1. **Purpose**

1.1 The University of North Carolina System requires all employees and students to assign title of intellectual property to the institution if university resources are used to create or develop the technology. Therefore, each employee and student has the primary responsibility to ensure compliance with this policy. In accordance with the mission of North Carolina Central University (hereinafter “NCCU” or “University”), this policy endeavors to encourage intellectual developments, foster open and free exchange of ideas and outline employee and student rights while protecting the University’s interest in its intellectual property.

1.2 This policy is accompanied by procedures that guide faculty (including adjunct professors), researchers, staff, students, all others employed by NCCU and those who utilize NCCU’s resources to assist with disclosing and protecting intellectual property. Whenever possible and feasible, NCCU will seek patent, copyright, trademark and trade secret protection for NCCU faculty, staff and students. The scope of the policy includes collaborations with individuals, small businesses, corporations, non-profit organizations and government agencies.

1.3 This version of the NCCU Intellectual Property Policy is effective after approval by the Deans’ Council, Academic Planning Council, University Planning Council and the NCCU Board of Trustees.

2. **Scope**

This policy shall cover all inventions made by University employees, students and external collaborating partners during the course of their employment, enrollment or collaboration at the University. However, employees, students of the University and collaborating partners who may
have created inventions on their own time and with their own resources may also submit their inventions or ideas to the University if the University is given ownership rights. In order to protect all University inventions, all full-time faculty, researchers, staff and students must submit developments and receive prior approval from the Dean of the College and the ORCTT before publishing or disclosing to any non-University source.

3. **Procedures**

These procedures guide faculty (including adjunct professors), researchers, staff, students, others employed by NCCU and those who utilize NCCU’s resources to assist with disclosure and protection of intellectual property. Whenever possible and feasible, NCCU will seek patent, copyright, trademark and trade secret protection for NCCU faculty, staff and students. The scope of these procedures includes collaborations with individuals, small businesses, corporations, non-profit organizations and government agencies.

4. **Roles and Responsibilities**

4.1 The Office of Research Compliance and Technology Transfer, (hereinafter “ORCTT”) has the primary responsibility for facilitating the commercialization and management of intellectual property, including published works, by faculty, staff, students and collaborating partners. Specifically, the office assists with the disclosure, evaluation and protection of all inventions including, but not limited to, patents, copyrights, trademarks, service marks and trade secrets. A very important role of ORCTT is identifying commercial partners to which NCCU technology will be licensed. The ORCTT directs all patent and marketing activities and manages all license negotiations with entities outside of the University.

4.2 When an inventor thinks that an invention may have commercial potential, the ORCTT should be contacted to discuss a disclosure. This should be done before submitting a manuscript for publication, presenting at meetings, conferences, seminars or symposia and prior to divulging the development by any other means to anyone. Failure to disclose development in a timely manner could jeopardize the inventor’s right to the invention. Developers of new or novel processes, products, strategies or services are strongly encouraged to contact the ORCTT to discuss a new or novel idea in the early stages of an invention that appears promising, even if the development is not yet completely defined. Specific steps for disclosing may be found on page nine (9) of this Manual.

4.3 ORCTT is responsible for reviewing all contracts, licenses, research and confidentiality agreements with all external entities regarding University discoveries and inventions; because most agreements will include ownership clauses regarding intellectual property ownership.

5. **Legal Authority**

5.1 The Bayh-Dole Act: Volume 37 of Code of Federal Regulations Part 401 permits universities to retain ownership in all inventions and discoveries funded with federal funds.

5.2 North Carolina General Statutes

5.2.1 The North Carolina General Statutes authorize the University “to secure, protect, license and otherwise exploit letters of patent, copyrights, trademarks, and otherwise deal with the work product of University personnel”. (NCGS Sections 66- 57.1 and 66-57.2)

5.2.2 In addition, “University personnel, who discover, invent, create or design a product, method or idea while using University resources must cooperate with the University in defining and establishing the rights of such product, methods or idea. This obligation extends to any invention, creation or discovery, whether or not made on University time or with or without University facilities.”
5.3. University Authority: The Dean of Research and Sponsored Programs shall have the primary responsibility for the implementation of this policy on behalf of the University. All or a portion of the activities affected by this policy may be delegated by the Dean of Research and Sponsored Programs to the Director of the ORCTT.

