

# INTELLECTUAL PROPERTY HANDBOOK

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## ORIGIN AND PURPOSE

This Handbook was prepared by the Office of Technology Management at The University of Texas at Arlington to provide employees with a summary of the policies, laws, and procedures governing intellectual property matters at this institution. The intent of this handbook is to help employees involved with research understand the protection process with regards to the rights and interests of the inventor(s) and the University. Basic information is included about procedures and responsibilities, who needs to do what, when, and how. Further information is available in the Intellectual Property Policy of The University of Texas System and from the Office of Technology Management.

## SUMMARY

The policy described in this handbook applies to all persons employed by UTA, to anyone using UTA facilities under the supervision of UTA personnel, to candidates for masters and doctoral degrees, and to postdoctoral and pre doctoral fellows. The policy applies to any invention, discovery, technology, creation, development, or other form of expression of an idea that arises from the activities of such persons, whether or not the subject matter is protectable under the patent, trademark or copyright laws. The review procedures established by this Handbook are intended to safeguard the UT System's interest in intellectual property without significantly impeding the free exchange of information or the right to publish.

Under basic UT System Policy, the ownership of intellectual property rights initially resides in the inventor, author or creator. If the intellectual property results from work done wholly on his or her own time and without any System support, the inventor, author or creator retains all rights of ownership.

When intellectual property results from work done on UTA time, using UTA facilities, or with any UT System support, any invention or discovery that the creator believes may be patentable must be submitted to the UTA Intellectual Property Committee (IPC) for consideration. If the IPC recommends to the President of UTA that the University pursue its interests in the intellectual property and the President so agrees, the intellectual property information is forwarded to legal counsel under contract with UTA to secure patent protection.

If UTA does not desire to exploit its interest in the intellectual property, whether by seeking patent protection or otherwise, the creator is notified and is thereafter free to deal with the intellectual property as he or she chooses. In such instances, the UT System ordinarily will reserve a nonexclusive, royalty-free

license to use the intellectual property for research and teaching purposes and a royalty interest in income received by the creator.

When UTA desires to exploit its interest in the intellectual property, it is mandatory that the creator assign all rights to the Board of Regents for The University of Texas System. Exploitation by UTA may or may not involve filing a patent application. The Office of Technology Management and the UT System Office of General Counsel will cooperate in negotiating and drafting patent and technology license agreements with interested third parties. Where appropriate, entities which sponsor research projects may be granted preferential options to license resultant inventions and technology. Income derived from commercial exploitation of inventions or discoveries by UTA is split 50/50 between the inventor and UTA once licensing and patent prosecution costs are recaptured (see U.T. ARLINGTON ROYALTY DIVISION, page 11).

To further assist administrators, faculty, staff and students in implementing the Basic Intellectual Property Policy, the Board of Regents of The University of Texas System has adopted separate statements of policy and guidelines for use in negotiating, reviewing and approving sponsored research agreements, patent and technology license agreements, and trademark license agreements. Additional information concerning these policies and guidelines can be obtained by contacting the Office of Technology Management.

## **DEFINITIONS**

### **WHAT IS INTELLECTUAL PROPERTY?**

Intellectual property is any invention, discovery, trade secret, technology, scientific or technological development, computer software, or other form of expression that is in a tangible form. Intellectual property can be protected by patent, trademark or copyright laws or it can be protected as a trade secret by not disclosing the "know how" to others. Most of the information in this handbook will deal with inventions and their protection through the process of patenting.

### **WHAT IS A PATENT?**

A patent is a property right granted by the United States, which gives the holder the exclusive right to exclude others from the manufacture, use and sale of the invention in the United States for a period of time. As property, it may be sold or assigned, pledged, mortgaged, licensed, willed, or donated, and be the subject of contracts and other agreements. When an inventor secures a patent, he or she has the opportunity to profit by the manufacture, sale or use of the invention in a protected market or by charging others for making or using it. Patents may also be obtained in other countries, and foreign patents are often important for commercial development.

