PATENT PRACTICES
AT THE
UNIVERSITY OF CALIFORNIA

Prepared for Faculty and Staff

Patent, Trademark, and Copyright Office
Systemwide Administration
University of California
Berkeley, California 94720
(415) 642-5000

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INTRODUCTION

The University of California has maintained an active patent and patent licensing program for over 35 years. The major objectives of the University patent program are: (1) to disseminate new and useful knowledge resulting from University research through the use of the patent system; (2) to license patents to industry in order to promote the development of inventions toward practical application for use by the general public; (3) to provide income for use in supporting further research and education, with a share of the income going to the inventor, and (4) to assure that patent-related obligations to sponsors of research are met.

The purpose of this brochure is to highlight what University inventors should know about University patent policy and procedures currently in effect.

PATENT POLICY

It is an objective of the University to promote the wide dissemination of new ideas to the general public. Most new ideas, however, require considerable development before tangible results are available for the public benefit. The patent system is an effective means for promoting such development. By granting the inventor a limited period (17 years) of exclusivity for the invention, the patent system of the United States encourages the investment of resources necessary for developing the invention to the point of practical application. In return for this limited right to exclude others, the inventor must disclose the details of the invention, thereby making new knowledge available to everyone and stimulating others to make still further inventions.

Much of the research at the University is supported by Federal agencies or other outside sources under contractual arrangements controlling the disposition of patent rights. Thus, rights to patentable inventions resulting from University research may involve parties other than the University and the inventor.

In order to encourage and assist the University inventor in the use of the patent system in a manner that is equitable to all parties involved, The Regents have adopted the University Policy Regarding Patents. The Policy requires all University employees, persons not employed by the University but who use University research facilities, and those who receive grant or contract funds through the University to agree to assign patents and inventions to the University. In return, the inventor receives 50% of net royalties and fees received by the University.

The full text of the University Policy Regarding Patents is available on campus at the Contracts and Grants Office or the Office of the Vice Chancellor of Research or equivalent, or from the Patent, Trademark, and Copyright Office (hereinafter referred to as University Patent Office) at Systemwide Administration.

All policy matters relating to patents in which the University is in any way concerned are the responsibility of the Board of Patents. The Board, which is appointed by The Regents, consists of eleven members selected from the various campuses. The Board meets on a regular basis.

The University Patent Office staff carries out administrative operations in a manner consistent with the University Policy Regarding Patents and related University policies.

SPONSORED RESEARCH

If your research is supported by an outside source under a contract or grant, the contractual agreement most probably contains "patent provisions". Read them. The patent provisions define your patent obligations and those of the University to your research sponsor and set forth the sponsor's patent rights. Even if the support is minimal, the patent provisions will still apply.

Because early publication may destroy patent rights, particularly in foreign countries, patent provisions may also include restrictions on publication, such as prior review. Therefore, it is important that you read and understand the patent provisions of your research agreement. If you have any questions about them, contact your Contracts and Grants Office.

If your research agreement does not contain any patent provisions, then ownership of all patent rights remains in the University.

Patent provisions of research contracts, grants, and agreements with Federal agencies are established by law. If you should seek research funding from non-federal sponsors, you are strongly urged to contact your campus Contracts and Grants Office in the early stage of discussions so that potential patent problems may be avoided.

INVENTION EVALUATION AND THE PATENTING PROCESS

The first step toward obtaining a patent is to determine whether you have made a possibly patentable invention. If you have discovered or made a new and useful process, device or apparatus, article of manufacture, composition of matter (including chemical compounds, microorganisms, and the like), plant, or related improvement, or a new use for a known material or device, then you probably have made an invention which may be patentable. If you are not sure or if you want more information about what is patentable, do not hesitate to contact the University Patent Office.

When you believe that you may have a patentable invention, the next step is to submit an invention record promptly to the University Patent Office. University of California "Record of Invention" forms should be used for this purpose. These forms can be obtained by calling the University Patent Office, or on campus at the Contracts and Grants Office or the office of the Vice Chancellor of Research or equivalent. Prompt action will help prevent loss of patent rights. The Record of Invention form provides information necessary to evaluate patentability, inventorship, desirability of obtaining patent coverage, and patent obligations to research sponsors outside the University. THIS INFORMATION IS CONFIDENTIAL; do not send the Record of Invention to others, not even to your research sponsor.

A preliminary evaluation of the Record of Invention is made in-house by the professional staff of the University Patent Office. Such factors as patentability, benefit to the public, commercial potential, and patent rights of outside parties are considered in selecting cases to pursue further. The costs of patent processing are significant and are also considered in the evaluation process. While preliminary evaluation normally takes about 90 days, priority matters are handled as rapidly as possible.

If, after preliminary review, your invention qualifies for further patent action, it will be referred to an outside patent attorney for a preliminary patentability opinion. Normally, the patent attorney will confer with you at this point. In many cases, but not always, the patent attorney is requested to conduct a novelty search of the appropriate patent literature. Inasmuch as University inventors generally invent in their own area of expertise and are aware of the most pertinent literature related to their inventions, a novelty search is not always warranted. However, such searches can be of substantial value to the inventor since they often show a state of the art not apparent from the technical literature.

