

RUSH INTELLECTUAL PROPERTY POLICIES **(December 12, 2002 through May 11, 2010)**

Rush University Medical Center (hereinafter the Medical Center) supports the research efforts of its faculty, staff, employees and students. Through the establishment of a set of intellectual property (IP) policies, it seeks to facilitate the discovery, invention, development and application of new research, ideas, creative works and technology which promise to be of benefit to the general public.

The Medical Center seeks to both encourage scholars, researchers, inventors, creators and authors through the allocation and distribution of incentives and rewards and to protect its own legitimate commercial interests and financial investment towards such discoveries, creations and inventions.

The objectives of the intellectual property policies are:

- To maintain the Medical Center's academic policy of promoting, preserving and encouraging scientific investigation, research and scholarship within the Medical Center.
- To protect the traditional rights of scholars with respect to the work products of their intellectual endeavors and to establish incentives for inventors and creators by which they are able to share in the financial proceeds from their inventions and creations.
- To assist the Medical Center in retaining, advancing, motivating and attracting scholars, researchers, inventors, creators and authors.
- To foster participation by the Medical Center in research development and commercial application and to further enhance the reputation of the Medical Center as an academic research institution.

Applicability

This revised policy incorporates by reference the set of related policies pertaining to intellectual property (i.e., policies, ownership and allocation, procedures and Intellectual Property Committee) and, in turn, hereby amends those aforementioned policies to incorporate by reference the provisions of this revised policy. The entire set of policies supersedes the Rush University Medical Center Patents, Copyrights and Licenses Policy and Procedure Manual originally published in November of 1977 with a third printing of August of 1982. These policies apply to all inventions, discoveries, copyrightable materials and trademarks covered by the parameters of this policy as of the date of adoption by the Board of Trustees of Rush University Medical Center but shall not apply retroactively to any existing or pending patents, licenses, trademarks, copyrights or inventions disclosed to the Intellectual Property Office prior to the date of adoption. The policies further apply to and take precedence over any employment contract or agreement, assignment of ownership rights or any other arrangement or understanding entered into by an inventor.

Definition of Terms

The words below, as they may be used in the Intellectual Property Policy, shall have the following corresponding definitions and meanings.

Intellectual Property:

Intellectual Property is any new and useful process, machine, composition or matter, life form, article of manufacture, software, copyrighted work, or tangible property. It includes, but is not limited to, such things as new or improved devices, methods, processes, circuits, chemical compounds, drugs, genetically engineered bacteria, data sets, software, musical processes, or unique and innovative uses of existing Inventions. Intellectual Property may or may not be patentable or copyrightable. Intellectual Property is created when something new and useful has been conceived or developed, or when unusual, unexpected, or nonobvious results have been obtained with an existing Invention which can be practiced for some useful purpose. Intellectual Property can be created by one or more individuals, each of whom to be an Inventor must have conceived of an essential element or have contributed substantially to its conceptual development.

Invention:

A creation of intellectual property that did not exist previously.

Inventor:

An inventor is any person who makes a creative input to the conception of the invention, including full- or part-time regular or visiting staff, faculty, students, residents or employees.

Originator:

Any person who produces a work by his or her own intellectual effort, including full- or part-time regular or visiting staff, faculty, students, residents or employees.

Amendment of Policies

The intellectual property policies (with the exception of policy pertaining to ownership and allocation) may hereafter be adopted, amended, modified, expanded or repealed by the Intellectual Property Committee of the Medical Center with the final approval of the president of the Medical Center. Ownership and allocation policy may be amended, modified or repealed with the approval of the Executive Committee of the Medical Center's Board of Trustees.

Ownership Policy

The Medical Center reserves the right to claim ownership as to intellectual property developed as a result of financial and other means of support (e.g., space, materials, personnel, or facilities) provided to faculty, staff, employees and students. In the clear absence of such support, the rights of ownership of such intellectual property may remain with the inventor.

This policy constitutes an understanding that is binding on the Medical Center and on its faculty, staff, employees and students upon whom it is effective as a condition for

employment, engagement, placement, appointment to its faculty or staff, or involvement in any of the research or clinical activities of the Medical Center.

Policy

The Medical Center owns any intellectual property created by an individual who 1) makes use of the Medical Center resources (such as funds, space, facilities, materials or personnel, specifically excluding the library) or 2) created the intellectual property within the normal field of his or her employment responsibility and activity with the Medical Center, without regard to location or salary source.