## **WHAT IS A COPYRIGHT?**

A copyright is a grant by the United States of exclusive rights over the writings of an author, including software. Copyright protects only the expression, not the idea. If the author wants the right to sue for infringement, claims to copyright must be registered in the Copyright Office. Software copyright protection requires submission of an intellectual property disclosure form and subsequent review by the Intellectual Property Committee. To obtain a copyright for written material contact the Office of Technology Management.

## **WHAT IS A TRADEMARK?**

A trademark differs from both patents and copyrights. It is a word, name or symbol adopted or used by an individual, corporation or other entity to distinguish its goods or services from others' goods or services. When a mark is registered in the Texas Secretary of State's Office or the US Patent and Trademark Office, the trademark owner obtains certain rights and benefits. Rights to a trademark are established by adoption and actual use, not by authorship as in copyrights, or by inventorship as in patents. For information on how to protect a trademark, contact the Office of Research.

## **WHAT IS PATENTABLE?**

Patents in the United States and most foreign countries are granted for inventions of new and useful processes, machines, manufactured products, compositions-of-matter, or any new and useful improvement to an existing invention. The scope of patentable classes of inventions in the US has been expanded to include life forms resulting from genetic engineering. When a US patent application claiming a life form is filed in the Patent and Trademark Office, it is necessary that a sample of the biological material be made available to third parties only when and if the patent issues. Specific things that cannot be patented in the US include theories, ideas, plans of action, results, printed materials, and discoveries of laws of nature or scientific principles.

Under the United States standards of patentability, all patent applications are examined for (a) novelty, (b) utility, and (c) nonobviousness. With the assistance of the patent attorney, it is the inventor's responsibility to establish these elements to the satisfaction of the Patent and Trademark Office before the patent is allowed to issue.

NOVELTY means that the invention is new; that is, it has not been previously publicly used, sold, offered for sale or described in printed form. UTILITY means that the invention has a use and is not just a subject for additional research. In regard to the third requirement, the invention must be NONOBVIOUS at the time of invention to a person having ordinary skill in the art to which it pertains.

Therefore, an inventor should study his or her invention in relation to other available ways of doing the task or other available technology and decide whether the invention contains advantages that are not only unique but marketable as well.

## **WHO IS AN INVENTOR?**

An inventor is a person who, alone or in combination with others, conceives a complete and operative manner of performing a process or making a machine, manufacture, or composition of matter, or improvement. Thus, in simpler terms, an inventor is a person who contributes to the conception or the mental development of the complete procedure by which the invention is achieved, to the degree that it may be reduced to practice by one skilled in the art.

Colleagues, students, technicians or machinists, even though they gather all of the essential data or construct a practical embodiment of an invention, are not inventors unless they make a conceptually inventive contribution. Such a contribution may be relatively minor, and it is not necessary for someone to have conceived the main idea or even a major part of it to be a co-inventor. When working on the development of potentially patentable subject matter, it is important to maintain dated notebooks that will help determine who is an inventor. A patent attorney will make a legal determination of inventorship after a review of the facts, notebooks, and possibly personal interviews prior to filing the patent application.

Co-inventors will share equally in the royalties from commercialization of the invention, unless a previously written agreement to the contrary has been executed and provided to the University.

## **OWNERSHIP RIGHTS AND RESPONSIBILITIES UNDER THE UNIVERSITY OF TEXAS POLICY**

### **WHO OWNS INTELLECTUAL PROPERTY?**

Intellectual property that is related to an individual's employment responsibility, or has resulted either from activities performed by an individual while employed by The University of Texas System, or supported by State funds, or while using The University of Texas System facilities belongs to The University of Texas (Part Two, Chapter XII, Section 5.2, Rules and Regulations of the Board of Regents of The University of Texas System). These Rules and Regulations govern all U.T. Arlington employees, candidates for masters and doctoral degrees, and predoctoral and postdoctoral fellows.

