

THE CITY UNIVERSITY OF NEW YORK

INTELLECTUAL PROPERTY POLICY

I. Purpose

- To serve the public good by promoting and facilitating the dissemination of the products of research, authorship and invention by the University¹ community
- To recognize and encourage research, authorship and invention by the University community by providing for the sharing of tangible rewards resulting from the commercialization of such research, authorship and invention
- To define the ownership, distribution and commercialization rights associated with the products of research, authorship and invention by the University community, and to define the policies and procedures for managing such products

II. Applicability

A. This policy shall apply to all forms of Intellectual Property created or developed, in whole or in part, by Members of the University (1) making Substantial Use of University Resources, (2) as a direct result of University duties, (3) pursuant to the terms of an agreement to which the University is a party, or (4) in the course of or related to activities on grants or contracts administered by the Research Foundation on behalf of the University.

B. For the avoidance of doubt, this policy does not apply to Intellectual Property created or developed by the University's undergraduate students, unless a student is a Member of the University as defined in Section XIII of this policy. Students who are not Members of the University own their Intellectual Property subject to the applicable copyright, patent and other laws regarding intellectual property. This includes, without limitation, Intellectual Property created in conjunction with University course work and created jointly with faculty members and others.

III. Ownership Of Intellectual Property

A. General Rule:

1. The Creator shall own all rights in Copyrightable Works.
2. The University shall own all rights in all other Intellectual Property.

¹ This and other capitalized terms are defined in Section XIII.

B. Exceptions and Clarifications to the General Rule:

1. Sponsored Research. Ownership of any Intellectual Property resulting from Sponsored Research shall be determined pursuant to the terms of the agreement between the University or the Research Foundation, as the case may be, and the Sponsor, or as otherwise required by applicable law. If ownership is not defined in the agreement, Intellectual Property shall be owned pursuant to the General Rule.

2. Commissioned Work. The University shall normally own Intellectual Property resulting from Commissioned Work. In all cases of Commissioned Work, ownership and royalty rights shall be specified in a written agreement, a copy of which shall be submitted to the Vice Chancellor for Research and the Office of the General Counsel (OGC) for review and approval as to form. Any such agreement which provides for ownership by other than the University shall also provide the University with a royalty-free, non-exclusive license to use the Intellectual Property for internal educational and research purposes.

3. Copyrightable Work Created Within the Scope of Employment. Copyrightable Work, other than Scholarly or Pedagogical Work, prepared by an employee of the University or the Research Foundation within the scope of his or her employment shall be owned by the University or the Research Foundation, as the case may be. Examples of Copyrightable Work subject to this provision include, without limitation, personnel manuals, written policies, administrative handbooks, public relations materials, archival audio and video recordings of College events, and official College and University web pages.

4. Electronically Published Course Materials. Courses designed to be delivered over the internet, by computer or through similar technologies may involve both Copyrightable Works and other Intellectual Property. Consistent with its intent to recognize the Creator as the owner of Scholarly or Pedagogical works, the University claims no ownership rights in either the intellectual content of such courses, or the tools and technologies used to present them, unless the work was the result of Sponsored Research or is Commissioned Work, in which case B.1 or B.2 of this Part shall apply.

5. Negotiated Agreements. A Member of the University who wishes to conduct work making Substantial Use of University Resources under terms different from those set forth in the General Rule above may enter into an agreement for the use of such resources with the College(s) where such work shall be conducted. Such agreement shall be negotiated by the President(s) of the College(s) with the advice of the OGC, and must be approved by the Vice Chancellor for Research. The agreement shall specify who shall own any Intellectual Property resulting from such work, any arrangement as to equity sharing, royalty-sharing, and/or the amount of the fee, if any, to be paid for use of the University Resources.

6. University Media. Copyrightable Work prepared for publication in official University and College media, such as television and radio stations, newspapers, magazines and journals, shall be owned pursuant to the individual policies of such media or as defined in their contracts with Creators. In the absence of a policy or contract, copyright shall be

owned by the University.

