PATENTS

1. POLICY

a. The University patent policy adopted by resolution of the Board of Trustees April 14, 1970 is as follows:

"Except in cases where other arrangements are required by contracts or grants for sponsored research or where other arrangements have been specifically agreed upon in writing, it shall be the policy of the University to permit employees of the University, both faculty and staff, and students to retain all rights to inventions made by them."

2. PATENT RIGHTS DETERMINATION

a. Patent terms—In research that is supported by research grants, contracts or other agreements with external organizations, patent rights between the inventor, research sponsors, and the University are often interrelated. In addition, inventions are often conceived under support of more than one research sponsor, each with varying patent terms so that determination of patent rights is complex.

In some cases, only the University can seek return of title to inventions; with some sponsors, title may be returned to the inventor. Other typical patent terms are those which do not permit return of title at all, those in which the University automatically has title, and those which allow the University to take title but retain no proprietary position.

b. Assistance available to inventors—The services of laboratory patent administrators (presently on the staffs of the School of Engineering, SLAC, and Hansen Labs) and the Patent Development Manager are available to University inventors. Inventors also are free to seek advice from private counsel at their own expense.

c. Waivers—Patent rights, when belonging to the University pursuant to the terms of a sponsored research agreement, may be waived to an individual inventor at his request if such a waiver is permitted by sponsor terms. Requests for such waivers should be directed to the Patent Development Manager. Waivers will include a provision for a royalty-free nontransferable license to the University for the invention.

3. PATENT RIGHTS AGREEMENTS

* a. When the University is required to make patent agreements to fulfill obligations to research sponsors, all University personnel performing under such grants or contracts are required to sign a Patent Rights Agreement. Notwithstanding the Patent Rights Agreement, patent rights may be waived to individual inventors at their request as covered in 2c. above.

* Revised

Patents

4. INVENTION DISCLOSURES

a. When a discovery has been made which might be patentable, this fact should be communicated promptly to the laboratory patent administrator, if any, or to the Patent Development Manager.

b. An invention disclosure describing the invention and including other related facts is prepared by the inventor with the assistance of the laboratory patent administrator or the Patent Development Manager. Unless a specific invention disclosure form is requested by a research sponsor, Form *SEL 207* is used. Copies of this form may be obtained from the laboratory patent administrator or the Patent Development Manager.

c. The disclosure is submitted by the Patent Development Manager to the research sponsor, where provided by research agreement terms, along with an indication of development or patent application filing plans of the University or the inventor.

d. The Patent Development Manager maintains central records of University invention disclosures.

e. The procedures provided in this section (4.) do not apply to University activities under the SLAC contract AT(04-3)-515 with the Atomic Energy Commission.

5. PATENT DEVELOPMENT

a. The University encourages bringing forward to public use and benefit inventions which occur in the course of University research. It recognizes that use of proprietary rights in the form of a patent license are often necessary—particularly with inventions derived from basic research—to encourage a company to invest the personnel, time and financial resources to develop the invention. Where possible, the University asks that inventors be prepared to make inventions to which they hold title available to the public on a nonexclusive basis.

b. The basic purposes of the University must have primacy over patent considerations. While recognizing the benefits of patent development, the University also is aware of the need for continuing vigilance so that University research personnel do not begin to direct their efforts to patentable and marketable ideas rather than to research investigations which promise to make an application of, or contribution to, fundamental knowledge.

c. Unless a specific research agreement requires otherwise, the goal to obtain foreign patent protection by filing a patent application before publication should be secondary to the inventor's prerogative to freely publish results of his research at the time and place of his choosing. This may mean that on occasion such patent protection will either be lost or that special effort is expended to file before publication.

6. PATENT DEVELOPMENT OPTIONS

The inventor usually has the following options for development of his invention. Patent terms of a particular research sponsor may require or preclude one or more of these options. To be clear regarding his obligations to the sponsor and to the University, the inventor should consult with his laboratory patent administrator or the Patent Development Manager.

a. Development by the inventor—Inventors who wish to develop inventions at their own expense may obtain a waiver of University patent rights from the Patent Development Manager as evidence of clear patent title. When the invention has been made under a research agreement with certain patent terms which permit the University to pass title to an inventor, it is generally necessary first to petition the sponsoring agency to obtain title.

Government and other research sponsors normally require that:

(1) The sponsor be advised of all patent actions including application serial number and filing date, granting of patent and patent number;

(2) The sponsor be provided a royalty-free license to the invention;

(3) An annual progress report on the development of the invention be provided the sponsor.

Inventors must provide a royalty-free, nontransferable license to the University for their inventions.

b. Stanford Patent Licensing Program—The University maintains a licensing program which is available to all University inventors except when precluded by the sponsor's agreement terms. The goals of this licensing program are (a) to provide a mechanism for bringing forward to public use and benefit inventions developed as a result of University research, and (b) to provide a potential additional source of income to the University.

(1) Inventions submitted to the program are accepted for development when the University, as represented by the Patent Development Manager, considers such development will be of economic benefit to the University.

(2) After acceptance and after the research sponsor has approved the development plan and assigned title to the University, the invention is developed.

(3) The University has developed the following procedures for the distribution of royalties received under its licensing program:

(a) A deduction of 15% for indirect expenses is taken from patent license royalty income, plus a deduction for direct assignable expenses including specialized attorney's fees. After these deductions, royalty income is divided one third to the inventor(s), one third to his department, and one third to University unrestricted funds.

(b) In cases where the research sponsor may limit an inventor's share to less than one third of net royalty income (examples are the Department of Health, Education and Welfare and the National Science Foundation), the remainder after deducting the inventor's share will be divided one half to the department and one half to University unrestricted funds.

(c) The royalty income assigned to a department is considered incremental funding, and no reduction in unrestricted funding will be made unless the annual department share of royalties exceeds one half of the regular department operating budget. In such cases, the University may modify its unrestricted fund support of the department or the allocation of royalties to the department.

c. Research Corporation--The Research Corporation is a nonprofit foundation for the advancement of science which supports research through grants in addition to providing patent assistance services through agreements with scientific and educational institutions.

Under the Stanford agreement with Research Corporation, the Research Corporation agrees:

(1) To review all disclosures submitted to it and to undertake its best efforts to license and develop those which it accepts and on which it files patent applications, without expense to Stanford or to the inventor;

(2) To pay $100 to the inventor, or inventors collectively, for each assignment of a United States patent application;

(3) Prior to March 15 of each year to pay the following amounts to Stanford with respect to revenues earned from licensing of Stanford inventions in the previous calendar year:

Patents

(a) 16-2/3% of all monies received by reason of any invention, to be distributed by the University among the inventors and persons associated with the making of the several inventions, in such proportions as shall be determined by the President of the University, the dean of the school, and the chairman of the department from which the invention arose.

(b) 50% of the sum remaining of all monies received by reason of any invention following subtraction of 1) said $100; 2) said 16-2/3%; and 3) certain unusual administrative costs, said payment to be used for the support of research and education in the area from which the invention arose, or a closely related area.

An "Inventor's Agreement Not to File" must be provided the Patent Development Manager before he submits the invention to Research Corporation for consideration in their licensing program.