The University's right to intellectual property is not dependent on the source of funding for research. Intellectual property that results from research supported by a grant or contract with a federal agency or with a profit or non-profit entity, or by

a private gift or grant to The University of Texas most often will also belong to the University (Section 5.3). The Intellectual Property Policy requires assignment of the intellectual property by the inventor to the Board of Regents or other appropriate entity. This provision is necessary since the assignment legally designates the owner of the intellectual property.

## **PROCEDURES FOR PROTECTING INTELLECTUAL PROPERTY**

Whenever intellectual property is created by someone with the support of the University, it is necessary for the inventor to disclose his or her intellectual property to the Intellectual Property Committee (IPC). This disclosure is made by completing and submitting to the IPC, through the Office of Research, one copy of the "Intellectual Property Disclosure Form". Appendix A provides a sample of this form. An electronic copy may be obtained from the Office of Research. The IPC, which operates in confidence, reviews the intellectual property to determine and make recommendations relating to the University's interest and rights in the creative effort. The scientific merit and commercial applicability also are considered in this determination. If the IPC recommends to the UTA President that the University pursue its interests in the intellectual property, appropriate steps are taken. If the IPC recommends that the University not pursue its interests, and if that recommendation is approved by the President and the Vice Chancellor and General Counsel of the UT System, then the intellectual property may be released to the inventor with or without reservations.

## **RESPONSIBILITIES**

Three individuals or groups of individuals have major responsibilities in securing a patent to protect intellectual property:

The Inventor must submit an "Intellectual Property Disclosure" (Appendix A) to the Intellectual Property Committee at U.T. Arlington. In the event that the University elects to file for a patent, the Inventor must assign the intellectual property to the Board of Regents and cooperate with the appointed patent lawyer in preparing the application and related documents. Further, the Inventor must keep good records of work related to inventions and avoid premature public disclosure by publication, sale, offering for sale or public use.

The Intellectual Property Committee (IPC) must review the intellectual property to determine the University's interest and rights in the creative effort. Following this review, the IPC must make a recommendation to the President that the University either pursue or not pursue its interests. The President's decision must then be forwarded to The University of Texas System Office of General Counsel.

The Office of General Counsel (OGC) of The University of Texas System reviews the recommendation of the IPC and the President.

## **RECORD KEEPING**

U.S. patent practice places a premium on witnessed records when two or more parties claim the same invention. The date the idea occurred (the "conception") and the date it was put into practical form ("reduced to practice") are vital. Equally important in the "eyes" of the Patent Office is the "diligence" shown by contending inventors. They must prove that they regularly pursued work on the invention, documenting their efforts on a day-to-day basis.

The importance of keeping detailed and accurate laboratory notebooks cannot be overemphasized. It is good practice to use bound notebooks for records, making entries on a daily basis. When an idea is conceived, a record should promptly be made in the form of a sketch or drawing or written description. One should sign and date the entry at the time it is made, and have it witnessed by someone who has read the material and is capable of understanding it, yet has had nothing to do with producing it.

Following is a suggested set of rules for the guidance of technical personnel in keeping records in provable form. Consult with the Office of Research in drawing up rules to meet your particular requirements.

The individual to whom each notebook is assigned should sign their name in space provided on the cover label, together with "From Date" (date of assignment). The same notebook should not be used by any other individual.

Head each page with the project number and subject covered. The entries on any one page should be limited to one subject and not more than one day's work should appear on one page. Date and sign every page (initials will not suffice). The date should be entered as "January 15, 2001", not "1/15/01".

An associate who is qualified to understand the data should witness with their signature and date each page.

Since there must never be any blank spaces or pages left in a notebook, if any space remains between the end of an entry on a single page and the bottom of the page where the entry is signed, dated and witnessed, such blank space must be suitably filled in. It is suggested that such a blank area on any page be filled in by a large "Z" or a series of "X's".

