

OFFICE OF THE PROVOST
POLICY: INTELLECTUAL PROPERTY

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Approval: The Provost

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1. Preamble

Trinity Western University affirms and recognizes the principle of encouraging wide freedom of research and dissemination of information generated for the benefit of society. This policy facilitates research and dissemination processes and ensures that the benefits of intellectual property can accrue to the Creator(s), the University and Society-at-large, without whose participation the intellectual property could not have been created.

1.1 Rationale for Intellectual Property

The University encourages and supports the creation of intellectual property (IP) by Members of the Academic Community. Faculty members benefit as the creative application of their expertise enables them to grow as disciplinary experts and teachers and to originate innovations that contribute to society in critical and practical ways. Students benefit as innovation is modeled to them, and they are given opportunities to participate in purposeful application of knowledge. The University benefits in many ways, including as IP development demonstrates and enhances its academic excellence, status, and leadership, generates funds to sustain the development process, and attracts enterprising faculty members.

1.2 Rationale for Intellectual Property Policy

IP policy facilitates IP development by structuring the development process to protect and support the interests of the developer and the University. It clarifies and provides ethical, legal and administrative safeguards for the interests and options of both parties from research to market, in keeping with the mission of TWU. Articulated IP policy undergirds and sustains the investment of faculty members and the University in research and its vendible results, among others.

1.3 Applicability

1.3.1 This policy applies to all university members, including employees and other individuals, students, post-doctoral fellows and research grant employees, affiliated with the University who use facilities, resources or funds administered by the University in the course of university-related scholarly and creative activities.

1.3.2 This Policy does not apply to IP created in the course of non-university activities that do not make use of facilities, resources or funds administered by the University, for example outside employment or other activity in an area unrelated to university activities, or activity conducted wholly while on an unpaid leave of absence away from the University.

1.3.3 This Policy does not apply to IP created by individuals not affiliated with the University but whose IP is used by university members.

1.4 Definitions

Commercialization: Transfer of knowledge resulting from research to a new or existing company for commercial purposes.

Conflict of interest: A breach of an obligation to the University that has the effect or intention of advancing the Member of the community's own interests or the interests of others in a way detrimental to the interests or potentially harmful to the integrity or fundamental mission of the University.

Creator(s): Member(s) of the academic community who originate intellectual property.

Intellectual property: Any result of intellectual or artistic activity, created by a Member that can be owned by a person. Intellectual property includes but is not limited to:

(a) inventions, publications, computer software, works of art, industrial and artistic designs, as well as all other creations that can be protected under patent, copyright, trademark or similar laws; and

(b) data bases, audio visual and computer material or equivalent circuitry, biotechnology and genetic engineering products (including plant cultivars and germ plasm), computer software, inventions, discoveries and all other products of research or discovery which are protected by a statutory regime through a registration system (such as patent or trademark registration), which may be licensable or otherwise protected by law; and

(c) computer software and lecture notes, laboratory manuals, articles, books, artifacts, works of visual art and music (including any software which expresses the said notes, manuals, articles, books, artifacts, or works). The terms "works or visual art and music" include productions (including sound, video, film, and hypertext multimedia).

Interest: Ownership or part ownership of a copyright, invention or process.

Members of the academic community: All full-time, part-time, and emeritus academic and academic support employees, students registered in course work or a degree program while working for academic credit, fellows admitted to work in the University for independent study, and project employees (employees paid by the University from special purpose accounts).

Net revenues: The gross amounts received by the University and the Creator(s) from royalty and license fees derived from the commercialization of IP less the costs specifically related to the IP generation, protection and licensing, whether the costs were incurred by the University or the Creator(s).

Spin-off company: A commercial entity that derives a significant portion of its commercial activities from the application or use of a technology and/or know-how developed by or during a University research program. The new enterprise is created either: 1) to license a university invention; 2) to fund research at the University in order to further develop a technology/invention that will be licensed by the company; 3) to provide a service using university-derived expertise.

2. Principles

As an academic institution, Trinity Western University is committed to the open exchange of ideas and the publication, dissemination and communication of the results of scholarly activity and believes that this is best served by the following principles:

2.1 University members who create IP own the products of their intellectual endeavors and are free to publish those products without commercial intent, to pursue commercialization with the assistance of the University, or to pursue commercialization of the IP in their own right, subject to the provision of revenue sharing set forth in Part 7 of this policy statement.

2.2 Because of the University's unique role in the creation and dissemination of knowledge, products of intellectual endeavour should be used for the greatest possible public benefit. IP produced solely in anticipation of profit is incompatible with university scholarly and research activity.