C. Creator's Non-Commercial Use. Where the University owns the Intellectual Property under this policy, the Creator is permitted to continue to use the work for his or her own non-commercial purposes. Any distribution by the Creator to academic colleagues outside the University beyond the limits of "fair use", as defined in Section 107 of the Copyright Act of 1976, shall be permitted pursuant to written agreement from the University through the OGC.

IV. Administration of this Policy

A. Authority. Authority and responsibility for administration of this policy resides with the Chancellor through the Vice Chancellor for Research. The Vice Chancellor for Research shall establish and maintain a Technology Commercialization Office (TCO) to take such actions as may be necessary to carry out the purposes of this policy across the University.

B. Campus Liaison. Cooperation between the TCO and the various campuses is essential to efficient administration of this policy. Each campus may designate an individual to serve as a liaison with the TCO to assist in execution of this policy at the campus level.

C. Limitation on College Rules. No rules, practices, procedures, or forms shall be implemented on any campus under this policy except by express prior written authorization of the Vice Chancellor for Research. All research agreements relating to University-owned Intellectual Property, such as material transfer, non-disclosure, confidentiality, option, license, Sponsored Research, or the like, shall be on forms approved by OGC or the Research Foundation and signed pursuant to OGC or Research Foundation policy regarding contract signature authority, as the case may be.

V. Management of Intellectual Property

A. Disclosure of Intellectual Property.

1. Disclosure Required. Creators shall disclose to the Vice Chancellor for Research, through the Director of the TCO, any Intellectual Property that is or may be owned by the University under this policy, including improvements and reductions to practice, whether done alone or in collaboration, with or without Sponsored Research support. Such disclosure shall be made by filing a signed and completed New Technology Disclosure form (available on the TCO website) with the TCO. Where more than one Member of the University has participated in the creation of Intellectual Property, all such participants must sign a copy of the completed New Technology Disclosure form.

2. Timing. Disclosure shall be made prior to submission of the Intellectual Property for publication or other release to the public domain, or attempt to license, distribute or manufacture applications of the Intellectual Property commercially.

3. Review. The TCO shall review and process in a timely manner every New Technology Disclosure form that it receives, provided, however, that action upon an incomplete (including unsigned) submission may be suspended by the Director of the TCO until such time as such incomplete submission is completed by the submitter(s).

B. Determination of Ownership Rights.

1. Determination of Rights. The Vice Chancellor for Research, through the Director of the TCO, shall determine whether the University has reason to exercise ownership rights over Intellectual Property disclosed to it, and, if the University has such rights, whether it desires to obtain protection for or pursue licensing of such Intellectual Property.

2. Notice to Creator. The Director of the TCO shall promptly notify the Creator of any determination to disclaim or assert ownership of the Intellectual Property.

3. Time Limit. The University shall make every reasonable effort to act expeditiously under the circumstances in arriving at all decisions and taking all actions under Sections B, C and D of this Part.²

C. Legal Protection and Commercialization.

1. Forms of Protection. Intellectual Property determined to be owned by the University under this policy may be patented, registered with the U.S. Copyright Office or otherwise legally protected by the University.

2. Assignments. The Creator of University-owned Intellectual Property shall cooperate with the University in the application for legal protection of the Intellectual Property, including executing in a timely manner all assignments, declarations and/or other documents required to effectively set forth such ownership rights to the Intellectual Property pursuant to this policy. In the event of any dispute between the Creator and the University, the Creator's meeting of obligations under this provision shall be without prejudice to the Creator's rights under Part IX.

3. Costs of Protection. All costs involved in obtaining and maintaining legal protection of University-owned Intellectual Property shall be borne by the University, unless the University disclaims, releases or waives its ownership rights or unless a licensee accepted by the Creator agrees to bear such costs pursuant to the terms of a written license agreement.

4. Commercialization. The Creator has shared responsibility with the University for identifying parties having an interest in using, developing or commercializing University-owned Intellectual Property. However, the University retains the right to determine with which parties it will enter into agreements.

