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Intellectual Property Policy

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I. REASON FOR THIS POLICY

The University of South Dakota (USD) has a responsibility to advance scientific knowledge and other creative works that will enhance its educational, research and service missions. The knowledge generated through research, scholarship and creative activity will benefit and transform the lives of the citizens of the State, nation and world, and facilitates the State's recent emphasis on economic development and growth through academic institutions. Thus, the purpose of this policy is:

- to encourage the development of creative works for the best interests of the creator, USD, and the public; and
- to nurture an entrepreneurial environment that encourages the creation and transfer to the public of the results of research and other scholarly activity; and
- to provide for the timely disclosure and protection of intellectual property rights in innovations whether by development, commercialization, publication, or any combination thereof; and
- to provide procedures for the protection of USD intellectual property and for the transfer of USD intellectual property for commercial application and benefit of the public.

II. STATEMENT OF POLICY

APPLICABILITY AND OWNERSHIP

This Policy is applicable to all Employees.

Subject to the exception in 3.5, the South Dakota Board of Regents (BOR), acting through USD, shall own all Intellectual Property Rights of Employees to Inventions conceived or first reduced to practice in whole or in part in the course of or as a direct result of duties with the institution, where (i) all or part of the attendant costs were paid from institutional funds or from funds under the control of or administered by the institution, or (ii) institutional facilities or resources were used in whole or in part to create the Intellectual Property, unless such resources or facilities are available without charge to the public or the applicable use fee has been paid. To perfect rights in Intellectual Property, all Employees shall execute an “Agreement to Assign Intellectual Property Rights” as a condition of employment at USD, assigning to the BOR all right, title and interest in USD Intellectual Property.

Ownership of Intellectual Property resulting from sponsored research shall be subject to the terms of the sponsored grant or contract. In the absence of Intellectual Property terms in such grant or contract, ownership of research results shall reside in USD.

An Invention unrelated to an Employee’s employment responsibilities that is developed on his or her time and without USD support or use of USD resources, shall belong to the Employee, unless the work is performed by a professional Employee and is a continuation of a project undertaken during the Employee’s ordinary working hours.

Except for copyrightable works that have been specifically commissioned or created pursuant to an agreement to create such works (e.g., “work for hire”), USD does not claim copyright ownership of textbooks, monographs, scholarly works and other publications, creative artistic works, instructional materials including courseware, multimedia products, and materials prepared for telecommunication or other technologically assisted delivery of instruction. USD Employee-owned scholarly works created or used in the course of instruction shall be subject to a nocost, non-exclusive, world-wide license to the BOR to use the instructional materials for educational and research purposes.

USD shall own all right, title and interest to Trademarks. The licensing program for USD Trademarks is managed outside of this Policy.

In addition to Patent Rights, USD shall own all right, title and interest to Tangible Materials, Trade Secrets, and PVP materials. Income that may be realized from the licensing of such Intellectual Property shall be distributed in accordance with section 7.

Employees who leave the employment of USD remain under continuing obligations to abide by this Policy in regards to actions to perfect or protect USD Intellectual Property Rights. Furthermore, USD may require that copies of certain research data (lab notes and notebooks, research data, computer data storage, cell lines, and any other records that are commonly accepted in the research community as necessary for the reconstruction and validation of reported results) be provided to USD upon termination of employment. See BOR Policy 4:34.

DISCLOSURE AND PROTECTION

Employees have a duty and obligation to promptly disclose to the Vice President for Research any Invention arising from research and other scholarly activities on the prescribed USD Disclosure of Invention Form, prior to disclosure to the public when possible. The Disclosure of Invention form is available from the Office of Research and Sponsored Programs and can be found on the USD website under the “Research” link.

The Vice President for Research, in consultation with the IP/COI Committee, will determine whether or not USD desires to secure protection of Intellectual Property Rights in the Invention and shall so inform the disclosing Employee(s). The decision may be appealed to the USD President.

In the case that USD determines not to pursue protection or commercialization of an Invention, all Intellectual Property Rights shall be released to the disclosing Employee(s) provided that USD may condition the release on the assignment to the institution of a share of revenues which subsequently may be received by the Employee(s), not to exceed fifteen percent of Net Income. Furthermore, on behalf of the BOR, USD shall reserve a non-exclusive, no cost, limited license to use the subject Invention for research and educational purposes only.

LICENSE AGREEMENTS

Agreements granting license to USD Intellectual Property to third parties is encouraged. The Vice President for Research shall be responsible for negotiating any such agreements, in consultation with the IP/COI Committee and the disclosing Employee.

Final approval of the terms of any such license agreements, as well as signatory authority for license agreements, lies with the Vice President for Research.

