

North Dakota State University

Policy Manual

SECTION 190

EMPLOYEE RESPONSIBILITY AND ACTIVITIES: INTELLECTUAL PROPERTY

SOURCE: SBHE Policy Manual, Section 611.2

1. General Principles.

1.1. The North Dakota State Board of Higher Education ("Board") encourages and promotes research and scholarship based upon the traditional principles of the academic profession. Some creative endeavors, discoveries, advancements, and innovative approaches have the potential to be utilized outside of the North Dakota University System ("System"). Through this Intellectual Property Policy, the Board seeks to execute a synergistic model of education, research, outreach, service, and economic development to accomplish a greater good.

1.2. This Policy establishes guidelines to support faculty, staff, and students in identifying, protecting, and administering intellectual property ("IP"), and defines the rights and responsibilities of all involved. Each Institution shall adopt procedures implementing this Policy, a process for resolving disputes, and a process for informing faculty, staff, and students of their respective rights and responsibilities related to IP. Each Institution may adopt a separate statement of IP policies, provided that such statement does not conflict with this Policy.

1.3. The primary purposes of this Policy are to:

- Provide clear guidance for all involved in the creation, development, management, protection, and dissemination of discoveries and IP within the System and its Institutions.
- Provide for an effective and efficient process to achieve positive outcomes for creators, the System and its Institutions.
- Effectively manage all interests that may emerge in relation to discoveries that have commercial value or other desirable outcomes and provide guidance as to which of these interests or outcomes has priority.
- Place creative output into practical use for public benefit as quickly and as effectively as possible, and in a manner consistent with applicable laws and public policy.
- Facilitate the creation of appropriate public-private partnerships to support economic development.
- Encourage a broad array of mutually beneficial relationships with organizations outside of the System and its Institutions to enhance creative output, including collaborative research, licensing of IP, and the formation of companies specifically for the purpose of commercializing newly created IP.
- It is the expectation of the Board that all persons involved in the creation, development, management, protection, and dissemination of IP shall conduct themselves in accordance with the Core Values espoused in SBHE Policy 100.5 (II).

2. Definitions.

- 2.1. "Breeder(s)" or "Plant Breeder(s)" as defined by the PVPA, 7 U.S.C. § 2401(a)(2). In regards to plant variety protection, a "Breeder" is the person(s) who directs the final breeding creating a variety and/or the person(s) who discovers and develops the variety. 7 U.S.C. § 2401 (a)(2).
- In regards to plant variety protection, "discover" means finding a natural plant which results in breeding a variety, or finding a new variety by performing experiments on results of cross-breeding and realizing that the resulting plant is different and closer in characteristics to a desired variety.
 - In regards to plant variety protection, "develop" means to make additional selections for (a) cross-breeding and/or (b) developing pure lines. This may lead to the variety for which protection is sought or may eliminate variance and convert a non-uniform variety to a uniform variety using the desired characteristics.
- 2.2. "Creator": A person who contributes in a significant manner to the development of IP on behalf of the System or one of its Institutions including "Breeder(s)" or "Plant Breeder(s)".
- 2.3. "Institution": One of the individual colleges or universities of the North Dakota University System.
- 2.4. "Intellectual Property" or "IP": Collectively, any form of property created by the mind including, but not limited to, Inventions, trade secrets, copyrights, trademarks, mask works, and any other tangible research result such as biological materials, engineering drawings, integrated circuit chips, computer databases, prototype devices, circuit diagrams, and equipment.
- 2.5. "Invention": A process, method, discovery, device, plant, composition of matter, know-how, or other discovery that reasonably appears to qualify for protection under United States patent law, whether or not actually patentable (including, but not limited to, utility patents, plant patents, design patents, certificates of Plant Variety Protection). This includes patent-eligible software that may also be copyrightable.
- 2.6. "Net Royalties": Gross revenues, including all royalties, licensing, and other fees generated as a direct result of IP, less the actual, out-of-pocket expenses incurred in procuring and maintaining protection, marketing (at the discretion of the System or one of its Institutions), licensing and enforcing rights in such IP.
- 2.7. "Significant Use of Resources": A Creator's use of System or institutional facilities, equipment and/or employees' time that appreciably increases the costs of the System or Institution beyond those normally incurred. Significant Use does not include the Creator's own time (including developmental leave) or the normal use of facilities or equipment commonly available to faculty, staff, *students*, or the public, such as libraries, Internet access, office space, office equipment, computers, and/or office supplies.