² For specific time limits following the Creator's request for an assignment of the University's rights in Intellectual Property, see Section V.D.

5. Progress Reports. The Director of the TCO shall periodically inform the Creator of the progress of the University's protection efforts and licensing of University-owned Intellectual Property disclosed by such Creator.

D. Creator's Additional Rights.

1. Request for Release. The Creator may request assignment to the Creator of some or all of the University's rights in Intellectual Property (a "Release") under the following circumstances:

a. if the University notifies Creator that it elects not to protect or commercialize University-owned Intellectual Property, or that it has decided to abandon protection or commercialization; or

b. if, within 90 calendar days of disclosure of University-owned Intellectual Property to the TCO, the Creator has not received notice that the University: (i) disclaims ownership of the Intellectual Property or (ii) has taken steps to protect or commercialize University-owned Intellectual Property.

Such request shall disclose the date of any publication of the Intellectual Property.

2. Release or Proof of Continuing Effort. Within 30 calendar days of the date of a request from a Creator for a Release, the University shall either (a) disclaim ownership of the Intellectual Property, (b) execute a Release, or (c) document that the University has exercised and continues to exercise due diligence in attempting to protect or commercialize the Intellectual Property. However, any such action to be taken shall be subject to any governing Sponsored Research agreement and reporting or other obligations of the University thereunder. Under applicable federal Sponsored Research agreements, where the University is willing to waive its interest, it shall be responsible for expeditiously releasing such Intellectual Property to the sponsoring agency and for reporting of the Creator's interest in obtaining a release therefor from the Sponsor.

3. Form of Release. The University may condition the granting of a Release on the assignment to the University of a share, not to exceed 10%, of net proceeds. For purposes of this section, "net proceeds" shall mean earnings to the Creator from the Intellectual Property over and beyond reasonable costs incurred in the process of legal protection and management. The University shall retain a royalty-free, non-exclusive license to use any Intellectual Property released to the Creator under this Section D for internal educational and research purposes. Pursuant to 37 C.F.R. Part 401, as amended (regulations implementing the Bayh-Dole Act), the U.S. government shall also retain certain rights.

4. University Waiver. The University shall be deemed to have waived its rights in the Intellectual Property if: (a) it fails to meet the deadline specified in Section D.2, or a mutually agreeable extended time period; or (b) in the case of a patentable Invention, it fails to

file a patent application within 90 calendar days of the date of disclosure as set forth in the Creator's request for a Release under Section D.1.

5. Creator's Right to Protect. If the University disclaims, releases or waives ownership of Intellectual Property, the Creator shall have the right to obtain protection for or pursue licensing of such Intellectual Property in his or her own name and at his or her own cost.

E. Sponsored Research Requirements. The Research Foundation shall monitor and be responsible for financial and performance reporting requirements and other related obligations to Sponsors regarding University-owned Intellectual Property developed under a Sponsored Research agreement or grant, including but not limited to obligations to the U.S. government under 37 C.F.R. Part 401, as amended (regulations implementing the Bayh-Dole Act). This monitoring activity shall be coordinated with the TCO, which shall monitor disclosures of University-owned Intellectual Property and other non-financial reporting requirements to Sponsors.

F. Management Organization. The University may make an agreement with one or more intellectual property management organizations to undertake the legal protection and/or, with the permission of the Creator, commercialization activities, described in this Part V. Any such management organization shall be required to abide by the time limits set forth in Section V.D.

G. Not Applicable. This Part does not apply to University-owned Intellectual Property described in Sections III.B.2 and III.B.3, or in Section III.B.5 to the extent this Part conflicts with the terms of the negotiated agreement.

VI. Distribution of Income from Intellectual Property

A. Policy. Except as may be otherwise agreed pursuant to this policy, a Creator of University-owned Intellectual Property is entitled to share in the income, including royalties and dividends from University equity interests (subject to any University conflict of interest policy), earned from the commercialization of that Intellectual Property .