2.3 The University retains a royalty-free perpetual right to use for scholarly, academic and other non-commercial purposes all IP created through use of university resources.

2.4 Any IP created through use of university resources and then commercially exploited is subject to exercise of the University's right to share in the revenue earned from such commercialization of the IP.

2.5 The University has the right to require the Creator(s) of IP to disclose the intention to commercialize that IP.

3. Ownership and Rights of All Intellectual Property

3.1 All intellectual property is owned by the Members who create it, except in those cases where there is a written contract to the contrary between the Creator(s), the University, and /or a third party which assigns the ownership rights of the intellectual property to the University or the third party.

3.2 The University shall not enter into any agreement with a third party which alters or abridges, or has the affect of altering or abridging, the intellectual property rights of a Member without the Member's written consent.

4. Patents

4.1 Members enter into research contracts only on the basis of using best efforts to do so in accordance with university policy. At this stage, the University is present and providing resources for the process.

Where a Member is a party to a research contract and an invention is made by the Member in the course of research supported by that contract which has explicit provisions for patents and revenue sharing from such patents, the provisions of that contract take precedence over this policy.

4.2 The University acknowledges that it has no claim or interest in any Member's invention which does not arise from university supported activities. The parties agree that the University has an interest in any Member's invention which does arise from university supported activities.

4.3 It is to the benefit of both the University and Members that potentially patentable discoveries or creations be disclosed to the University prior to public disclosure. University disclosure is required at as early a stage in the development as possible. Because disclosure prior to public disclosure may limit the Creator's ability to obtain patents, the University will provide experts to disclose to and receive advice. Disclosure shall be made using the form provided in Attachment X.

4.4 When potentially patentable discoveries or creations are disclosed to the University by a Member(s) and the University agrees to pursue a patent application, this protection shall be pursued in the name of the Member(s) who is the inventor(s), discoverer(s), or Creator(s). If the University decides to file a patent application, it shall do so within six months of disclosure. The cost involved in this process shall be paid by

the University. Where the inventor(s), discoverer(s), or Creator(s) and the University agree to pursue the feasibility of patenting an invention, the Member(s) agrees to provide full co-operation and assistance in the preparation of the patent application, including disclosure of information containing potentially patentable discoveries which have not yet been protected. Such disclosures shall only be made within agreements of confidentiality. The University shall notify the Member(s) of its decision to file or not to file within 3 months of the disclosure.

4.5 If the University decides the potentially patentable discovery arose from university supported activities, and decides not to pursue patent protection, the Member(s) shall be so advised in writing within 3 months of disclosure to the University and may pursue patent protection at his/her own expense.

4.6 If the University decides that the potentially patentable discovery was unrelated to university supported activities, the Member may deal with the patent as he/she deems appropriate. This latter situation shall not preclude a joint development agreement between the Member and the University.

4.7 If, pursuant to 4.4, a Member does not disclose a potentially patentable discovery, and the Member makes an application for a patent, then the Member shall disclose the patent application to the University within 3 months of the application, and shall affirm in writing at the time of disclosure to the University whether or not the discovery has been made and developed as a result of university supported activities. If the Member(s) fails to disclose the existence of patent applications within 3 months, it shall be understood that the University maintains its rights under this Article until such disclosure is made. The University shall decide if the patent application arose from university supported activities, and shall notify the member of its decision within one month of disclosure.

4.8 Members shall share in any royalties derived from the commercialization of patents which they have assigned to the University.

4.9 If the University pursues patent protection, then the royalties to be shared shall be those remaining after the recovery of the University's costs incurred in all the activities specifically involved in the patenting process, including the cost of development, but not including overhead. If the patentable discovery arose from university supported activities, and the Member decides to pursue patent protection without the University's aid, then the royalties to be shared shall be those remaining after the recovery of the Member's costs incurred in all the activities specifically involved in the patenting process, including the cost of development, but not including overhead. The sharing of the remaining royalties after the

disbursements for costs shall be based on the revenue sharing principles identified in Section 7.

4.10 In the event that the University elects not to proceed with an application for patent for an invention arising from university supported activities, and the Member subsequently obtains such a patent, the Member shall grant to the University a non-exclusive, royalty-free, irrevocable, indivisible and non-transferable licence to the use of the invention for the University's purposes.

4.11 The University's share of royalties shall be used to support research and scholarly activity following the principles contained in Section 8.

4.12 The University shall not enter into any agreement with a third party which alters the patent rights of Members stated in this Article without their written consent.

