

2.13.2 Intellectual Property Policyⁱ

Murray State University embraces the multiple missions of a state supported university: teaching, research and support of the public interest. The university encourages research and scholarship and recognizes that intellectual properties may arise from the scholarly activities of the university. While many intellectual properties are best disseminated by publication and placement in the public domain,

there are a significant number that are most effectively handled by protection under the intellectual property laws (e.g., patenting and copyright) and licensing (or other transfer) to private sector entities, with attendant financial considerations. It is therefore important to establish clear policies regarding the ownership, commercialization and financial rewards resulting from the creation of such intellectual property. Accordingly, this intellectual property policy (IP Policy) is designed to: 1) establish ownership criteria for intellectual property developed by members of the university community and to resolve ownership questions if such arise; 2) define the responsibilities, rights and privileges of those involved; and 3) develop basic guidelines for the administration of the IP Policy.

Nothing herein shall be construed as granting any rights to any person such as may prevent or otherwise impede any responsibility, obligation or requirement of the university under any state, local or federal law/regulation or in regard to any regulatory or accrediting agency or entity.

2.13.2.1 Definitions

The following definitions apply for the purpose of this IP Policy:

- A. **Intellectual Property** – Information and technology that can have potential commercial value that is subject to university ownership and control includes inventions, discoveries or innovations (whether tangible or intangible and whether or not patentable or reduced to practice), patent applications, patents, methods, processes, proprietary information, protocols, specifications, techniques, copyrightable works, trademarks and service marks, software, computer programs, integrated circuit designs, industrial designs, databases, new machines, compositions of matter, written materials which are the subject matter of patents and copyrights, biological materials including cell lines, plasmids, hybridomas, monoclonal antibodies, plant varieties together with new life forms, bioengineered agents, technical drawings, data, formulae, codes, art and creative endeavors, trade secrets, know-how, and moral rights. It includes, but is not limited to, Intellectual Property which is protectable by statute or legislation, whether or not formal protection is sought and which are developed as the result of university activities.
- B. **Copyrightable Works** – includes, but is not limited to, written materials, sound recordings, videotapes, films, broadcast rights and licenses, promotional materials and merchandise, computer programs, computer-assisted instruction materials, and any copyrightable material as defined by federal law.
- C. **University Personnel** – Any employee of the university (whether full or part-time, including temporary employees), including Faculty, staff, and Students (as set forth in 2.13.2.1(E) below), or individual covered by sponsored program agreements or other contractual arrangements. Visitors to the university who make Substantial Use of University Resources are considered as University Personnel with regard to any Intellectual Property arising from such use.
- D. **Faculty** – all members of the university’s faculty organization as set forth in Chapter 2 herein, including Regular Ranked and Administrative Faculty and Special Appointment Faculty.
- E. **Student** – any full- or part-time graduate or undergraduate student, regardless of whether the student receives financial aid from the university or from outside sources. A student shall be considered University Personnel under this IP Policy to the extent that any Intellectual Property developed by or with assistance from the student arises out of or in connection with: 1) work performed by the student as a university employee; 2) work performed by the student under a

grant or other sponsored project of the university; or 3) work performed in connection with the Substantial Use of University Resources.

- F. **Scope of Employment** – refers to activities which have been assigned to an employee/student by his or her supervisor, which are performed during normal working hours or which fall within the employee’s/student’s job description. Intellectual Property created by University Personnel who were employed specifically to produce a particular Intellectual Property shall be owned by the university.
- G. **Substantial Use** – Substantial Use of University Resources occurs when development or creation of Intellectual Property involves the use of university resources (fiscal, human, or physical) beyond the following: customary use of 1) assigned office space, laboratories, studios, or libraries; 2) library collections, subscriptions or services; 3) secretarial or other staff assistance; 4) computer time or computer or lab equipment on hand; 5) network or Internet access; 6) standard office equipment and supplies; or 7) other support typically provided to faculty and staff. As a general guideline, the use of university resources (other than customary use of items (1)-(7) above) will be considered “substantial,” if, in any twelve consecutive month period, the value of those resources used exceeds \$2500. Beginning July 1, 2013, this initial amount shall be adjusted annually by a three percent increase.
- H. **Creator** – any person or persons who create an item of Intellectual Property, including, but not limited to: 1) an inventor in the context of inventions (whether or not patentable), or 2) an author in the context of copyrightable works of authorship.