B. Distribution. Subject to the terms of any Sponsored Research agreement and unless otherwise agreed by the University and the Creator, gross income created from commercialization of University-owned Intellectual Property shall be distributed as follows:

1. First, to pay for any out-of-pocket expenses incurred by the University or the Research Foundation in connection with the administration, protection and commercialization of such Intellectual Property, including, but not limited to, fees paid to outside legal, consulting, marketing and licensing organizations and any other out- of-pocket costs incurred by the University or the Research Foundation.

2. Then, 10% applied to a fund at the University for payment of costs related to patent filing, prosecution and maintenance fees incurred by the TCO.

3. The resulting “Net Proceeds” shall be distributed as follows:
 - 50 % to the Creator(s);
 - 25 % to the University for the support of research and scholarly activity, as administered by the Vice Chancellor for Research; and
 - 25 % to the Creator's College(s), with 50% of such amount going to the Creator’s academic or research unit(s) for the support of research and scholarly activity.

C. Multiple Creators. Where two or more Members of the University contributed to the creation of Intellectual Property, the Creator’s share of revenues shall be divided among them equally, unless the Members of the University agree upon a different distribution among themselves and notify the University in writing of their agreement.

VII. Issues Relating to Ownership of Equity and Conflict of Interest

A. University’s Equity Interest. Subject to the review and approval of the Vice Chancellor for Research, and after a diligent effort to identify prospective sponsors or licensees, the University is permitted to take an equity interest in sponsors or licensee companies under the following terms and conditions:

1. Sponsors and licensees shall demonstrate management and technical capability, and have the financial resources necessary to meet their development objectives and their obligations to the University.
2. License agreements shall include measures of performance that must be met in order to maintain the license granted by the University.
3. Equity shall not be held in sufficient amount to confer management power, which generally would limit ownership to less than 20% of equity.
4. Equity shall represent a fair valuation for the Intellectual Property.
5. The University shall not accept a position on the board of directors of a licensee, but may accept and exercise observer rights on such boards. Exceptions to this policy require the approval of the OGC and the Vice Chancellor for Research.
6. Licensees shall pay for out-of-pocket patenting and related expenses.

B. Member’s Significant Interest.

1. Conflicts of interest may arise when a Member of the University has a

Significant Interest in an entity:

- a. to which the University has granted a license of Intellectual Property created by the Member;
- b. with whom the University has entered into a Sponsored Research agreement;
- c. which has contracted with the University for use of the Member's University office or laboratory or other University Resources; or
- d. which employs or otherwise involves the Member's student advisees.

2. A Member of the University with a Significant Interest in an entity described in B.1, above:

- a. shall disclose the Significant Interest to the University prior to the execution of any agreement between the entity and the University;
- b. shall not represent the University in negotiating the agreement; and
- c. shall not employ or otherwise involve such Member's student advisees at the entity unless they are paid at market rate.

3. A Member's Significant Interest in a licensee shall not prohibit the Member from receiving Creator's royalties pursuant to Section VI.B.3 of this policy. Notwithstanding the foregoing, if the University receives equity from a licensee in lieu of or partial lieu of royalties, a Member who holds a Significant Interest in such licensee shall not share in the University's equity, but shall receive any equity directly from the licensee.

4. Nothing in this Section shall lessen the obligation of a Member to comply with the requirements of state and federal law, the Research Foundation and any other University policy, regarding the disclosure of conflicts of interest.

C. Consulting Agreements. Conflicts involving Intellectual Property may arise when a Member of the University enters into a personal consulting or other agreement with a third party. Such agreements may include provisions as to the licensing or assignment of Intellectual Property and may come into conflict with this policy. Prior to signing any consulting or other agreement that deals with Intellectual Property owned by the University pursuant to this policy, a Member of the University shall have the agreement reviewed by the Vice Chancellor for Research as advised by the OGC to be certain such agreement does not inappropriately assign University rights to third parties. If the agreement is in conflict with this policy, the Member must either obtain from the Vice Chancellor for Research a waiver of any University rights, or otherwise modify the consulting agreement to conform with this policy. This

requirement is in addition to, and does not eliminate the necessity for, any approval required by any University conflict of interest policy.

