**THE UNIVERSITY OF ALABAMA IN HUNTSVILLE**

**FACULTY SENATE**

**FACULTY SENATE RESOLUTION 17/18-02:**

**Faculty Handbook Appendix G**

**Patent Policy at the University of Alabama in Huntsville**

History: Bill 411 was submitted to FSEC for first reading on 9/14/2017

Bill 411 passed first reading on FSEC on 9/14/2017

Bill 411 passed second reading in Faculty Senate unanimously on 9/21/2017

**Whereas** A clear and up-to-date Patent and Patent Income Distribution Policy is important for the dissemination of creative research, and

**Whereas** A clear-and-up-to-date Patent Policy is important for faculty, staff, and students to receive proper credit and remuneration, and

**Whereas** consistency within the University of Alabama system is important so individuals from the three campuses are working within common standards

**Therefore**, b**e it resolved**

That the UAH Faculty Senate support the attached Appendix G, The University of Alabama in Huntsville Patent Policy.

**Be it further resolved**

that the UAH Faculty Senate approves for inclusion in the Faculty Handbook the attached Appendix G, with that item replacing the prior Appendix G of the Handbook.

**Be it further resolved**

That the acceptance of this policy, Appendix G of the UAH Faculty Handbook, negates the need for a separate Patent Policy (07.03.01) and Distribution of Income from Intellectual Property Proceeds (07.03.03), and said polices are withdrawn.

**APPENDIX G: The University of Alabama in Huntsville Patent Policy**

In view of the far-reaching research in the various divisions of the University, it is inevitable that new discoveries and inventions will be made. The University of Alabama in Huntsville recognizes that the protection and control provided under the patent laws may have to be invoked to obtain the greatest public benefit and usefulness from the products of scientific research. It is recognized that employees of the University need assistance in determining and evaluating patentability and in prosecuting patent applicants of inventions made by them. Many such inventions involve equities beyond those of the inventor himself or herself since the use of University facilities, the assignment of duties as a condition of employment, and the use of research funds with contractual obligations regarding patent rights give rise to complicated questions concerning rights and equities of all concerned. Therefore, in order to appraise relative rights and equities of all parties concerned, to facilitate patent applications, licensing, equitable distribution of any royalties or other financial returns, to provide a uniform procedure in patent matters, and to serve the public benefit and interest, The Board of Trustees of The University of Alabama in Huntsville (herein called University), on recommendation of the President of the University, authorizes the establishment of a Patent Committee and the adoption of the patent policy as set forth herein. This Appendix is intended to conform to the stipulations contained in Board of Trustee’s rule 509.