Such ownership interest on the part of the Medical Center includes but is not limited to the right of the Medical Center to perfect its claim of ownership right; undertake any and all action necessary to protect its ownership rights; negotiate and execute any and all agreements which in any way pertain to the intellectual property over which it asserts an ownership interest; share in any proceeds from the sale or use of the intellectual property which may be due and owing the Medical Center; serve as the repository of any and all royalty monies or other income received from the sale, assignment, licensing or other disposition of the intellectual property; distribute and/or allocate the appropriate proportionate share (according to applicable Medical Center policy, agreement and/or arrangement) of any and all income received by the Medical Center from the sale or use of the intellectual property; make such determinations as to the disposition and/or further use, modification or development of the intellectual property; and take all such other action with regard to the intellectual property which may be reasonably necessary under the circumstances.

If the Intellectual Property Office decides not to pursue patent or other protection of the intellectual property within a year of its disclosure, that Office on behalf of the Medical Center may assign the ownership rights to the inventor. Notwithstanding the foregoing, in the event that intellectual property is assigned to the inventor, the Medical Center retains a four percent (4%) ownership interest in such intellectual property. If the Intellectual Property Office assigns ownership rights to an inventor at a later time, the assignment terms will be determined by the Intellectual Property Office.

Dispute Resolution

Questions regarding the applicability of Medical Center ownership may be directed to the Intellectual Property Office.

In the event of a disagreement or misunderstanding among or between inventor or inventors and the Medical Center as to the ownership rights or interests as to intellectual property, the President of the Medical Center shall ask the Intellectual Property Committee to review the matter and provide a written recommendation to the President as to the issue in dispute. The President of the Medical Center shall make the final determination as to such issue or issues in dispute.

Allocation of Income Policy

Intellectual Property (excluding copyrights and trademarks)

Subject to applicable restrictions arising from overriding obligations of the Medical Center pursuant to gifts, grants, contracts or other agreements with outside organizations, the net income from intellectual property (excluding copyrights and trademarks) received by the Medical Center shall be allocated as follows. Net income is defined as gross royalties and fees, less the costs of patenting, protecting and preserving patent and related property rights, maintaining patents, the licensing of patent and related property rights, and such other costs, taxes or reimbursements as may be necessary or required by law. When there are two or more inventors, each inventor shall share equally in the inventor's share of the net income, unless all inventors previously have agreed in writing to a different distribution of the inventor's share.

The net income from intellectual property (excluding copyrights and trademarks) will be distributed as follows:

- 45% to inventor(s)
- 5% to inventor's department
- 5% to a Medical Center account to support the inventor's research. If the inventor leaves the Medical Center this would revert to the Medical Center general fund.
- 45% to Medical Center. This portion goes to the Medical Center general fund to be distributed as determined by the president, in consultation with the applicable dean, department chairperson and relevant research administrators.

Copyrights-Allocation of Income

The allocation of royalties and other income from copyrightable works is determined by the applicable clinical or administrative department.

Trademarks-Allocation of Income

If a trademark, trade name or service mark is licensed by the Medical Center, any costs of procuring and administering the mark shall first be reimbursed to the Medical Center. Thereafter, the allocation of royalties and income from a trademark or service mark is determined by the Intellectual Property Office.

RUSH INTELLECTUAL PROPERTY PROCEDURES (December 12, 2002 through May 11, 2010)

The Medical Center is responsible for the formulation and implementation of procedures necessary to protect, market and license the intellectual property of the Medical Center. The administrative and day-to-day business aspects of managing intellectual properties are the responsibility of the Intellectual Property Office under the direction of the associate provost for research. To advise and assist the Intellectual Property Office in this task, the president of the Medical Center shall appoint members of an Intellectual Property Committee. The Intellectual Property Committee shall meet periodically to receive and review reports on the status of the portfolio of intellectual properties of the Medical Center, to review policies pertaining to intellectual property, and render such advice and counsel concerning such intellectual property as may be requested by the president and/or the Intellectual Property Office.

IP Committee Membership

The membership of the committee include as regular members the senior vice president for corporate and hospital affairs, the associate provost for research who will serve as chairman, the vice president for legal affairs, the dean of Rush Medical College, the associate dean for basic sciences, the dean of the College of Health Sciences, the dean of the Graduate College, the dean of the College of Nursing, the vice president of philanthropy, marketing and communication, the provost, the director of the Intellectual Property Office, the chief of the Research Administrative Office, the director of research compliance, and the director of sponsored projects. One third of the membership of the Intellectual Property Committee constitutes a quorum of that committee, and the committee may act upon the vote of a majority of its members at a meeting at which a quorum is present.