Since pages should not be removed from a notebook, a loose-leaf book is not a suitable laboratory notebook - hence the reason for an approved notebook specified in 1 above.

Erasures should never be made. Draw a line through the incorrect work or entry. Never make corrections on a page after signing and dating. Delete incorrect entry with a line in such a manner that the original can still be read. If it is at any

time observed that a cancellation or addition should have appeared in an earlier entry, a new entry should be made stating what should be canceled and what should have appeared earlier.

Make all entries in your notebook FIRST. It is extremely important that your notebook be what the laws calls a "notebook of original entry". Make your first notes about anything (ideas for future work, sketches, diagrams or graphs) in your notebook. If you want to keep a separate tabulation in special cases, do your transcribing of data from the notebook into the tabulation, not vice versa. When patents are referred to, include patent number. When literature is referred to, include complete journal references (Author, Volume, Page, Date).

**DO YOUR THINKING IN YOUR NOTEBOOK.** Whenever you have an idea of any kind on future experimental work, write it down in your notebook at once with as much detail as possible. After any discussion, formal or informal, note what it was about and who was present. If you watch someone else carry out an experiment make a note of what you saw and who was there. In short, make your notebook a diary so that anyone can go back to it years later (five or ten years is not unusual in patent actions) and report without question what you did, what you saw, what you thought, who was present, to whom you spoke, what you discussed and **WHEN ALL THIS OCCURRED.**

As research is performed to develop the idea, the inventor should record each step in the development of the invention in the same manner. He or she should also keep correspondence about the invention, sales slips of materials used while working on the invention and any models or drawings.

## **DISCLOSURE AND EVALUATION OF INVENTIONS**

With respect to world patent laws, the appropriateness of the time an invention is reported to the institution and/or placed in the public domain substantially affects the scope, quality, and strategy of world-wide patent protection. Publication of articles, abstracts, posters and/or oral presentation to industry or at scientific meetings may result in loss of U.S. and foreign patent rights. The loss of foreign patent rights depends on the extent the information disclosed allows someone to reproduce the invention or discovery.

Disclosure of an invention or discovery by publication or presentation to the public or industry before submitting an intellectual property disclosure to the institution is contrary to University of Texas System Intellectual Property Policy (Section 5.21). To minimize the possibility of barring patent applications in the U.S. and foreign countries, inventors are encouraged to consider the following guidelines for publication and/or presentation.

Avoid revealing details in writing or speaking that may allow a person to reproduce your results.

Avoid speculation of future discoveries in presentations and publications.

In contract or grant applications, reveal as little as possible about patentable products, and clearly label as Confidential any sections describing such products so as to avoid premature public disclosure under the Freedom of Information Laws if federal grants are funded.

Publication or presentation of your discoveries in detail prior to filing will cause you to forego patent protection in most foreign countries, but a U.S. patent application may still be filed within a year with some risk. Premature detailed disclosure should be avoided.

Ideally, a U.S. patent should be on file prior to any publication or public presentation.

## **SUBMISSION AND EVALUATION OF AN INTELLECTUAL PROPERTY DISCLOSURE**

Report of an invention to the institution should occur when an inventor believes he or she has a discovery, creation, and/or invention (software is considered intellectual property). This is done by the submission of an "Intellectual Property Disclosure" to the Intellectual Property Committee (IPC) through the Office of Research. The process is as follows:

1. Obtain a copy of the Intellectual Property Disclosure Form (Appendix A) from: Office of Research 216, ATI Building 202 E. Border St. (817) 272-2105
2. Complete and return the Disclosure form to the Office of Research for presentation at the next scheduled IPC meeting.
3. The IPC will evaluate the intellectual property disclosure to determine the University's interest in and rights to the invention. The Chairman of the IPC may contact you to request additional information.
4. The IPC will make a recommendation to the President. Recommendations may include:
  - (a) patent or copyright,
  - (b) hold for more research data,
  - (c) request a preliminary patent search, or
  - (d) release some or all of the rights to the inventor.