6. Applicability of Policy

The policy applies to all University employees, students and collaborating partners beginning with the date of employment, enrollment or involvement and is effective for all inventions. The obligations under this paragraph are effective without regard to an inventor’s status when an Invention Disclosure is completed or processed.

7. Ownership

7.1 NCCU owns all inventions developed or made utilizing University resources, including government or University sponsored research by faculty, staff, students and collaborating partners. University employees and students are required to assign their rights to such inventions and discoveries to the University. The same applies to collaborating partners unless the targeted technology was developed prior to the collaboration. All new employees and students must agree to assign such inventions developed during employment and/or enrollment to the University. All assignments must be executed prior to the University seeking legal protection. All other employees must execute assignment forms with each project / invention. In any event, the ORCTT will not process or pursue legal protection for an invention prior to receiving an executed copy of the assignment form.

7.2 If the inventor believes that the University has no ownership interest in the invention, a determination must be made by the Dean of the College and the ORCTT as to whether the University agrees with the determination of the inventor. In all cases where the University has no rights or waives its rights to an invention made by University employees or students, a waiver form must be signed and notarized by all parties involved.

7.3 In the event that NCCU collaborates with corporations or certain other private entities regarding joint research projects conducted primarily at NCCU, the University will retain all rights to the inventions and discoveries. If, however, NCCU inventions are the results of sponsored research and the sponsor retains ownership in the inventions or discoveries, NCCU will negotiate a nonexclusive, royalty-fee license from the sponsor.

7.4 All NCCU employees who have obtained prior approval to engage in consulting work for external organizations must also seek a waiver from the University for inventions created during the course of the consulting agreement. NCCU retains an ownership interest in all inventions resulting from consulting activities where an employee failed to obtain prior approval from the University.

8. Royalty Distribution

8.1 In exchange for the rights of the inventors, the University will share a portion of the royalty proceeds with the inventors. The net income to the University from any royalty agreement or any agreement resulting from an invention shall be distributed as follows: 40% to the inventor(s) and 60% to NCCU (10% of the University’s share will be distributed to the College and 10% to the Department where the development originated). For schools and colleges where there are no departments, 20% will be distributed to the unit.

8.2 If more than one inventor has contributed to the invention, those inventors shall be allocated equal amounts of the 40% inventors share unless otherwise agreed in writing. Any agreement modifying the distribution of income among the inventors must be approved by the ORCTT, the
Dean of Research and Sponsored Programs and the Office of Legal Affairs at the time the assignment is made, and otherwise the distribution will be made in accordance with the above stated University policy.

8.3 Royalty payments will be paid to the inventor without regard to employment or enrollment status at the time of the distribution. If an inventor dies before the royalty period terminates, royalties due to the decedent shall be paid to the Inventor’s estate or other designee(s) for the royalty period.

9. **Student Inventors**

9.1 Inventions created by students will remain the property of the students except when an invention is made in the course of employment at NCCU, or is made utilizing University Resources from work directly related to work performed under a grant or other sponsorship, or undertaken with other inventors who may have a duty to assign such work to NCCU. Any invention arising from a thesis or dissertation submitted as part of a requirement for a degree is subject to this policy. In such case, when a student is obligated to assign rights to the University, the student will share in the distribution of royalties in the same manner as faculty and staff unless otherwise stated in a written agreement.

9.2 When University employees, students or collaborating partners determine that an invention or other intellectual property has been developed on University time or with University resources, contact with the ORCTT should begin by completing an Invention Disclosure Form and an Assignment Form.

10. **The Protection Process**

The intellectual property protections process involves nine very important and distinct steps. All University developments will be subject to the following procedures:

10.1 The inventor must contact the ORCTT to obtain an Invention Disclosure form and arrange a preliminary meeting (if necessary) with the staff of the ORCTT. The Invention Disclosure form should be as complete as possible and all supporting documentation must be attached. This is a very important aspect of the process because it clearly documents the period which an invention was conceived or made. All forms may be picked up from the ORCTT or sent electronically upon request from the ORCTT.

10.2 Before the University expends substantial resources on certain inventions, the staff, must objectively determine whether the University will support the development (assessment).

10.3 The ORCTT staff will schedule an initial meeting with the inventor to outline and explain the protection process including how the inventor will be expected to interact with the ORCTT during the disclosure process.