5. Copyrights

5.1 The copyright on all literary works, dramatic works, musical works, artistic works, computer programs, or other forms of intellectual property produced or created by Members is vested in the Members who created the works. The benefits that may accrue to Members may be limited by the terms of external contracts and licensing agreements.

5.2 Notwithstanding clause 5.1, where the University specifically commissions the preparation of a particular work, at the time the commission is made the Member(s) who is the Creator(s) and the University may negotiate specific conditions which may vest the copyright in the University, and the Member(s) as a minimum shall provide the University with a non-exclusive, royalty-free, irrevocable, indivisible and non-transferable license to use the material for university purposes.

a) The University may negotiate as a term of the commission the copyright ownership and/or revenue sharing conditions resulting from that work.

b) If no such term is imposed or negotiated by the University as a condition of the work's preparation, then the University shall have no right to the copyright or share in royalties but shall still have a royalty free right to use the work for academic purposes.

5.3 The University shall make no claim to the proceeds of publication for which it has provided no more than normal academic facilities, including research grants.

5.4 When the University has subsidized publication by a grant for that purpose, it may negotiate specific conditions with the Member(s) who is the Creator(s) to participate in royalties.

5.5 Whenever a publication subsidy is made, the University shall stipulate at the time it offers the subsidy if it wishes to negotiate a claim to royalties that may accrue from publication thus supported; and if it does not, it shall be deemed to have waived any claim to royalties or other income.

5.6 Any funds which accrue to the University for royalties from copyrights in which it participates shall be used to support research and publication following the principles contained in section 9.

6. Development and Commercialization of Intellectual Property

6.1 A Creator who elects to commercialize his/her IP must disclose such election in writing, as follows:

- a) Faculty members: to the Chair/Director of the Department/School;
- b) Librarians: to the University Librarian;
- c) Other employees: to the Director of the Unit;
- d) Students: to the faculty Supervisor or Chair/Director of the Department/School.

6.2 Disclosure will be made using the Intellectual Property Disclosure Form, Appendix B to this Policy.

6.3 The recipient of the IP Disclosure Form (as above) will then forward the information to the Dean of Academic Research. The Dean of Academic Research will inform the Provost and the Creator's Dean/Director.

6.4 The Dean of Academic Research will determine whether the research or activity connected with the IP involves any specific obligations, patent or otherwise, to an external sponsor or to the University.

6.5 If the Dean of Academic Research determines that the IP rights do not belong exclusively to any external agency or to the University, he/she will inform the Creator(s) of this and of the University's services that may be available regarding commercialization of the IP.

6.6 The Creator(s) may then choose to pursue commercialization alone, may request the University's assistance in commercializing, or may decide not to proceed with commercialization.

6.7 Should the Creator(s) choose to request university assistance in commercialization, the Dean of Academic Research, in consultation with the Provost, will determine within two months of receiving such a request whether the University will invest in the commercialization. Guidelines for evaluating requests for University assistance with commercialization will be articulated by the Intellectual Property Right Board (See 10.1) .

6.8 If the Dean of Academic Research and the Provost decide that the University should proceed, the Member and the University will negotiate an IP agreement to clarify their respective interests. If there are multiple member stakeholders, they should authorize one to represent them in decisions regarding commercialization. This written agreement will set out the process for the development of the IP, which includes further evaluation and research, appropriate IP protection, who will assume which responsibilities, and the time frame. Any patent restrictions applying to funds from granting agencies will be observed. This agreement will also include a Revenue-sharing agreement with the university based on the formula for revenue sharing outlined in section 7.

6.9 If the University declines to invest, the Creator(s) may pursue commercialization alone.

7. REVENUE SHARING

7.1 Whenever IP activities involve the use of university resources beyond the regular resources used for academic activities, a portion of the resulting revenues shall be returned to the University to be used to support further research and scholarly activity (see 8.2 below). Revenue sharing may apply regardless of whether the IP is owned by the Creator(s) or by the University. For definition of university resources, see Attachment X: Schedule of Costs of Development/Commercialization.

7.2 The Creator(s) and University will share in the net revenues from IP when the activities producing the IP: 1) were specifically funded by grants received by the University or contracts between external sponsors and the University; 2) funded by the University's endowments, special purpose funds, or specific budget allocations; 3) used the specialized research facilities and services of the University not commonly available to all the Members of the community; or 4) when the University actively participates in the commercialization of the IP, including the development, financing, manufacture, license, and sale of the property, unless the University made prior agreement to modify or forgo revenue sharing as specified in this IP policy.

7.3 The University is not entitled to a share of the revenues from artistic, dramatic, musical, or literary works, such as books, articles, plays, music, films, videos, and software, unless the University's entitlement was specified by contract before their creation.