A decision must be rendered within 180 days of the submission date of a properly disclosed invention.

5. If a preliminary patent search is requested, an outside patent law firm conducts a patent search and prepares a patentability opinion that is sent to the inventor and the IPC.

6. Based on the results of the search, the patentability opinion, and subsequent information supplied by the inventor, the IPC will recommend to the President to file or not to file for a patent on behalf of the University.

7. If the decision is made to file, services of a patent law firm will be arranged by the Office of Research, and a patent application will be prepared by a patent attorney, with the assistance of the inventor.

8. A decision NOT to file may result in a:

(a) hold on the intellectual property disclosure, with the University retaining rights in anticipation of more data, or

(b) return of some or all of the rights to the inventor. In reaching its decisions, the Intellectual Property Committee relies heavily on the inventor's expertise and judgments concerning novelty and marketability.

## **THE PATENT APPLICATION AND SUBSEQUENT STEPS**

When a decision is made to file a patent application, the Office of Research engages an outside patent law firm. The matter is assigned to one of the firm's patent lawyers who corresponds directly thereafter with the inventor and the Office of Research about steps taken with the Patent and Trademark Office (PTO) and additional information needed.

Using the information in the disclosure form and additional information and assistance from the inventor as needed, the patent lawyer will prepare a patent application. The application will contain a written description of the invention and of the manner and process of making and using it in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and will set forth the best mode contemplated by the inventor at the time of filing the application of carrying out the invention. The application must conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as the invention.

## **FLOW CHART OF AN INTELLECTUAL PROPERTY DISCLOSURE**

Applications filed in the PTO are assigned to the examining group having charge of the areas of technology related to the invention. An examination of the application consists of a study of the application for compliance with the legal requirements and a search through U.S. patents, prior foreign patents and available literature, to see if the invention is new.

A decision of patentability is reached by the PTO examiner in light of the study and the results of the search. The applicant is notified in writing of the examiner's decision by an "Office Action" (OA) which is mailed to the attorney or agent. The reasons for any objection or requirement are stated in the Office Action. It is not uncommon for some or all of the claims to be rejected in the first Office Action by the PTO examiner. The applicant (through the patent attorney) must then request reconsideration in writing and respond to every ground of objection or requirement within the required time for response. The response by the applicant to the first Office Action will be considered and the applicant will be notified if claims are accepted or rejected. Other objections or requirements may also be made in a second Office Action.

The second PTO Office Action usually will be final. If there is a final rejection of all claims, the applicant's response is limited to a small number of options which may include an appeal. If the application is found to be allowable, a notice of allowance will be sent, and the patent will issue a few months later.

## **THE CONTINUATION-IN-PART APPLICATION**

Filing a Disclosure and applying for a patent should not be delayed because research is ongoing. If the requirements for a patent are met, an application should be filed regardless of ongoing research. Improvements and modifications to the invention may be claimed in subsequent continuation-in-part (CIP) applications. Additional subject matter may be added to continuation-in-part applications, as may additional inventors.

## **CONFIDENTIALITY AND DISCLOSURE**

In the U.S. Patent and Trademark Office, all patent applications are maintained in the strictest of secrecy until the patent is issued. This includes the patent application serial number and filing date. These and other dates may be important if any question arises as to who is the first inventor. This information should not be carelessly revealed. It is also vitally important not to disclose any information concerning intellectual property to industry or any outside party without first obtaining a Non-Disclosure Agreement (Appendix B).

A Non-Disclosure Agreement needs to be signed by the recipient of the confidential material BEFORE the material is disclosed. Copies of the Non-Disclosure Agreement form may be obtained from the Office of Research.