2.13.2.2 Applicability

This IP Policy shall apply to all Intellectual Property conceived, created, developed, first reduced to practice, written, or otherwise produced by University Personnel.

2.13.2.3 Ownership of Intellectual Property

- A. Intellectual Property developed by University Personnel and related rights shall be the sole and exclusive property of the university (subject to income distribution rights as set forth in Section 2.13.2.7) when the subject Intellectual Property is developed:
 - 1. within the person’s Scope of Employment within the university (except as may be specifically covered in Sections 2.13.2.3(C) and 2.13.2.4 below);
 - 2. with the Substantial Use of University Resources (except as may be specifically covered in Sections 2.13.2.3(B)(2)-(3) and (C) and 2.13.2.4 below); or
 - 3. in the course of a project arranged, administered, or controlled by the university and sponsored by persons, agencies, or organizations external to the university (subject to the terms of any external agreement between the university and any third party).
- B. 1. Intellectual Property resulting from independent work performed by a Student associated with coursework assignments or other than as set forth in this subsection shall belong to the Student (subject to Section 2.13.2.4(B) below).

2. Absent a written agreement signed by the university to the contrary, Intellectual Property developed by a Student a) in connection with the activities set forth in subsections 2.13.2.1(E)(1)-(3) above, or b) in collaboration with other University Personnel, where the creation or invention of the Intellectual Property is related to another University Personnel's relationship with the university, shall be owned and controlled as set forth in Section (B)(3) below.
 3. Intellectual Property developed as per (B)(2)(a) above, including income therefrom, shall be owned and controlled by the university, except Students shall retain ownership of the copyright of their theses/dissertations (subject to Section 2.13.2.4(B) below). In cases involving collaboration with other University Personnel, as per (B)(2)(b) above, the parties who own the rest of the Intellectual Property will ordinarily retain ownership of the portion contributed by the Student (including any income therefrom). The Student shall execute any and all documents deemed by the owners to be necessary for the owners to have full use and enjoyment of the Intellectual Property and to carry out in good faith the intent and purpose of this IP Policy.
- C. Absent a written agreement signed by the university to the contrary, Intellectual Property and related rights shall be the sole and exclusive property of the university as well as income therefrom when the subject Intellectual Property constitutes:
1. Copyrightable Works not specifically exempted by Section 2.13.2.4 which are developed within the person's Scope of Employment within the university; and
 2. works developed in the course of a project specifically sponsored or commissioned by the university.
- D. Creator(s) shall execute any and all documents deemed by the university to be necessary for the university to have full use and enjoyment of the Intellectual Property and to carry out in good faith the intent and purpose of this IP Policy. Intellectual Property developed by University Personnel other than as set forth in subsections A, B, & C above shall be the sole and exclusive property of the Creator(s). Intellectual Property or any other rights to Intellectual Property held by University Personnel prior to enrollment with or appointment to the university are excluded from this IP Policy. Such Intellectual Property shall be identified in writing at the time of appointment or enrollment. University Personnel shall file any disputes regarding ownership of prior Intellectual Property with the IPC (as defined in Section 2.13.2.5 below), and the IPC shall evaluate the ownership of such prior Intellectual Property in accordance with the same procedures set forth in this IP Policy regarding university ownership of Intellectual Property.

2.13.2.4 Exemptions & Exceptions

- A. Traditional Academic Works - This IP Policy recognizes the longstanding custom and understanding that Faculty members own copyright to their scholarly and creative work. Therefore, Faculty retain copyright to "Traditional Academic Works," (which includes, but is not limited to, printed materials such as books, manuscripts, research monographs, journal articles and reviews, theses and dissertations; works of art such as paintings, drawings, sculptures, musical or dramatic compositions and performances, poetry, popular fiction and nonfiction, choreographic works, pictorial or graphic works, movies, and television programs; course materials such as class notes, class handouts, exams, research proposals, classroom presentations, educational software, workbooks, and laboratory manuals) unless the copyright is developed pursuant to a sponsored

research agreement (in which case ownership is determined as noted in subsection C of this section) or a contractual arrangement with the university or with the Substantial Use of University Resources. The university may have the need to have Intellectual Property developed for its use, ownership, and benefit that would normally be considered Traditional Academic Works. Should the university engage the services of a Faculty member to develop such Intellectual Property, the terms and conditions of the development, ownership, and compensation of the Faculty member shall be set forth in a predetermined written agreement.