7.4 The sharing of revenue will be based on the following formula:

7.4.1 If the Creator(s) retains ownership of the IP and does not request the assistance of the University in commercializing the IP or the Creator(s) requests assistance of the University in commercializing the IP and the University declines to assist, or the University abandons the commercialization of the IP, the University will receive 5% of the additional annual net revenue received by each of the Creator(s), after \$25,000 in annual net revenue has been received by that Creator(s), based on the provision of general university resources and facilities, and the maintenance of the IP. Assignment of the IP is not required.

7.4.2 If the Creator(s) requests assistance of the University in commercializing the IP and the University agrees to assist, then after the direct costs of commercialization, the University will normally retain 30% of the revenue.

7.5 Normally, an accounting of IP net revenues is made at least annually.

8. USE OF UNIVERSITY REVENUES

8.1 The net proceeds the University derives from IP will be used by the University to support the direct and indirect costs of research and scholarly activity. The Provost will administer the funds in consultation with the Dean of Academic Research.

8.2 Normally, the University's share of revenue from IP activities will be administered as follows: 1) 40% to a fund for the enhancement of the University's research programs and resources; 2) 40% to a fund for the faculty, department, and/or unit in which the work was carried out, to be allocated by the faculty, department or unit; 3) 20% to a fund for the development and commercialization of IP. In the case of very large revenue from IP (in excess of \$500,000), up to 50% of the net revenue may be directed to other relevant divisions in the university as determined by the Provost. The remaining 50% will be distributed as specified above.

9. USE OF UNIVERSITY RESOURCES

9.1 The Provost in accordance with University policy has a right to approve or disapprove of any use of its name and insignia, resources, or services in any commercial arrangement. Use of university resources and services for non-university commercial or consulting activities requires the permission of the Dean or Supervisor. Depending on the scale and frequency of use, the Dean or Supervisor may require a letter of agreement regarding terms of use and reimbursement. Any use of university resources by a spin-off company will be governed by specific agreements with the University, which will include the payment schedule for the use of the resources. The use of equipment originally purchased

from grants from external funding agencies will be regulated both by the policies of the agencies and of the University.

9.2 The Dean or Supervisor will report formal and informal use of university resources agreements to the Office of the Provost and Dean of Academic Research. Use of university resources and services for private IP activities must not impede university functions in any way.

10. IMPLEMENTATION OF POLICY

10.1. The IP policy will be administered by the Provost, the Dean of Academic Research, and an Intellectual Property Board designated by the Provost. The Dean of Academic Research and the IP Board are responsible to conduct periodic reviews of the IP policy and processes and recommend changes as needed to the Provost, for consideration by the University Senate and, as required, by the Board of Governors. See Attachment A: Intellectual Property Board.

10.2. IP that was created prior to the approval of this policy will be subject to the agreements negotiated at the time of the creation of the IP, and if no such agreements have been negotiated, then the provisions of this policy statement shall be effective in governing the legal status of all IP in question.

11. RESOLUTION OF DISPUTES

11.1 If a dispute arises among Creators regarding their relative contributions to the creation of IP and this cannot be settled by the individuals involved, the advice and assistance of the Faculty/School Dean or administrative equivalent should be sought.

11.2 Disputes between the Creator(s) and the University regarding the provisions of this policy which cannot be resolved through informal consultation will be decided with reference to the formal procedures outlined in the appropriate agreement between the relevant employee group and the University, or the appropriate set of university policies or regulations governing the University constituent group of which the Creator(s) is a Member. In situations not covered by existing agreements or policies, the University and the parties involved will agree upon a dispute resolution mechanism, initiated and monitored by the IP Board.

11.3 Where the relationship between the Creator(s) and the University may be governed by more than one agreement or set of policies or regulations owing to multiple activities of the Creator(s) within the University, then that agreement or set of policies or regulations which relate to the primary status of the Creator(s) will apply for purposes of actions under this section.

Approved: June 8, 2008

ATTACHMENT A: INTELLECTUAL PROPERTY BOARD

RESPONSIBILITIES

- Educate faculty members in intellectual property policy and processes.
- Rule on intellectual property issues not clearly defined by policy.
- Work with University Communications on reporting of intellectual property.
- Ensure that the Research Office maintains a knowledge archive on intellectual property.
- Monitor dispute processes.

MEMBERSHIP

- Three faculty representatives nominated by Senate, including one each from Science, Business, and the faculty at large
- Provost Office representative
- University legal officer or legal representative on retainer
- External representative with knowledge of intellectual property