If, upon review of the patent attorney's findings, it is decided to proceed with patenting your invention, the Patent Administrator then instructs the attorney to draft a patent application. The patent attorney will need to work closely with you in the preparation of the application. In some instances, further work may be required so that a proper application can be drafted. Upon completion of the application, including your detailed review of the final draft and execution of the necessary document (called a Declaration or Oath), the attorney will submit the application to the United States Patent and Trademark Office in your name. Before the application is submitted, you will be asked to assign patent rights to the University in writing in accordance with the University Policy Regarding Patents.

In general, about a year will elapse before any substantive action is taken by the U. S. Patent and Trademark Office on a newly filed application. This "first Office Action" often, but not always, is a "rejection" by the examiner in the U. S. Patent Office of all the proposed claims with reasons given for the "rejection". Don't feel rejected. The patenting process is essentially a negotiation between the inventor and the Government. The patent attorney representing you and the University generally presents the broadest possible claims in order to obtain the broadest possible protection for your invention. The patent examiner usually finds some earlier patents or publications which show some aspects of your invention as it is defined in the claims, or the examiner may hold that you are trying to claim more than is justified by the detailed description in your application. At this point, the patent attorney will consult with you and prepare a response, revising the claims if necessary. Normally, about two years will elapse between the filing of a patent application and the issuance of a patent. In the majority of cases filed by the University, a patent has been issued.

If, after preliminary review or at any other time in the patenting process, it is determined that the University will not take any further patent action on your invention, you may request reconsideration or a release of patent rights in accordance with the University Policy Regarding Patents. If the issue is not resolved to your satisfaction, you may request that the matter be presented to the Board of Patents for final resolution.

PUBLICATION OF RESEARCH

The University does its best not to interfere with your right to publish promptly research results through the usual academic channels (but watch the patent provisions of your agreement!). In fact, publications and oral presentations can play an important role in promoting interest in inventions among potential licensees. However, you should be aware that a public "enabling" disclosure of your invention before the actual filing date of a United States patent application automatically destroys patent rights in nearly all foreign countries. An "enabling" disclosure or description is one which will enable others in the same or related field to practice your invention without undue experimentation. Public disclosure means disclosure in any manner, such as by oral or written description, exhibit, demonstration, use, or the like, to outside parties in a nonconfidential environment.

United States patent law allows you a one-year grace period after first enabling printed publication, public use or sale of your invention in which to file a patent application, but BEWARE!! "Enabling", "printed publication", "public use", "sale", and "invention" are legal terms defined by a vast body of case law, not by ordinary usage. For example, abstracts, theses, and typewritten papers distributed freely at a conference may constitute "printed publication". If you have doubts about the consequences of this type of "publication", do not hesitate to contact the University Patent Office.

LICENSING OF INVENTIONS TO INDUSTRY

The purpose of licensing inventions to industry is twofold: (1) to provide a mechanism for transferring the results of University research to the public for the public benefit, and (2) to generate income for education and research. Net proceeds from licensing income are shared equally between the inventor and the University in accordance with the University Policy Regarding Patents. The University's share is used to finance patent expenses and to support research generally in the University. Funds to support research are allocated annually to each Chancellor by the President. Since 1962, over $3.5 million have been returned to the campuses for graduate student research, special research projects, and other academic needs.

The licensing process begins when the University Patent Office staff contacts individual companies to assess their interest in obtaining a license. Information you can provide which will help identify potential licensees for your invention will often greatly facilitate the licensing process. If a private company contacts you directly for information about your invention, be sure to refer the company representative to the University Patent Office so that appropriate steps can be taken to protect both your rights and those of the University.

Terms and conditions for licensing agreements are negotiated on a case-by-case basis. If your invention was made under a Government-supported research agreement, the Government receives a royalty-free license for its use. If the company needs more time to evaluate your invention, an option-to-license agreement may be negotiated by the University Patent Office.

In some cases, a license or option agreement is negotiated at the same time that a separate research funding agreement with the licensee or optionee is arranged by the campus Contracts and Grants Office working with the inventor.

Separate consulting agreements may be arranged between you and the licensee of your invention so that your knowledge can be used to assist in transferring the technology covered by the license. The University does not become a party to such consulting agreements, which are between you and the licensee, but you are subject to the limitations of University policies.

FURTHER INFORMATION

If you wish to further explore various aspects of patents and inventions, the following reference, which is probably available in your campus library, may be helpful:

IEEE Transactions on Professional Communications, June 1979, Volume PC-22, Number 2 (Special Issue on Patents).

The following Government publications, available from the U. S. Government Printing Office, provide more detailed information:

General Information Concerning Patents

Patents & Inventions: An Information Aid for Inventors

Code of Federal Regulations, Title 37: Patents, Trademarks, and Copyrights

Patent Laws

The staff of the University Patent Office looks forward to serving you and welcomes your inquiries, in writing, by phone, or in person.

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Systemwide Administration
University of California
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Berkeley, California 94720

Telephone: (415) 642-5000

APPENDIX

The following materials can be obtained by calling the University Patent Office:

University Policy Regarding Patents

University of California Patent Agreement

Record of Invention forms

Suggestions for Invention Record Keeping

Summary of Sponsor Patent Rights Applicable to Funding Agreements with Industrial (For Profit) Sponsors of Research

A variety of other materials is available, as needed, for use in specialized situations relating to patents.