3. General Patent (*IP*) Policy.

- 3.1. The Board strongly encourages the pursuit of formal protection and/or efforts to commercialize all IP as a method of bringing recognition and remuneration to Creators, the System, and Institutions.
- 3.2. Except as otherwise provided herein, and subject to restrictions arising from overriding obligations and/or institutional policies, Institutions shall have and hold title to all IP that is the result of any work, research, or investigation conducted by institutional employees in the course and scope of their employment. Upon employment and as otherwise necessary, all employees of an Institution shall be required to execute an appropriate written assignment of IP to the Institution. *Temporary employees may be required to sign as well based on supervisor discretion. A failure to have the*

Agreement signed in no way changes or lessens the applicability of this Policy. For purposes of this Policy, Creators employed by the System shall be deemed employees of (i) the Institution most closely connected to the development of specific IP in terms of facilities or resources utilized or, if none, (ii) the Institution to which the specific IP is first disclosed by at least one Creator or, if none, (iii) the Institution selected by the Chancellor or designee upon disclosure of specific IP to the System.

3.3. Each Institution's procedures shall act as a guide for determining, clarifying, and/or preserving ownership of IP, shall provide for the disclosure, review, and evaluation of IP, and shall at a minimum require:

- The Creator's timely, written disclosure of IP.
- The Creator's provision of all necessary declarations, assignments, or other documents as may be necessary.
- The Institution's review of the technical and/or commercial viability and, in the case of Inventions, patentability, of IP within a reasonable period of time.

3.4. If at any time an Institution decides not to pursue, or otherwise to discontinue its protection and commercialization of any IP, the Institution shall notify the Creator(s). In the absence of overriding obligations the Institution shall upon request of at least one Creator release its rights in such IP to the original assignor(s), subject to an obligation to reimburse the Institution for its actual out of pocket costs in the event of a commercial windfall. However, under no circumstance may the Creator(s) to whom rights are released use the name of the System or an Institution in connection with subsequent development, use, or marketing of the IP. Creators may request that IP rights be released, even in the absence of a prior decision by the Institution to discontinue protection. Institutions shall have the discretion to grant such a request provided that the Institution may require, as a condition of the release of IP rights, that the Creator(s) reimburse the Institution for its actual, out-of-pocket costs incurred in pursuing formal protection of the IP.

3.5. Subject to any overriding obligations, Creators, or the Creators' heirs, successors, or assigns, shall be entitled to a minimum of forty (40) percent of the Net Royalties received by the Institution in connection with the Creators' IP. Each Institution's procedures should allocate remaining Net Royalties to be utilized principally in support of research.

3.6. When there are two or more Creators, each Creator shall share equally in the Creator's share of Net Royalties unless all have agreed in writing to a different distribution of such share. The Institution will honor any agreement purporting to share rights and/or royalties between participating parties to the fullest extent permitted under any applicable law. In cases of joint development where Creators are employed at two or more institutions, the Institutions shall enter into an inter-institutional agreement.

4. General Copyright Policy

4.1. Each Institution's IP procedures shall provide for the disclosure, review, and evaluation of original works of authorship, and for the protection and commercialization of works in which copyright is owned by the Institution under this Policy. Copyrightable works that are also patent-eligible Inventions, such as software, shall be governed by the General IP Policy set forth in section 3.