- B. Students – Where Intellectual Property arising out of the Student’s own original work and participation in programs of study at the university is retained by the Student (as to student theses or dissertations), Students shall be deemed to have granted to the university or its designee a royalty-free perpetual non-exclusive license and consent to reproduce, use and publicly distribute the Intellectual Property for the limited purpose of the university in displaying said thesis or dissertation in its library(s) or electronically or as otherwise set forth in university policies regarding student theses/dissertations.
- C. Externally Sponsored Work - Intellectual Property created as a result of work conducted under an agreement between an external sponsor and the university that specifies ownership of such Intellectual Property shall be owned as specified in said agreement and in accordance with state and federal law.
- D. Individual Agreements - Except where limited by external sponsorship agreements, Creator(s) and the university may negotiate individual agreements to govern ownership, development and commercialization of Intellectual Property regardless of the applicability of any other provision hereof.
- E. Consulting and Other Activity - Intellectual Property developed outside an employee’s Scope of Employment or contractual obligations, on the employee’s own time and without Substantial Use of University Resources shall be the sole and exclusive property of the Creator. Consulting activities that involve Substantial Use of University Resources may only be performed pursuant to written agreement with the University as set forth in Section 2.12.3 of the Faculty Handbook. In such cases, the written agreement shall specify ownership of Intellectual Property. If ownership is not specified, then ownership shall be determined in accordance with this IP Policy.

University Personnel who engage in consulting work or in private business activities outside their Scope of Employment are responsible for ensuring that 1) such services or activities do not conflict with this IP Policy or with any of their other commitments to the university, and 2) the university's rights and the individual's obligations to the university are in no way abrogated or limited by the terms of such agreements. University Personnel shall 1) make the nature of their obligations to the university clear to those with whom they make such agreements and 2) inform such third parties that the university does have a formal IP Policy and ensure that such parties are provided with a current copy of the IP Policy.
- F. Public Domain Preference - The university and the Creator(s) may place Intellectual Property in the public domain for non-commercial, academic dissemination purposes if that would be in the best interest of the university’s mission of education and public dissemination of knowledge, and if doing so is not in violation of the terms of any agreements with third parties.
- G. Waiver of Ownership –

1. University rights of Intellectual Property ownership may be assigned to the Creator(s). An assignment under this section shall only occur pursuant to a recommendation by the Provost and Vice President for Academic Affairs, or their designee, and through a written document signed by the President of the university.
2. In regard to Intellectual Property owned by University Personnel and in which the university has no ownership interests, in consideration of university support in evaluating such Intellectual Property, seeking patent protection, and/or pursuing commercialization activities, Creator(s) may request that the university accept such Intellectual Property for evaluation, management, and commercialization. If the university accepts such Intellectual Property, that Intellectual Property becomes subject to, and shall be treated in accord with, all provisions of this IP Policy.

2.13.2.5 Administrative Responsibilities and Procedures

- A. Creator(s) – University Personnel are responsible for disclosing to the university any Intellectual Property covered by this IP Policy, in accordance with this IP Policy. Disclosure shall be made to the Provost and Vice President for Academic Affairs, or their designee, using the MSU Invention Disclosure Form appended to this IP Policy (the Disclosure Form). The Provost and Vice President for Academic Affairs, or their designee, will coordinate the review of the Disclosure Form by the Intellectual Property Committee (IPC). The Creator(s) shall cooperate in the execution of all legal documents and in the review of literature and prior art (e.g., patent searches); be given the opportunity to assist in the further commercial development of the Intellectual Property as may be determined by the university in its sole discretion; and receive consideration (to the extent set forth in this IP Policy) regarding any income derived from the commercialization of such property as described herein.

Creators should particularly note that certain acts (e.g., publication of the Intellectual Property in an academic journal or presentation at a conference) may constitute a statutory bar to patent protection. Creators contemplating public disclosure activities prior to obtaining patent protection should contact the Provost and Vice President for Academic Affairs prior to engaging in those disclosure activities.