1. The President of the University shall appoint a University Patent Committee composed of member’s representative of the entire University to administer the patent policy and to designate a Patent Administrator to administer the policies of the committee. This committee and the Patent Administrator shall serve at the pleasure of and their actions shall be subject to the approval and right of review of the President of the University.
2. Subject to the approval of the President of the University, the Patent Committee shall have power to adopt such rules and procedures as are deemed appropriate; to determine the interest of the University in all reported inventions; to cause all reported inventions to be investigated in order to evaluate the interest of the University in said invention (with due consideration given to the achievement of the inventor and the financial returns to the inventor and the University); to authorize the release of patent rights when the Patent Committee decides that the University has no interest in the invention or decides that the University does not desire to pursue the patenting or development of the patent; to authorize applications for patents on reported inventions and to retain patent counsel, in association with the Office of Counsel, for matters pertaining to patent applications; and to make recommendations to the President of the University with regard to the prosecution and protection thereof and any litigation that may arise therefrom. The Patent Committee shall also have power to do all things appropriate for the investigation of patent rights and for the exploitation of patent rights by direct exercise, exclusive or nonexclusive licensing, and make recommendations to the President of the University with regard to partial or total assignment or sale thereof. All questions concerning the methods by which the patent shall be commercially exploited shall be decided by the Patent Committee.
3. This patent policy, Appendix G, of the University, shall be deemed to be a condition of employment and contractual obligation, both while employed and thereafter, of every employee, including student employees, and a condition of enrollment and attendance and contractual obligation, both while in attendance and thereafter, by every student at each campus.
4. Any invention or discovery (1) which is the result of research carried on by or under the direction of an employee of the University and/or having the costs thereof paid from funds provided by, under the control or administered by the University, or (2) which is made by an employee of the University and which relates to the employee's field of work, or (3) which has been developed in whole or in part by the utilization of resources or facilities belonging to the University, shall be the property of the University. The applicability of the above stated criteria to any invention or discovery will be determined at the sole discretion of the President of the University or his/her designee.
5. As a condition of their employment or their continued employment by or enrollment at the University, each faculty member, employee and student agrees that he/she is contractually bound by this patent policy as implemented by the University and shall report to the officer or to any non-profit organization so designated by the President of the University to manage and commercialize such inventions and discoveries, any invention or discovery which such faculty member, employee or student has conceived, discovered, developed and/or reduced to practice by them or under their direction at any time following their initial appointment by, employment by, or enrollment with the University. All inventions and discoveries that meet the criteria of paragraph 4 above are hereby assigned to the University for the benefit of the University Faculty members, employees and students do not have the authority to assign rights in such inventions and discoveries to third parties. The President of the University is authorized to further assign any invention or discovery the University is deemed to own pursuant to this policy to a designated nonprofit organization established for the benefit of the University, which said assignment shall be condition on full compliance with this policy, regulations promulgated hereunder by the Board of Trustees or by the President of the University, and appropriate state and federal law.
6. The Patent Committee shall cause each invention or discovery to be investigated in order to determine the interest of the University and, if the Patent Committee determines that the University has an interest in the invention which it desires to pursue, it shall undertake to obtain a patent on the invention. In determining whether or not the University has an interest in the invention, the Committee shall consider the benefits that might accrue to both the University and the inventor. The Patent Administrator and the Patent Committee are responsible for prompt action for the purpose of protecting the property rights of the inventor and the University.
7. If it is determined that the invention or discovery is one which is owned by the University pursuant to this policy but is one in which the University has no interest in retaining ownership, the University (or the non-profit organization to which an invention may have been assigned in accordance with the terms of this policy) may, but is under no obligation to, release its ownership rights to the inventor(s) on terms and conditions determined by the President or his/her designee, subject to any third party rights.
8. As further consideration for the assignment of rights set forth herein and recognizing Board of Trustees rule 509, the University agrees to pay annually to the inventor, his heirs and assigns, according to the following distribution:
9. Gross Revenue, fees, and other financial returns received by the University from such inventions shall first be reduced by 15% for administrative costs plus additional expenses of patenting, protecting patent rights, and marketing the inventions. (see 509.2.f.); and
10. Net income remaining shall then ordinarily be divided in accordance with the percentages stated below. If special equities exist due to unusual circumstances, a variation of this allocation scheme may be utilized at UAH’s discretion.

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| --- | --- | --- | --- |
| **Net Income Remaining** | **UAH**  **Employee** | **Employee’s**  **Unit** | **Technology Transfer Fund** |
| Above $0  - to $5,000 | 100% | 0% | 0% |
| Above $5,000 – to $50,000 | 60% | 20% | 20% |
| Above $50,000 | 50% | 30% | 20% |

**Example:** If the Net income remaining to be distributed to the UAH Employee(s) is $60,000, the UAH Employee(s) share will be as follows:

100% of the first $5,000 = $5,000

60% of the amounts between $5,000 to $50,000 = $27,000

50% of the amount over $50,000 = $5,000

Total received by UAH Employee(s) = $37,000

The Employee's Unit shall be the primary organization (i.e., college, center, or administrative unit) to which he or she is assigned and/or a student at the time the invention was made. Where appropriate, a portion of the income payable to any UAH Employee's Unit may be shared with the UAH Employee’s department.

Technology Transfer Fund is managed by the Office for the Vice President of Research and Economic Development for further patent and copyright development, as well as paying for any unreimbursed out-of-pocket patent and copyright expenses incurred by UAH.

1. It is understood that many research contracts, grants, and consulting agreements from or with the United States Government or its agencies, corporations, or individuals contain ownership of intellectual property clauses that may be at variance with this policy but which, if agreed to, require compliance. Such documents which are at variance with this policy may be referred to the appropriate designated officer of the campus for recommendation prior to approval.
2. This statement of policy shall not apply to copyrights except as they may pertain to inventions covered by this policy. A separate copyright policy exists; see [Appendix H](http://facultyhandbook.ua.edu/appendix-h.html).