10.4 The Director of the ORCTT will outline the assessment, patent and licensing phases of the process for the inventor. If the inventor attached evidence of prior art to the form, a discussion regarding the technical aspects of the patent or publication will be necessary.

10.5 The inventor is expected to share any and all relevant information with the ORCTT staff (disclosure).

10.6 If the ORCTT staff reviews the submission and makes the decision to pursue protection for the development, the inventor is expected to actively participate in this phase. The disclosure process begins when a University employee or student submits an Invention Disclosure Form to the ORCTT.

10.7 The inventor must participate in the assignment phase by presenting or completing an
10.8 At this point, the inventor stays fully engaged in the protection phase and works closely with the ORCTT staff to pursue a patent, copyright, trademark and or trade secret protection for the invention.

10.9 After the protection phase the ORCTT will begin to develop a marketing and licensing strategy for approaching entities external to the University.

11. Processing a Patent Application

11.1 Once the disclosure form is received, it will be filed in the ORCTT’s filing system, the ORCTT staff will schedule a meeting with the inventor to outline and explain the patent process including how the inventor will be expected to interact with the ORCTT during the application process.

11.2 After a thorough prior art search the ORCTT staff will present their findings to the Director of ORCTT.

11.3 The Director of ORCTT will then review the prior art search as well as the Invention Disclosure form and decide whether patent protection is appropriate. If the Director of ORCTT determines that a patent is the best mechanism for protecting the University’s interest in the invention, the patent application process will begin. In the unlikely event that the inventor has already disclosed the invention, the Director will expedite the process.

12. Assessment

12.1 A meeting with the ORCTT will be scheduled to discuss the technical merits of the invention and all potential commercial aspects of the invention that may be relevant. During the meeting, the inventor will be expected to answer questions regarding the patentability of the invention. However, an in depth prior art search will be conducted by The ORCTT through an external search firm.

12.2 The USPTO will assess the patentability of a development by answering three basic questions regarding the invention according to 35 U.S.C. §§ 101-103. The first question is whether the invention is useful. The invention must have some utility before a patent can be granted. Utility is generally assumed because most inventions are useful for something. The second question is whether the invention is novel. Novelty can be easily determined by reviewing other patents and publications related to the invention. Thirdly, the Patent Office determines whether the invention is obvious by reviewing patents and publications. If the inventor satisfies these basic requirements for patentability, the Patent Office will generally issue a patent as long as other minor provisions are also satisfied.

13. The Patent Process

13.1 Making an application for a patent is a critical step for all parties involved. The patent process is very time consuming and very expensive. Once the invention moves into this aspect of the process, the University will begin committing resources for the patenting and licensing of the invention. To begin the process, the Office of the ORCTT will need to engage the services of a patent attorney to draft the patent application.

13.2 There are two types of patent applications that can be filed. One is the provisional patent application and the other is a non-provisional patent application. In most cases, the University will first file a provisional patent application with the United States Patent & Trademark Office. The provisional patent application is very simple and often easy to file which allows the University to begin seeking out potential commercial partners to assist in exploiting the invention. The provisional
application expires after one year. If the University fails to file a non-provisional application, the invention is abandoned.

13.3 The inventor is expected to assist the patent attorney with preparing the patent application. The inventors are required to contact the ORCTT prior to contacting the patent attorney directly. All correspondence will be sent directly to the ORCTT and then forwarded to the inventor(s).

13.4 The second type of patent application is the non-provisional application. After this application is filed, it will be examined in the USPTO to determine the patentability of the invention. During the prosecution of the patent, the Patent Office will send several pieces of correspondence to the patent attorney. The most important piece of correspondence is called an **Office Action**. An Office Action is a document stating whether or not the inventor is entitled to a patent. If the invention is not patentable, the Office Action will clearly set forth the reasons for the rejection. Generally, several rejections will be outlined in the Office Action. Once the patent attorney receives an Office Action containing rejections, the Director of the ORCTT and the inventor will be contacted to discuss the merits of the rejection. If feasible and convenient, a meeting will be scheduled at the ORCTT with the inventor and patent attorney to discuss responding appropriately to the Office Action. The Patent Office will send all correspondence regarding the invention to the patent attorney. The patent attorney will contact the ORCTT to discuss the invention. If necessary, the patent attorney will contact the inventor directly to assist with preparing a response to the Office Action. The patent process is lengthy and can take up to two years before a patent is issued or longer if an appeal is filed.