- B. Intellectual Property Committee - The IPC serves as the administrative committee for all matters concerning Intellectual Property. The IPC shall have three standing members by virtue of position: Provost and Vice President for Academic Affairs, or their designee, the Faculty Senate President, and the Director of the Office of Sponsored Programs. Three additional *ad hoc* members will be added when the IPC convenes to review a Disclosure Form: the dean of the college where the Intellectual Property originated, a faculty member with professional expertise in Intellectual Property matters or familiarity with the Intellectual Property subject to IPC review, and a graduate student who is a member of the Graduate Student Leadership Council or equivalent body, all to be identified and appointed by the Provost. The Provost, or their designee, shall serve as chair of the IPC. All members shall execute confidentiality agreements to ensure that all information concerning Intellectual Property disclosed to the IPC is held confidential. Administrative support for the IPC will be provided by the Office of the Provost, which will serve as the official repository of the Disclosure Form, all confidential records submitted to the IPC, documents involving the work of the IPC and all records reflecting ownership, assignments and transfer of Intellectual Property. Any such documents shall be provided to the Office of the President and/or the Office of General Counsel upon request.

- C. Disclosure and Review Procedures - Upon receipt of a Disclosure Form, the Provost shall notify the Creator(s), in writing, of the official receipt date (Official Receipt Date), and convene the IPC for evaluation of said disclosure.

The committee shall conduct an investigation as it deems necessary in performing its evaluation. The Creator(s) shall make available, upon request, originals or copies of all documents and designs, including logs, research workbooks, etc., that are necessary to support an understanding of the Intellectual Property and its scope and value. Moreover, as necessary, the Creator(s) shall assist the IPC in obtaining and maintaining legal protection for the Intellectual Property by disclosing essential information, signing applications and other necessary documents.

Upon completion of the evaluation, the IPC shall provide its recommendation as to ownership of the Intellectual Property, appropriate patent protection, and commercialization opportunities. The Provost and Vice President for Academic Affairs shall transmit these recommendations to the President of the university, who shall render the decision to pursue protection and/or commercialization of the Intellectual Property.

If the President determines that there is a reasonable chance for successful commercialization, the Provost and Vice President for Academic Affairs shall inform the Creator(s) and the IPC in writing that the university claims ownership rights to the Intellectual Property and determine and record the rights of the Creator(s) to share in any income. For disclosed intellectual property in which the university is deemed to have an ownership interest, following a decision by the President of the university to seek patent protection, copyright registration, and/or commercialization of the Intellectual Property, the Provost, or their designee, shall arrange to have these activities undertaken and oversee execution. All reasonable expenses associated with those activities shall be borne by the university.

The university may determine that it has an ownership right in the Intellectual Property but that the Intellectual Property has not been developed to the point where a decision as to patentability or commercialization is possible, in which case the Intellectual Property shall be placed in a pending status. The status shall be reviewed at six (6) month intervals to determine if additional information or data may make the Intellectual Property commercially feasible to pursue.

If the university has an ownership interest in the Intellectual Property, and the decision of the President is not to seek patent or copyright protection and/or commercialization of the Intellectual Property, the university's ownership interest shall be assigned to the Creator(s). The President will administer this action.

In cases where the Creator(s) have not received a written decision (i.e., determination of acceptance/ownership of the Intellectual Property or determination that additional time/work is needed for the Intellectual Property to be patentable or commercially feasible) within six (6) months of the Official Receipt Date, the Creator(s) of the Intellectual Property may request in writing that all university rights in such Intellectual Property be reassigned to the Creator(s). To the extent that Intellectual Property is not subject to any sponsored program or other contractual agreement, and provided that all other co-Creators, if any, of the subject Intellectual Property consent to the request, the university or its designee shall reasonably consider such a request. Any reassignment of the rights by the university to the Creator(s) shall be limited only to the Intellectual Property disclosed in the original Disclosure Form submitted to the IPC and further subject to the university reserving the rights to use the subject Intellectual Property for research and other educational purposes.

For inventions made in the course of a project funded in whole or in part by a federal agency, the Bayh-Dole Act (37 CFR 401) imposes certain requirements associated with the technology transfer process. The Provost, or their designee, is responsible for ensuring that those requirements are satisfied.

- D. Appeals – If any Creator does not agree with the decision of the President, an appeal may be made to the Chairman of the Board of Regents. The appeal shall be made in writing, delivered to the Chairman of the Board of Regents and copied to the President and IPC chair within thirty (30) calendar days of the issuance of the decision. Any appeal shall set forth the specific reasons supporting the position of the Creator(s) and include any supporting documentation. Upon receipt of a Creator’s written appeal, the Chairman of Board of Regents shall review the information provided and, within sixty (60) calendar days, shall issue a written decision on the appeal. The decision on this review will be the final decision of the university.
- E. Policy Interpretation/Application – Any disputes concerning the interpretation or application of this IP Policy to Intellectual Property shall be submitted to the IPC, and the IPC shall evaluate the ownership of such Intellectual Property in accordance with the same procedures set forth in this IP Policy.