The formation of companies under the Small Business Innovative Research (SBIR) or the Small Business Technology Transfer (STTR) programs of Federal agencies to secure a license to USD Intellectual Property is also encouraged, contributing to the economic development and growth of South Dakota.

The Vice President for Research shall inform the disclosing Employee(s) on a regular basis of the progress of protection and commercialization efforts.

AVOIDANCE OF CONFLICTS

When an organization in which an Employee holds financial interest seeks to enter into a sponsored research agreement, license agreement or other contract with USD, or when such organization seeks to use the facilities and resources of USD in any manner, the Employee has a duty and obligation to report the proposed relationship to the Vice President for Research before entering into any such relationship. The matter will be referred to the IP/COI Committee for review and recommendation to the Vice President for Research for resolution. For further information, see BOR Policies 4.32 (Investigator Financial Disclosure) and 4.35 (Conflict of Interest).

DISTRIBUTION OF INCOME

Where USD retains title to Intellectual Property Rights and income is created under a license agreement, the Employee will receive 50 percent (50%) of all Net Income realized by USD from commercialization of the Intellectual Property. Where two or more USD Employees contributed to the creation of the Intellectual Property, the Employee's share of Net Income will be divided among them equally, unless the Employees agree upon a different distribution and notify the Vice President for Research in writing of their agreement. Individuals who are entitled to share in Net Income hereunder shall continue to enjoy such rights should they leave the employment of USD.

BOARD OF REGENTS INTELLECTUAL PROPERTY POLICY

BOR Policy 4.34 prescribes certain time limits for actions taken by USD in evaluating, protecting and commercializing Intellectual Property Rights. In the event that the Creator perceives that the Vice President for Research is requiring excessive time in taking action in protecting or commercializing Intellectual Property, the Creator is

encouraged to secure a copy of BOR Policy 4.34 for prescribed time limits defined for USD actions. Timelines may be extended by mutual agreement.

This USD Policy is intended to serve as an abbreviated version of BOR Policy 4.34, “Intellectual Policy.” Should any inconsistency arise between the two versions, the BOR Policy shall prevail.

III. DEFINITIONS

Invention or Innovation: a new discovery or other creative work that reasonably appears to qualify for intellectual property protection under the laws of the United States.

Patent: an international system of protection for Inventions by which an owner can prevent others from making, selling or using the subject Invention. A United States patent is obtained through application to the U.S. Patent and Trademark Office (USPTO) and provides exclusionary rights in the United States for a period of twenty years from the date of filing. International patent applications may be filed for similar protection in other countries.

Copyright: protection afforded an original work of authorship fixed in any tangible medium of expression from which it can be perceived, reproduced or communicated. Examples include books, scholarly articles, software, musical or dramatic works, sound recordings, pictorial works, etc. Copyright protects a work of authorship from unauthorized reproduction. Copyright provides protection for the expression of an idea, but not the idea itself.

Trademark or Service Mark: a distinctive word, design or graphic symbol that distinguishes an organization’s identity, goods or services of one party from those of another party.

Tangible Materials: tangible items produced in the course of research, such as biological materials, computer databases, sensors, prototype devices, etc. Tangible materials are typically shared with third parties under the auspices of a Material Transfer Agreement or other form of contract.

Plant Variety Protection (PVP): the right to control the propagation and distribution of plant varieties that have been certified for plant variety protection by the United States Department of Agriculture by virtue of being new as defined in the PVP Act.

Trade Secret: any formula, pattern, compilation, program, device, method, technique or process that (i) derives independent value from not being generally known to other persons, and (ii) is subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Intellectual Property or Intellectual Property Rights: collectively, all forms of protection afforded to Inventions or Innovations by the laws of the United States, including but not limited to patent, copyright, trademark, PVP, and trade secret protection.

Employees: (i) all persons employed by USD, and (ii) any other persons using USD facilities, equipment or infrastructure under the supervision of USD personnel to create innovations, including but not limited to visiting faculty and adjunct faculty, unless other provisions have been made in writing for management of the works of such personnel.

Net Income: gross revenue resulting from commercialization of Intellectual Property Rights, less all costs incurred in commercializing said property, and in obtaining and maintaining intellectual property protection, domestic and foreign.

Intellectual Property and Conflict of Interest (IP/COI) Committee: a Senate approved standing committee whose purpose is to review disclosures of invention and to provide a forum for discussion of Intellectual Property Right policies and procedures. Recommendations of the IP/COI Committee are made to the Vice President for Research.

IV. RELATED DOCUMENTS, FORMS AND TOOLS

List related University Policies and other university and external documents that provide helpful, relevant information. Forms or tools should be included with information on how to obtain official forms or perform any processes that are required for compliance with the policy. (Indicate “**Not Applicable**” if no documents, forms, or tools will be included.)