4.2. An Institution shall own copyright in works prepared by its employees at the specific direction of the Institution.

- 4.3. An employee shall report such work in accordance with the General IP Policy set forth in section 3.
- 4.4. Net Royalties received by an Institution as a result of copyright ownership will be disbursed in accordance with the General IP Policy set forth in section 3.
- 4.5. Institution employees shall be entitled to own copyright in works that are prepared within the scope of employment but not at the specific direction of the Institution.
- 4.6. An Institution shall relinquish copyright ownership in any work that arises by operation of law and, if necessary, shall execute assignments conveying such copyright ownership to employees. As a condition of any such relinquishment or assignment, the Institution shall retain a perpetual, non-exclusive, worldwide and royalty-free license to use the work for teaching, educational, archival, and research purposes. This subsection shall not apply to companion works that enable, or are incidental to or necessary for the practice of, an Invention owned by the Institution under this Policy.
- 4.7. In the event an employee has made a Significant Use of Resources in the creation of a work governed by this subsection, an Institution may require the employee to reimburse the Institution for the value of such use.
- 4.8. Institution employees shall not use any work governed by this subsection, including textbooks and other course materials, either printed or electronic, in any manner that competes in a substantial way with the for-credit offerings of the Institution employer unless such use has received the approval of the chief academic officer of the Institution.
5. Trademark. Each Institution's IP procedures shall provide for the identification and protection of the trademarks and service marks of the Institution, provided that commercialization and licensing activities may be delegated by contract to one or more third parties.
6. Student IP.
 - 6.1. An Institution may not require an assignment of IP rights from a student unless at least one of the following applies:
 - The student received financial support from the Institution in the form of wages, salary, stipend, or grant funds for the research and/or activities that led to the development of the IP.
 - The Institution is contractually obligated to require such assignment.
 - The IP was developed with the Significant Use of Resources and the retention of such rights by the student would substantially impair a mission of the Institution.
 - The IP was a companion work that enabled, or was incidental to or necessary for the practice of an Invention owned by the Institution under this Policy.
 - The student expressly agreed to make such assignment.
 - The IP comprises marks and/or logos used or intended to be used solely or primarily by the Institution in conjunction with the Institution's offering of goods or services, including but not limited to the Institution's department of athletics.
 - 6.2. An Institution may not require a license in IP from a student unless at least one of the following applies.

- The IP comprises copyright in a thesis, dissertation, or Master’s paper. Upon enrollment at North Dakota State University, a graduate student hereby grants a royalty-free perpetual license to the Institution for the reproduction and public distribution, including by electronic means, of copies of the student’s thesis, paper, or dissertation. A student may request that such publication be delayed/embargoed for a period of time upon approval by the Graduate Dean. If the thesis, paper, or dissertation contains material for which the student does not hold copyright, it is the students’ responsibility, prior to the submission of the document to the College of Graduate and Interdisciplinary Studies as a condition to a degree award, to have obtained the unrestricted permission of the copyright owner to grant the Institution the rights required by this license, and to clearly identify and acknowledge such third-party owned material within the text or content of the document.
- The IP arose from a multi-semester classroom project administered by an Institution employee, such as a senior design project, and the license is necessary for the Institution to continue administering the project.
- In the absence of such license, a mission of the Institution would be substantially impaired.
- The student has expressly agreed to grant such license.

6.3. In the event an assignment required by this section is made, the student making such assignment shall be treated as a Creator and shall be entitled to all of the rights and benefits of Creators under this Policy.

6.4. Licenses required by this section shall be non-exclusive, non-commercial, perpetual, and royalty-free, unless otherwise agreed to by the Institution so licensed.

6.5. Nothing in this section shall be construed to prevent a student from voluntarily entering into a relationship with an Institution concerning IP.

7. Other Provisions.

7.1. Foundations. An Institution may assign or transfer ownership rights in IP to a foundation defined in Board policy. Such assignment or transfer shall be in writing and signed by the president of the Institution or his or her designee. Institutions may require, as a condition of such assignment, periodic reporting as to the administration, marketing and commercialization of IP assigned pursuant to this subsection.

7.2. Employee Consulting/Developmental Leave. It is the responsibility of Institution employees to ensure that the terms of their consulting agreements with third-parties or the conditions of developmental leave do not conflict with this or any other Board or Institutional policy.

HISTORY:

New	May 2005 (New policy to reflect SBHE policy 611.2, incorporates NDSU policies 340, 341 and 342)
Amended	November 2010
Housekeeping	December 2010
Amended	November 11, 2015
Amended	September 21, 2016