After the patent is issued, it is safe to reveal to others everything that is actually described or illustrated in the patent. These details are no longer secret, since they are published in the printed copies of the patent. Caution should be taken, however, in connection with later inventions or improvements related to the patent.

## **INDUSTRY/FEDERAL FUNDING**

If your research is supported by an outside grant or contract (industry or federally sponsored research, clinical studies, etc.) and/or used materials received from industry or other institutions, the contractual agreement probably contains provisions for disclosure of both patentable and unpatentable inventions and discoveries. These provisions are often referenced under "Intellectual Property," "Research Results," or "Reporting Requirements." The provisions define your patent obligations, and those of the University, to the research sponsor.

It is important that you read and understand the intellectual property provisions of your research agreement and that you keep in mind that no faculty member can negotiate or commit the University to intellectual property ownership provisions that do not conform to UT System policy. In the negotiation of such contracts, any differences between the offered research contract provisions and UT System policy regarding intellectual property will have to be resolved by the Office of Research in consultation with the UT System Office of General Counsel. Generally, the University retains its rights to all patentable or unpatentable inventions in all grants and contracts in which research is funded.

U.S. law provides that the University has the option to take title to inventions made under most federally funded research. If your invention was made under a government supported research agreement, the government will most often grant title to the University, while retaining a royalty-free, nonexclusive license for its use, as well as requiring periodic progress reports on the University's commercialization efforts.

## **ROYALTY/EQUITY**

A royalty is a payment made to the legal owner (i.e., the UT System Board of Regents) of the patent for each article sold or process used under the patent. A royalty is typically specified in a license agreement, where the owner conveys to a company or individual the right to operate under the patent in exchange for royalty payments based on a negotiated percentage of sales or other distribution of the patented item or use of a patented process. There are no direct financial benefits flowing from the mere ownership of a patent unless it is used in a licensing arrangement or in a situation involving the direct manufacture and sale of a product or process.

Within the university setting, the financial benefits typically accrue only in those cases where the patent is licensed by the university (licensor) to an individual or corporation (licensee) for use in a manufacturing/marketing effort. In a research situation the university retains rights to the invention and grants a company an option to license the technology arising from the funded research. When the technology is part of the formation of a new company, consideration for the license may include an equity interest (company ownership) as well as royalty. All contractual negotiations and documentation representing The University of Texas at Arlington are handled by the Office of Research. In addition, The University of Texas System Office of General Counsel assist in negotiation of license agreements and formation of new companies.

### **U.T. ARLINGTON ROYALTY DIVISION**

In those instances where the University of Texas System licenses rights in intellectual property to third parties, the costs of licensing and obtaining a patent or other protection for the property on behalf of the Board of Regents shall first be recaptured from any royalties received by the System (in accordance with the UT System Intellectual Property Policy & Guidelines, sections 5.23 and 6). Intellectual Property Disclosure Form Report of Inventions Form Department of Defense Form DD882 Non-Disclosure Agreement

### **INTELLECTUAL PROPERTY DISCLOSURE FORM**

URL: [http://www.uta.edu/ra/TechTransfer/Forms/IP\\_Handbook\\_02\\_Disclosure\\_fillable\\_DRAFT.doc](http://www.uta.edu/ra/TechTransfer/Forms/IP_Handbook_02_Disclosure_fillable_DRAFT.doc)

### **REPORT OF INVENTIONS FROM DEPARTMENT OF DEFENSE FORM DD882**

URL: <http://www.uta.edu/ra/TechTransfer/Forms/dod882.doc>

### **NON DISCLOSURE**

URL: <http://www.uta.edu/ra/TechTransfer/Forms/NDA2001.doc>

### **LINKS UTA**

Intellectual Property Policy Subchapter 5-1100

URL: <http://www-ais2.uta.edu/index.html>

UT System Intellectual Property Policy & Guidelines

URL: <http://www.utsystem.edu/ogc/IntellectualProperty/polguide.htm>