invention commercialization, and Technology Transfer Service operations.
- 6.2.4 The allocation of the University's share to the inventor's department may be modified by the Board of Trustees if the Board judges that existing circumstances warrant such action.

6.3 Transferability of the Inventor's Share.

The Inventor's allocated share of the proceeds under this policy is transferable by assignment, will, or intestate succession. The University will incur no liability for payment in accordance with the inventor's last assignment sent to the University. Notice of assignment should be sent to the Controller's Office, Wake Forest University Health Sciences, or the Reynolda Campus Controller's Office, whichever is appropriate, with a copy to the Patent Administrator. (2/5/99)