

# **MACOORA Intellectual Property (IP) Policy**

## **September 6, 2006**

### **I. PURPOSE**

The purposes of this policy are:

- A. to provide the mechanism for placing in the public realm the fruits of research, while safeguarding the interests of the Mid-Atlantic Coastal Ocean Observing Regional Association (MACOORA), the inventor(s), and the sponsor;
- B. to provide procedures by which the significance of inventions may be determined and the inventions brought to the point of commercial viability;
- C. to provide adequate patent protection for inventions falling within the scope of this policy;
- D. to establish principles for determining the rights of MACOORA, the inventor(s), and the sponsor;
- E. to provide greater incentive to creative intellectual effort by MACOORA personnel (i.e., personnel employed directly by MACOORA);
- F. to assist the inventor(s) in realizing tangible benefits from the invention;
- G. to satisfy requirements of certain research grants and contracts; and
- H. to provide a basis for establishment of institutional patent agreements with the federal government and other agencies.

### **II. POLICY**

#### **A. General policy statement**

MACOORA personnel who discover or invent a device, product, plant variety, or method while associated with MACOORA must cooperate with MACOORA in defining and establishing the rights to such inventions. This obligation extends to any invention, whether or not made on MACOORA time with or without use of MACOORA facilities. When an invention is made, the inventor shall promptly provide MACOORA's Executive Director, or his/her designee, with a statement describing the circumstances under which the invention was conceived and reduced to practice, with particular attention to:

1. identifying the sponsor, if any, of the project or program;
2. stating whether the invention is within the inventor's normal activities and responsibilities with respect to his/her MACOORA employment;
3. indicating the extent to which equipment or physical facilities provided by MACOORA were used in the work which led to the invention; and
4. indicating whether the invention was made under terms of a consulting agreement between the inventor(s) and client.

#### **B. Administrative Responsibility**

The administration of the principles and policies set forth in succeeding sections of this document is the responsibility of MACOORA.

MACOORA, however, has delegated routine administration to its Executive Director, with the understanding that no departures from the stated principles and policies will be made without his/her prior concurrence.

Inventions in which MACOORA and the inventor(s) are the sole parties in interest shall be promptly evaluated by MACOORA for novelty and patentability and then:

1. referred to counsel for patent filing or;
2. released to the inventor if found not to be of interest to MACOORA or;

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3. in certain cases referred to development agencies with whom MACOORA has contracts to assess for commercial potential and interest in their filing and attempting commercial development.

### **C. Rights and Obligations of MACOORA Staff**

It is the policy of MACOORA, with reference to all creative work of staff, to recognize the interests of all parties involved, to provide a mechanism for making a proper and equitable distribution of benefits, and to assist the inventor(s) in benefiting from his or her creative efforts. The respective rights and obligations of MACOORA staff in the following situations are as follows:

#### **1. MACOORA-funded research**

Inventions or discoveries that result from efforts conducted by MACOORA staff, which effort has been financed wholly by MACOORA or has involved the use of MACOORA facilities, equipment, or materials, are covered by section B, above.

#### **2. Government-funded research**

Inventions or discoveries that result from efforts financed wholly or in part by government funds will be treated in accordance with the provisions of Public Law 96-517, "The Patent and Trademark Amendments of 1980" known as the Bayh-Dole Act. This act provides that the contractor (MACOORA) may retain full title, right, and interest in inventions made under contract with the government, with certain exceptions for unusual circumstances. Except as specifically superseded by provisions of a specific funding agreement, inventions and discoveries covered by this section will be treated as outlined in section B, above.

#### **3. Research funded by grants or other contracts**

Inventions or discoveries that result from research conducted by MACOORA staff, which research has been financed wholly or partially by industrial, philanthropic or other organizations, or by individuals, under contracts or written agreements are governed by the terms of such contracts or agreements, and the principal investigator is responsible for informing co-workers of their rights under such contracts or agreements before initiation of the research. Inventions that are not required to be assigned by contractual terms may be processed or disposed of by MACOORA as provided in section B, above.

4. Inventions or discoveries resulting from research conducted wholly at the expense of the individual, without use of MACOORA facilities, equipment, or materials, and are outside the individual's normal field of activities and employment responsibilities are the property of the individual, and MACOORA undertakes no responsibility with respect to such inventions. In all such cases MACOORA will release the invention to the inventor(s) to dispose of as the inventor(s) see(s) fit.

At the sole option of the inventor(s) and with MACOORA's prior assent, such inventions may be conveyed by assignment to MACOORA to permit MACOORA to proceed in accordance with section B-2, above.

### **D. Arbitration of Disputes**

In the event MACOORA and the inventor(s) cannot agree with respect to any of their respective rights or obligations hereunder, such dispute shall be submitted for determination to an arbitration panel of three members chosen from the MACOORA community and having a member named by the inventor (s), a member named for MACOORA by the Executive Director, and a chair selected by mutual agreement of

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these two nominees. The decision of a majority of such panel shall be final and binding upon both the inventor(s) and MACOORA.

### **E. Division of Income**

1. Income received by MACOORA from an invention shall be used first to reimburse MACOORA for direct assignable expenses incurred in connection with the invention plus 15 percent of the income remaining after recovery of expenses to cover overhead. Remaining income shall be divided one-third to the inventor(s) and two-thirds to MACOORA.
2. If two or more inventors are entitled to share in the portion of income earned by them under E-1, the inventors must sign, have notarized, and present to MACOORA an agreement stipulating how such income will be shared among themselves before MACOORA will distribute any income to the inventors.
3. In the event that compensation from the invention is in the form of restricted or unrestricted common or preferred stock, such stock will be distributed in accordance with E-1 as soon as practical after receipt by MACOORA, or the appropriate portion of shares may be registered directly with the inventor(s). It shall be the sole responsibility of the inventor(s) to determine any personal tax obligations related to stock distributed to the inventor(s) under E-1.
4. When inventions are made under contract with an outside agency as provided in sections C-2 and C-3, the division of income shall be in accordance with the terms of the contract. In the event that any contract with an outside agency provides for MACOORA to receive unrestricted funds from an invention, such funds shall be divided as provided in E-1.
5. In the event that royalties or other income accrue under an agreement granting licenses for two or more patents, the prorating of income among the patents shall be determined by MACOORA using the procedure of section B as a guide. MACOORA shall utilize legal, accounting, and scientific consultants as it deems necessary in making its decisions. If one or more of the inventors named in the patents involved disagrees with the decision of MACOORA, the matter shall be resolved by arbitration as provided in section D.
6. Income received by MACOORA as its share under section E-1, 2, 3, or 4 shall be used for general support of MACOORA activities with special emphasis on research support.

### **F. Additional Provisions**

Whenever an invention is released to the inventor(s) MACOORA may claim a share in any income received by the inventor(s) after the deduction of his or her expenses as a condition of such release, subject, however, to the provisions of section D in the event of dispute. Under this provision MACOORA shall not be entitled to a share of income that would reduce the inventor's share to an amount less than that provided for under section E-1.