

## Intellectual Property Issues

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### Introduction

On August 4, 2015, the University issued a memo to all Deans for “A Required Intellectual Property Rights Assignment for Faculty and Non-Clerical Staff” with the proviso that “Signing and submitting this form is a condition of employment, for receiving a University of Pittsburgh appointment, and/or for being granted access to University of Pittsburgh resources.”

This caused me to think about what was going on and to start to prepare for some feedback from faculty. I was curious as to whether such a broad and seemingly University centric policy is the norm and whether it is the best way to encourage innovation, which is what I believe we are trying to do. I was, in part, motivated by my own experiences over a span of ten years with software. (My first experience in the early 1990 was not encouraging and while I understand things are getting better, my experience 5 years ago with a PhD student were lacking, and I have yet to hear a rousing story from a colleague related to software development.) So, my questions are focused on how the policy and our efforts in this direction further our goals of complying with regulations and encouraging innovation.

### Givens:

- The Patent and Trademark Law Amendments Act (The Bayh–Dole Act; Pub. L. 96-517, December 12, 1980) was motivated by a desire to see the commercialization of intellectual property developed with the support of federal funds – rather than see the IP, which was by agreement owned by the federal government, languish, the law allows universities and small businesses to pursue commercialization from which they could profit. Under the act, the organization (in this case the University) has to comply with certain provisions in order to request the right to retain the title to identified intellectual property.
- The University has a right to claim that intellectual property made possible as a part of a faculty or staff members regular work at the university is, at least in part, owned by the university.
- The University has had policies in place under Research Administration for Patent Rights and Technology Transfer (11-02-01; Revised July 1, 2005) and Copyrights (11-02-02; Revised September 5, 2006). Both Policies, as numbered policies, first appeared on June 29<sup>th</sup>, 1990. The patent policy can be traced back to a document distributed as an unnumbered policy in 1985 under Chancellor Posvar’s signature.

## A Few Starter Questions:

- I briefly looked at two policies that came up in a google search, by no means a definitive review, and was struck by how different they were from Pitt's policy. CMU's policy (<http://www.cmu.edu/policies/documents/IntellProp.html>) as well as Harvard's (<http://otd.harvard.edu/resources/policies/IP/>) would seem to be much more faculty friendly. At the same time, it is clear that a Pitt faculty member, under various provisions of our policy, could end up with the same outcome. How do we benchmark ourselves against other institutions especially those that are considered to be encouraging of innovation and entrepreneurship. I would be curious about Stanford, Harvard, MIT, UC Berkeley, UPenn, Cornell, etc. ( see <http://minimaxir.com/2013/07/alma-mater-data/>)
- In policy 11-02-02, Is it possible to clarify what is meant by:  
*3. Patentable Works Where a copyrighted work, such as certain computer software, is also patentable, University Policy 11-02-01, Patent Rights and Technology Transfer, will apply as to ownership of both copyright and patent rights and to distribution of any income from commercialization or exploitation, notwithstanding any inconsistent provisions contained in this or any other University policy.*  
And how it relates to:  
*University Authors maintain all copyright ownership in any material which is a copyrighted work, including scholarly, creative, musical, literary or architectural work, in the author's field of expertise (a "Scholarly Work"), such as scientific or scholarly research papers, popular nonfiction, novels, textbooks, computer programs, poems, musical compositions, films, webpages, lecture notes, dramatic works or other works of artistic imagination.*
- Who is responsible for appointing people to Technology Transfer Committee? Who currently serves on it? How many times has it been called on and what have been the outcomes?
- What are Non-Patentable inventions?
- What are concrete examples of: "Students are exempt from this policy for cases in which University facilities are not used and where the invention or discovery is not made in the course of the students studies at the University."
- Do we have an example of how the exception process works? ("If, however, the inventor or another institution believes that the circumstances surrounding the invention, including such factors as support provided by other than the University, place where discovery was made, or lack of relevance to the regular work of the member of the faculty or staff, warrant another distribution, the inventor or the institution may request the Office of Technology Management, in consultation with the Technology Transfer Committee,\*\* to review the circumstances. After review, and upon consultation with the Office of General Counsel and the Senior Vice Chancellors, the Office of Technology Management will make recommendations to the Chancellor on the distribution of proceeds.")

## More Points

In researching our requirement to assign intellectual property to the University we have been gathering some documents and references for your consideration. Below are several documents and web resources for your review.

- Transmittal letter on Pitt's [required Intellectual Property agreements](#)
- University policy regarding Patent Rights and Technology Transfer can be found in [Policy 11-02-01](#)
- University policy related to Copyrights can be found in [Policy 11-02-02](#)
- The Bayh-Dole Act allowed universities to pursue intellectual property benefits on federal research grants, here is a brief description of [Bayh-Dole from OTM](#). A more extensive description is available via [Bayh-Dole Act Wikipedia](#).
- Related to Bayh-Dole was a Supreme Court ruling on [Stanford vs Roche](#) that lead to the kinds of intellectual property agreements we now make.
- Here is a link to the [AAUP statement](#) on Defending the Freedom to Innovate, June 2014
- Here are two sample descriptions from other academic institutions: [Harvard](#) and [CMU](#).
- Here are links to the general [NSF](#) policies and [NIH](#) policies which include references to intellectual property and the Bayh Dole provisions.

## **Alternative wording on the assignment of intellectual property rights**

The University is committed to encouraging innovation, the development of intellectual property, and the commercialization of that intellectual property. Historically, any intellectual property developed under federal grants, by default, became the property of the federal government. While individuals or organizations could pursue the right to commercialize that intellectual property, such exceptions were rare and government owned intellectual property often languished unexplored. In 1980, the Patent and Trademark Law Amendments Act, commonly known as the Bayh–Dole Act, allowed organizations to request the rights to pursue the commercialization of intellectual property related to federal grants and contracts. The intent of this legislation was to increase the exploration of the commercial possibilities of this intellectual property. Under the law, the ability to pursue intellectual property rights was dependent on the assignment of those intellectual property rights to the institution from the original researchers.

The University of Pittsburgh announced such a policy related to patents in 1985 and formalized this policy in 1990 as Patent Rights and Technology Transfer Policy (11-02-01; Revised July 1, 2005). At the same time, the University revised and issued a policy on Copyrights (11-02-02; Revised September 5, 2006). In general, the copyright policy reaffirms the long standing tradition of faculty ownership of copyright in such traditional areas as scholarly research and artistic publications. The Patent Policy, again generally, gives the University the ability to pursue the rights to intellectual property developed under federal grants. It also asserts the University's right to ownership of intellectual property developed extensively using university resources, which is most often the case in the matter of patents. As is discussed in both policies, one of the gray areas that is still a matter of ongoing efforts to clarify rights is the difficult question of where certain kinds of software products fall.

The University policy is based on a desire to insure the University can do its due diligence related to helping faculty and the University to obtain the rights to and pursue the commercialization of intellectual property. To this end, the University must obtain clear assignment of intellectual property rights in order to request the appropriate rights from federal agencies. Further, and again in general, the University takes on the bulk of the responsibilities for following the regulations and assigns proceeds from commercialization with 30% going to the faculty member and portions of the remaining 70% going to the funds that support the effort, the school and the department from which the innovation emanates. The policy has a number of other provisions for negotiation of these percentages as well as appeals that would allow the faculty member to request the right to pursue commercialization on their own.

There are a number of other details and provisions in the Patent and Copyright policies. Faculty are encouraged to read these policies carefully and to bring questions they might have to the attention of the office of technology management.