

Licensing, Patent, Educational, and Professional Materials Development, and

Copyright Policies and Procedures

6.205 Application of Policies and Procedures

The policies for licensing, patents, educational and professional materials development, and registration of copyrights apply to all Department of Higher Education employees whose work-related assignments, regardless of location, might enable them to develop new knowledge which was conceived purposely or fortuitously. The policies also apply to other persons using institutional facilities, personnel, or other resources.

6.210 Definitions

- (1) Inventions or technological improvements to which these policies apply include any new and useful process, machine, device, manufacture, or composition of matter, and any new and useful improvements.
- (2) Educational and professional materials to which these policies and procedures apply are those used or distributed primarily for the formal or informal instruction or education of professional or general



students. Such materials may result from the instructional, research, or public service activities of employees.

- (3) Materials to which these policies and procedures apply are exemplified by:
 - (a) Writings, lectures, study guides, books, textbooks, journal articles, glossaries, laboratory manuals, proposals, musical or dramatic compositions, listings, tables, charts, graphs, figures, manuals, codes, software, unpublished scripts, and programmed instructional materials.
 - (b) Video and audio recordings, live video and audio broadcasts, cassettes, tapes, films, filmstrips, slides, transparencies, and other reproductions and visual aids.
 - (c) Computer programs and computer-assisted courseware.
- (4) Inventor(s) means the individual(s) who first conceived the idea, invention, or technological improvement.
- (5) Author(s) means the individual(s) responsible for primary subject-matter guidance and development of educational and professional materials.
- (6) Material is said to be in the public domain if it is not protected by common law or statutory copyright and, therefore, is available for copying without infringement.
- (7) Publication occurs when by consent of the copyright owner, the original or tangible copies or phonorecords of a work are sold, leased, loaned, given away, or otherwise made available to the general public, or when an authorized offer is made to dispose of the work in any such manner, even if a sale or other disposition does not in fact occur.
- (8) The term "owner" refers to the party who owns or controls the copyright and who has the right to sell, assign, distribute, or license the use of such material.
- (9) Board- and institution-assisted effort is individual effort that involves institution and Board support in the form of significant personnel time, facilities, or other resources.
- (10) Sponsored effort is institution-assigned effort, and assignment, among others, to conduct research and to develop materials, with

substantial or all of the personnel time, facilities, or other resources for the assignment being provided by the institution and Board, or an outside sponsor such as a federal agency or private corporation.

6.215 Rights to Inventions, Technological Improvements, Educational, and Professional Materials

- (1) The Board reserves the ownership rights to all institutional work-related inventions, and to educational and professional materials developed with institutional resources, including the right to a free and irrevocable license for usage, and if desired, the licensing for use by others. The foregoing does not preclude an institution employee from granting copyright privileges to the publisher of a scholarly or professional journal when no compensation or royalty is involved.
- (2) Educational and professional materials shall be considered as having been developed in the course of employment in those cases when the individual was employed for the specific purpose of preparing or producing the material, or was specifically directed to develop the material as part of general employment duties and responsibilities.
- (3) Lecture notes and other materials prepared by academic staff in connection with a teaching assignment and with only incidental use of institutional facilities, funds, staff, and other resources normally shall be viewed as flowing from individual effort and initiative and shall not be construed as having been produced in the course of discharging the obligations of employment.
- (4) Funds and facilities provided by governmental, commercial, industrial, or other public or private organizations, but administered and controlled by the institution and Board, shall be considered to be funds and facilities provided by or through the institution and Board.
- (5) If it is determined that inventions or materials developed are not related to work or to an assigned project and that development involved no or minimal use of institutional funds or facilities, or that the material developed is incidental to the individual's work assignment, or that the institution and Board have no right, vested interest, or claim in an invention, and the institution decides to forego the licensing or patenting of an invention or the publishing and copyrighting of the material, the president or designee may recommend to the Vice Chancellor for Finance and Administration or a designee that the Board's interest and rights be waived, and

that a statement be issued which waives any institution or Board claim. Such a waiver may be granted only if pre-existing commitments to sponsoring agencies have been cleared. Upon receipt of such waiver, the inventor or author shall be free to take such further steps as desired. In the case of an invention, however, the institution has usually provided substantial laboratory, supply and equipment support. Therefore, the president or designee will normally recommend the execution of a limited release only after the institution has exhausted efforts to license or patent the invention. This release enables the inventor to exploit the invention and recover reasonable exploitation, licensing, and patenting costs related thereto and a sum up to \$10,000 out of the royalty income receipts, with the inventor and the Board sharing equally in the balance of the net royalty income.