VIII. Exceptions to and Waiver of Policy

A. Any Member of the University is entitled to apply to the General Counsel for an exception or waiver from one or more of the provisions of this policy, including in the event that a publisher or other outside organization proposes terms which are exceptions to this policy. To the extent possible, any application for a waiver should be made prior to public disclosure of the Intellectual Property involved.

B. The written waiver application must state the policy provision or provisions for which the Member of the University is seeking a waiver.

C. The General Counsel shall consult with the Vice Chancellor for Research and the president of the applicant's college (or, if the applicant is a Central Office employee, the Chancellor) or their designees, prior to making a determination regarding the application.

D. Members of the University should be aware that the University cannot waive federal, state or local law, or the terms of Sponsored Research agreements.

E. Parties to the waiver process described in this Part VIII (including without limitation the General Counsel, the Vice Chancellor for Research, and the college presidents) shall maintain the confidentiality of any Intellectual Property contained in documents submitted as part of this process.

IX. Resolution of Disputes

This policy constitutes an understanding which is binding on the University and Members of the University for the use of University Resources and for participating in research programs at the University. Any questions of interpretation or claims arising out of or relating to this policy, or dispute as to ownership rights of Intellectual Property under this policy, shall be settled by the following procedure: The issue must first be submitted, in the form of a letter setting forth the grievance or issue to be resolved, to a review panel of five members, including a representative of the Creator, and designees of the Executive Vice Chancellor for Academic Affairs, the President of the Research Foundation, the Chair of the Faculty Advisory Council of the Research Foundation, and the Provost of the Creator's College. The panel shall review the matter and then advise the parties of its decision within 30 calendar days of submission of the letter. The decision of the panel may be appealed by either side to the Chancellor. The decision of the Chancellor shall be final.

X. Trademarks

The University owns all right, title and interest in Trademarks related to an item of Intellectual Property owned by the University, or to a program of education, service, public relations,

research or training program of the University.

XI. Role of the Research Foundation

The University hereby assigns its ownership rights in Inventions resulting from Sponsored Research to the Research Foundation. The Research Foundation may file patent applications, as named assignee, for such Inventions, subject to the terms of this policy, including the distribution provisions set forth in Section VI, with respect to income earned from the commercialization of such Inventions. Furthermore, nothing in this policy shall prevent the Chancellor from appointing the Research Foundation as the Chancellor's designee for performance of the functions assigned to the University in general or the Chancellor in particular, or to retain distribution of income from commercialization of Intellectual Property.

XII. Effective Date

This policy is effective from the date of approval by the University Board of Trustees with respect to Intellectual Property created after that date and shall remain in effect until modified or revoked.

XIII. Definitions

“Chancellor” shall mean the Chancellor of the University or his or her designee.

“College” shall mean a “senior college” or “community college” of the University or a component thereof, as such terms are defined in Section 6202 of the New York Education Law.

“Commissioned Work” shall mean work commissioned by the University in writing from a Member of the University, outside the scope of his or her employment.

“Copyrightable Work” shall mean an original work of authorship, including any Scholarly or Pedagogical Work, which has been fixed in any tangible medium of expression from which it can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device, and may include, but is not limited to, books, journals, musical works, dramatic works, multimedia products, computer programs or codes, videos, films, sound recordings, pictorial and graphical works and sculpture.

“Creator” shall mean a Member of the University whose creative activity results in the development of Intellectual Property. As used in this policy, the term “Creator” also includes groups of researchers, authors or inventors whose joint efforts produce Intellectual Property.

“Intellectual Property” shall mean all forms of intellectual property, including but not limited to Inventions, Copyrightable Works, Trade Secrets and Know-How, and Tangible Research Property, but excluding Trademarks.

“Invention” shall mean a process, method, machine, manufacture, discovery, device, plant,

composition of matter or other invention that reasonably appears to qualify for protection under the United States patent law, whether or not actually patentable. “Invention” shall also include computer programs and codes, but only to the extent they are patentable.