2.13.2.6 Development and Commercialization

- A. Development of Intellectual Property. The university will make every reasonable effort to develop the Intellectual Property. Development options may include, but are not limited to: 1) evaluating and processing the Intellectual Property through patent applications or copyright registration; 2) assigning Intellectual Property to a patent management agency for evaluation and processing; and 3) assigning or licensing Intellectual Property to a commercial firm.

If federal, state or other restrictive funding is involved in the development of the Intellectual Property, assignment may require governmental or other approval.

- B. Commercialization - All decisions concerning the commercialization of Intellectual Property governed by this IP Policy shall be determined by the university in its sole discretion. In commercializing Intellectual Property, the university shall be guided by the following principles: 1) active Creator(s) participation in all commercialization may be sought; 2) the primary objective and responsibility of the university shall be to assure that the products of its intellectual activity are brought into the widest possible use for the general benefit of society; and 3) Intellectual Property is treated as an asset and an appropriate return should be sought.

In an effort to commercialize Intellectual Property, the university may seek a variety of arrangements such as licenses, assignments or sale of rights, partnerships, and joint ventures. The selection of particular arrangements will depend upon the individual circumstances.

In some instances, it may be in the best interests of the Creator(s), university, and the general public to enter into a commercialization arrangement with entities wholly or partially owned or controlled by the University Personnel who originated the Intellectual Property. Because these arrangements have the potential of contributing to economic development, such arrangements may be considered and accepted, provided they are not specifically prohibited by law and that adequate provisions, including full disclosure of interests, are made to avoid or otherwise protect against. Commercialization arrangements which involve or may involve University Personnel (i.e. any contract between the university and University Personnel or entity/business in which University

Personnel has an interest) shall be subject to the requirements set forth in the university's Statement of Ethical Principles and Code of Conduct policy and shall be approved by the Board of Regents.

2.13.2.7 Income from Intellectual Property

- A. Reimbursement of University Expenses – All income derived from the commercialization of Intellectual Property owned by the university shall be first applied toward any reasonable expenses incurred by the university in seeking patent protection, copyright registration and in pursuing development and commercialization of the Intellectual Property. All expenses shall be identified and detailed in writing at the time they are made; the sources and amounts of income also shall be properly disclosed.
- B. Income Distribution – After the university is reimbursed for all expenses set forth above, the net income received by the university (royalties, license fees, etc.) on Intellectual Property that it assigns, sells, or licenses shall be divided among the Creator(s), department(s), college(s) and the university as follows:
- Creator(s) - 35%
 - University Commercialization Fund - Office of the Provost - 32.5%
 - Collegiate Unit(s) of Origination - 13%
 - Department(s) of Origination - 13%
 - University Innovation Fund - Office of the President - 6.5%

Joint Creators shall reach agreement between and among themselves regarding relative contributions for the purposes of distribution of net income from the commercialization of said Intellectual Property. That agreement shall be in writing and notarized. In the absence of such agreement, the Creator's share of net income will be split evenly between the joint Creators.

In the event that two or more colleges and/or departments claim origination of the Intellectual Property, such academic units shall reach an agreement between and among themselves regarding relative contributions of the academic units for the purposes of distribution of net income from the commercialization of said Intellectual Property. In the absence of such agreement, the college's or department's share, as the case may be, will be evenly split among the originating academic units.

- C. A Creator's rights to share in revenue as stated above shall remain with the individual or pass to the individual's heirs and assigns for so long as net income is derived from the Intellectual Property.
- D. This IP Policy shall not change revenue-sharing agreements entered into prior to the adoption of this policy.

2.13.2.8 Binding Nature of this Policy

The policies set forth herein constitute an understanding that is binding on University Personnel as a condition of their participation in university research, teaching, and service programs and for their use of university resources.

Nothing herein shall require the university to negotiate with any person regarding ownership rights of Intellectual Property contrary to this IP Policy. Absent written documentation signed by the university specifically setting forth ownership of any Intellectual Property which is governed by this IP Policy, ownership interests shall be determined as set forth herein.