Submission of Invention Disclosure Form

Discoveries, inventions or other work products shall be promptly disclosed in writing to the Rush IP Office. Copyrightable Work Products should be promptly disclosed to the applicable clinical or administrative department. Forms for Invention Disclosure, Copyrightable Work Product Disclosure and New Idea Disclosure are available to download using the links at right under "Related Topics." You may also request them from the IP Office via telephone or e-mail. There are additional, specific reporting requirements related to IP developed using federal funds.

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Importance of Confidentiality

The inventor should be aware that new ideas, inventions and other work products must be kept strictly confidential until proper protection is in place. Prior to disclosing information regarding the invention, a CONFIDENTIAL DISCLOSURE AGREEMENT should be executed. This document requires the company (potential licensee) to keep the disclosed information confidential. Rush, the inventor and the company must sign the agreement. Contact the Rush IP Office for more information.

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Copyrights

Copyrightable works include but are not limited to textbooks, chapters, recordings, computer programs, diagnostic tests, videotapes, and graphic productions. Under copyright law, the copyright to works created by persons in the course of their employment belongs to their employer. Originators of copyrightable works shall disclose all potentially copyrightable works to their applicable clinical or administrative department. Copyrightable Work Product disclosure forms are available at this Web site or by contacting the IP Office. The department shall determine, on behalf of the Medical Center, whether the Medical Center shall retain the copyright rights or assign its rights to the Originator. If the department determines the Medical Center shall retain the copyright, the department head (i.e., chairperson, director or equivalent position) shall contact the Intellectual Property Office. If the department decides to assign the rights to the originator, the department head shall provide a letter of assignment to the originator with a copy to the Intellectual Property Office.

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Trademarks, Trade Name, Service Mark

An individual or department may request protection for a trademark, trade name or service mark by submitting a written request to the vice president of philanthropy, marketing and communications. Approved requests are then forwarded to Legal Affairs for processing. The department is responsible for paying all trademark-related legal expenses and fees. The Office of Legal Affairs manages and maintains all trademarks, trade names and service marks, and their licensing for the Medical Center.

IP Committee Review

After the IP disclosure is reviewed and a preliminary patentability search and marketability assessment is conducted, the Rush IP Committee will decide on the disposition of the IP: 1) submission of U.S. provisional patent application, 2) submission of U.S. full patent application, 3) submission to an invention marketing company for evaluation, or 4) assignment of ownership rights to the inventor to enable inventor to pursue IP protection and commercialization after reimbursing Medical Center costs to date, agreeing to pay the Medical Center a 4% royalty on income received by the inventor(s) in connection with the invention, and granting the Medical Center a royalty-free, non-exclusive, non-transferable license to practice the invention solely for non-commercial purposes). Per policy, the review and decision process must be done within a year however in most cases a decision will be made within three to four months.

Marketing the Technology

For intellectual property in the provisional patent and full patent application phase, the Rush IP Office will work with the inventor to develop a marketing strategy, and will seek licensees (companies willing to support further development and commercialization) of the technology. Technologies available for licensing are also posted on this Web site.

Licensing and Agreements with Third Parties

The IP Office and Legal Affairs evaluate all licenses and agreements related to the Medical Center's intellectual property. The IP Office negotiates all such licenses and agreements and manages the collection and distribution of income generated from such

agreements. The associate vice president for research is the signatory for these agreements.

The Office of Research Affairs and Legal Affairs evaluate all research, material transfer, and other research related agreements. The Office of Research Affairs negotiates all such agreements. The director of sponsored projects is the signatory for these agreements.

*** Conflicts of Interest and Commitment**

Faculty and staff involved in licensing technology may encounter situations resulting in conflicts of interest/and or commitment. This is especially true when they become privately involved with the licensee in the further development of the technology—either as a stockholder, officer, employee, or contract consultant. In such instances, precautions must be taken either to avoid these conflicts or to manage them to protect the Medical Center and its faculty and staff from the adverse consequences that result from a conflict of interest and/or commitment. The fact that a conflict exists or may arise at some future time does not necessarily preclude faculty involvement with the licensing of the technology or its development by a private entity. It does, however, require that a plan for managing the conflict be developed, approved, implemented and monitored. For these reasons, the review process for licensing technology must consider whether the arrangement presents an actual or apparent conflict. Faculty or staff members involved in managing a conflict should keep detailed written records of their efforts on behalf of the Medical Center and the licensee, and should be familiar with the Medical Center's Disclosing and Managing Conflicts of Interest in Research effective June 18, 2002, and other applicable Medical Center rules and regulations.

Intellectual Property and Research Agreements

The Rush IP Office and the Office of Research Affairs are responsible for evaluating agreements and proposals to protect the interest of both the Medical Center and the inventor(s). Rush is always the responsible signatory. For more information, see the Forms and Agreements section of this Web site.