14. **Record Keeping**

Each inventor should keep detailed records, preferably in bound notebooks, of the progress of the research and development of any project, which is worked upon. The records are evidence that may be needed later to prove inventorship. Ideally the most significant records should be witnessed (i.e. read, signed and dated) by someone who is familiar with the research, but is **NOT** a co-inventor.

15. **Licensing and Marketing Strategy**

15.1 If the Director of ORCTT has decided that the invention will be patented and after a patent application has been filed, the Licensing and Marketing personnel will begin efforts to seek commercial partners. However, if an invention is not eligible for a patent but is still highly marketable, the ORCTT will also seek commercial partner. The ORCTT staff will develop a comprehensive strategy designed to generate and establish commercial interest in the University invention. If a company has expressed an interest in the basic invention, a confidential disclosure form must be completed and returned to the ORCTT. All commercialization agreements must be reviewed by the Office of Legal Affairs before forwarding to the Dean of Research and Sponsored Programs for approval.

15.2 **Invention Disclosure and Ownership for Inventors from the Different Universities:**

15.2.1 Where there are two or more inventors representing different Universities, an Invention Disclosure Form will be filed at the institution responsible for administering the external research funds. The same University shall be responsible for obtaining protection, negotiating any agreement for the commercialization of the technology or intellectual property and distributing proceeds to the non-prosecuting university. However, Federal and State law will govern joint ownership. Absent any prior agreement between the universities regarding the distribution of funds, all proceeds shall be divided equally between the universities.

15.2.2 Where there are two or more inventors representing different Universities and there are no external research funds for the project, an Invention Disclosure Form will be filed at both
institutions. In this case, Federal and State law will govern joint ownership of the intellectual property. Subsequently, the Directors of Technology Transfer will meet to determine which University will file and prosecute the patent application and agree upon the distribution of proceeds. Absent any prior agreement between the universities regarding the distribution of funds, all proceeds shall be divided equally between the universities.

15.3 Reporting Requirements each institution will provide:

15.3.1 An annual report of intellectual property activities and costs;

15.3.2 A copy of every Invention Disclosure Form received from faculty employed by the University must be shared with the non-receiving University. The Invention Disclosure Form must be sent to the non-receiving University within three business days after disclosure is made to the University; and

15.3.3 Each institution is required to report to the other institution the number of disclosures submitted by faculty.

15.4 Patent and Licensing Fees

Each institution will be required to submit an assessment of patent related costs to the non-prosecuting technology transfer office within ninety (90) days after the end of the fiscal year. All outstanding fees related to the protection of discoveries/inventions are due within ninety (90) days after the end of the fiscal year.

15.5 Royalty Distribution

Each University will make royalty and or other cash distributions annually. All payments will be sent directly to the Research Compliance and Technology Transfer Office within ninety (90) days after the end of the fiscal year.

15.6 Prior Intellectual Property Agreements

This Agreement does not change the rights or obligations of either University regarding invention disclosures made any time prior to the effective date of this Agreement.

16. Trademark Protection

A trademark can be a name, symbol, color or combination of words in connection with a product that is used or will be used in commerce. Trademark protection lasts as long as the mark is used.

17. Trademark Secret Protection

It is within the sole discretion of the University to keep certain discoveries and inventions as a trade secret and not seek patent protection. When appropriate, the ORCTT will maintain a legally sufficient description of the invention. The ORCTT will take whatever means necessary to ensure the confidentiality of the invention including obtaining non-disclosure agreements from all parties with knowledge of the secret.

18. Copyright Protection

18.1 Absent of a federal law, state law, contractual agreement or written employment obligation prohibiting ownership of copyright materials, all traditional and scholarly work with copyrights obtained by University employees and students remain the property of the creator unless the work was created as work for hire or in which the University has substantial investments.

18.2 In the event that a work is considered patentable and copyrightable, the author/inventor of the
work will be governed by the patent policy as outlined.

19. **Forms**

19.1. Confidential Disclosure Form (CDA)

19.2. Invention Disclosure Form

19.3. University Assignment Form (with Notary Forms)

20. **Definitions**

20.1 The Bayh-Dole Act allows universities to elect to take title to inventions that emanate from projects funded by federal agencies.