The term “**Member of the University**” shall include full-time and part-time faculty, staff, and graduate students engaged in faculty-directed research, whether paid or unpaid, as well as individuals compensated by grant funds made available to the University by or through the Research Foundation. Any other person who develops Intellectual Property while making extraordinary use of University Resources shall also be deemed a Member of the University, unless there is an agreement providing that such person shall not be subject to this policy.

“**OGC**” shall mean the Office of the General Counsel and Senior Vice Chancellor for Legal Affairs.

“**Research Foundation**” shall mean The Research Foundation of the City University of New York.

“**Scholarly or Pedagogical Works**” shall mean Copyrightable Works created for traditional academic purposes. Examples include scholarly books (including text books), instructional materials including lecture notes, classroom presentations, research articles, research monographs, student theses and dissertations, novels, poems, films, videos, musical compositions and performances, dramatic works and performances, visual works of art including paintings, drawings, sculpture, installations and performance art, and other scholarly publications or works of artistic imagination, whether such works are disseminated in print, electronically or through some other tangible medium.

“**Significant Interest**” shall mean the following:

(1) the position of director, officer, partner, employee, or agent, or other managerial position; or

(2) anything of monetary value, including but not limited to, salary or other payments for services (e.g., consulting fees or honoraria), equity interest (e.g., stock, stock options or other ownership interests), and Intellectual Property rights and royalties from such rights.

The term does not include: (1) income from seminars, lectures or teaching engagements sponsored by public or nonprofit entities; (2) income from service on advisory committees or review panels for public or nonprofit entities; (3) financial interests in business enterprises or entities that, when aggregated for the Member and the Member’s spouse and dependent children, meet both of the following tests: (a) do not exceed \$10,000 per year in value, as determined through reference to public prices or other reasonable measures of fair market value and (b) do not represent more than a 5% percent ownership interest in any single enterprise or entity; or (4), salary, royalties or other continuing payments that, when aggregated for the Member and the Member’s spouse and dependent children, are not expected to exceed \$10,000 per year in value.

“Sponsor” shall mean an organization, agency or individual which or who provides funding, equipment, or other support for the University, directly or through the Research Foundation, to carry out a specified project in research, training, or public service pursuant to a written agreement (**“Sponsored Research”**). Sponsors include Federal, State, local and other governmental entities, as well as private industry, individuals, educational institutions and private foundations.

“Substantial Use of University Resources” shall mean unreimbursed use of University Resources at a level not ordinarily used by or available to, all or virtually all, faculty, staff or graduate students, as the case may be. Ordinarily available University Resources include assigned office, laboratory and studio space and standard office, laboratory and studio equipment, office computer workstations, library and other general use information resources and the means of network access to such resources. The University does not construe the payment of salary in the form of release time or sabbatical as constituting substantial use of University Resources, except in those situations where the release time or sabbatical is granted specifically to support the development of Commissioned Work. Use of ordinarily available University Resources for private, commercial purposes is considered substantial use.

“Tangible Research Property” shall mean tangible items produced in the course of research including, but not limited to, biological materials, research notes and reports, laboratory notebooks, computer databases and software, circuit chips, equipment and engineering drawings.

“TCO” shall mean the Technology Commercialization Office.

“Trade Secrets and Know-How” shall mean facts, information, data, designs, business plans, customer lists and other secret knowledge which give the owner a competitive edge.

“Trademark” shall mean a distinctive word, design or graphic symbol, or combination of the same, that distinguishes and identifies the goods and services of one party from those of another. The term “Trademark” shall include service marks.

“University” shall mean The City University of New York.

“University Resources” shall mean any resources available to a Member of the University as a direct result of his or her affiliation with the University and which would not otherwise be available to a non-University- affiliated individual, including but not limited to, funds and financial support, facilities, equipment, supplies, services, non-faculty University personnel, students, release time and sabbaticals.

Approved by the Board of Trustees on November 18, 2002, Cal. No. 5.B. and amended on December 8, 2008, Cal. No. 4 and November 25, 2013, Cal. No. 4.