20.2 Non-Disclosure Agreement (NDA) - a legal agreement where parties agree not to disclose confidential information. Once this form is completed by the receiving party, it should be sent to the Office of Research Compliance and Technology Transfer, (hereafter known as ORCTT) immediately for review, processing into the electronic database and execution by NCCU.

20.3 Docket Title - A title assigned to each invention disclosure that is submitted to the ORCTT.

20.4 Intellectual Property - North Carolina Central University defines intellectual property (IP) as creations or products of the mind. This may include novel inventions, literary and artistic works, symbols, names, images, and designs that are protected by patents, copyrights, trademarks, trade secrets, service marks and sometimes domain names.

20.5 Intellectual Property Committee (IPC) - committee responsible for objectively assessing the merits of all University employees’, students’ and external collaborating partners’ inventions.

20.6 Initial Meeting - The first meeting that the inventor has with the ORCTT staff prior to presenting the invention to the IPC is called the initial meeting.

20.7 Invention Disclosure Form (IDF) - a form that all university employees, students and external collaborating inventors must complete and submit to the ORCTT. The form allows for a description of the invention and provides pertinent information regarding the invention. The form when completed should be turned in to the ORCTT for review.

20.8 Royalty Revenue - revenue generated from the sale or use of university inventions, trademarks, copyrights or other intellectual property.

20.9 Issue Fee - amount assessed by the United States Patent and Trademark Office (hereafter referred to as USPTO) when an invention is deemed patentable. The fee must be paid before the Patent Office will grant a U.S. Patent to an inventor.

20.10 License - gives the right to someone, other than the patent owner, to make, use, sell or offer to sell a patented invention in the United States.

20.11 License Agreement - a legally enforceable contract between a patent owner “licensor” and a third party “licensee” which sets forth the terms of the agreement.

20.12 Maintenance Fee - an amount assessed by the USPTO that must be paid three times during the life of a U.S. Patent. The first payment must be paid in the fourth year after the patent is issued. The second and third payments must be paid in 8th and 12th years after the patent is issued. Failure to pay maintenance fees timely will cause the patent to expire and become unenforceable in court.

20.13 Net Income - revenue generated by the assignment or license of university patents less all
expenses or costs related to acquiring, protecting, licensing and marketing NCCU’s intellectual property.

20.14 U.S. Patent - a legally enforceable document that gives the patent owner the right to exclude others from using, making, selling or offering to sell the invention. It is valid for twenty years (20) from the date of filing a patent application.

20.15 Non-Provisional Patent Application - a legal document that requests the USPTO to grant a U.S. Patent that will be used to exclude others from using, making, selling, or offering to sell the invention.

20.16 Provisional Patent Application - application that has no legally enforceable rights. It allows the inventor to file a legal adequate description of the invention in the USPTO in order to obtain an early filing date. Provisional patent applications allow inventors up to one year to seek funding before expending too many resources for an invention that cannot be patented or commercialized. These applications are relatively inexpensive.

20.17 Novelty - a basic requirement for patentability. All inventions must be new before the Patent Office will issue a U.S. Patent.

20.18 Obviousness - basic requirement for patentability. The USPTO will issue a U.S. Patent on inventions that are not completely new, but are innovative and have non-obvious improvements over existing technologies.

20.19 Prior Art - any publication or patent that pre-dates an invention. Prior art does not need to exist physically or be commercially available as long as it is something that has been described or shown and contains technology that is very similar to an invention.

20.20 Prior Art Search - a search to discover all existing similar developments or inventions made before a given invention.

20.21 Copyright - a means of protecting original works that are fixed in a tangible medium of expression. Protection is provided for documents such as technical reports, theses and dissertations. Copyright protection provides the original author with the right to exclude others from copying, distributing or creating derivative works.

20.22 Trademark - a name, logo or slogan that is used to add value and/or recognition to an item or business.

20.23 Trade Secret - any formula, pattern, device, process, tool, mechanism or compound that is valuable to the developer but has not been protected by a patent and not generally known to others.

20.24 University Research - any research or development activity which is directly or immediately related to the duties or responsibilities for which a person is compensated by NCCU or one of its units or concluded with more than an insignificant use of facilities or equipment provided by NCCU or one of its units.

20.25 Utility - one of three basic requirements for patentability. All inventions must be useful. In most cases, the USPTO will assume that an invention is useful for some purpose unless it clearly falls within the scope of those things that the Patent Office has deemed to lack utility such as: mathematical algorithms.