- (6) Except as provided above, the ownership rights to all forms of educational and professional material in the form of books, musical or dramatic composition, architectural designs, paintings, sculptures, or other works of comparable type developed by institution and Board employees, either in conjunction with or aside from their employment, shall accrue to the author, unless the material is prepared in compliance with contractual provisions or as a specific work assignment, or significant institutional and Board resources were utilized. An academic staff person's general obligation to produce scholarly works does not constitute such a specific institution or Board assignment.

6.220 Research and Development of Inventions and Materials with Outside Organizations

- (1) In accepting grant and research funds from governmental, nonprofit and commercial agencies, the institution and researcher shall agree to the conditions in the agreement with the sponsoring agency pertaining to licensing, patent policies, and ownership of all copyrightable material conceived and developed in the course of work required by the agreement. Such agreements shall normally include provisions enabling the institution to publish the findings of research and rights to take title to patentable inventions, discoveries, and educational and professional materials arising from the work performed. In the absence of such agreement or terms, the products shall be the property of the institution and Board.
- (2) At the time any sponsored assignment is made and when inventions, new technology, or materials subject to copyright may be expected to be produced, affected institutional staff are to be

advised of copyright limitations and rights to inventions imposed by extramural sponsors as well as institutional and Board policies and procedures regarding the same.

- (3) In cases where it appears in the interest of the Board, institution, inventor, and sponsor, and upon the recommendation of the president or designated administrator, the Vice Chancellor for Finance and Administration or designee may grant rights to the sponsor, including the right to acquire a proprietary interest in and to any invention or patent developed during the sponsored research project.
- (4) When an invention is developed in the course of sponsored research, the sponsor may be granted a non-exclusive license for its own use and, only if appropriate, an option to acquire a limited term, royalty-bearing, exclusive license to such invention.

6.225 Disclosure of Inventions and Copyrightable Materials

- (1) Employees and any other persons who conceive or develop inventions or technological improvements while engaged in activities utilizing institutional resources shall report the findings on a Department of Higher Education standard disclosure form to, and confer with, the institutional committee, or person designated by the president to administer licensing, patent, educational and professional materials development and copyright policies and procedures. The purpose of the disclosure of an invention or materials developed is to enable the institution to determine potential for licensing, patenting, publishing, and registering of copyright, and the equities of the inventor, author, institution, and Board. Disclosure of details of an invention that might jeopardize the licensing or patent potential may be delayed until the committee or president designee has acted.
- (2) If it is determined that the Board and institution have vested interest and claim in an invention, the inventor shall enter into a standard Department of Higher Education Licensing and Patent Assignment Agreement. The agreement shall be prepared initially at the institution.

6.230 Agreement To Assign Rights

- (1) As part of the acceptance of the Notice of Appointment, each academic employee is obligated to comply with conditions of employment including agreement to assign rights to inventions conceived and materials developed while employed by the institution.

- (2) In cases where a Notice of Appointment is not used, and the employee's work involves potential for discovery or invention, the employee shall execute a standard Department of Higher Education Agreement to Assign Invention, Licensing, and Patent Rights prepared at the institution.

6.235 Administration of Policies and Procedures

- (1) The Board delegates to the Vice Chancellor for Finance and Administration or designee authority to work with each president or designated administrator to obtain licensing, production, and publishing agreements and patents, develop and approve forms used in administering licensing and patent policies, and execute all types of agreements, waivers, releases, and net royalty distribution agreements.
- (2) Each institution and the Board reserve the sole right to make agreements with sponsoring agencies and to include therein provisions regarding ownership and disposition of rights in inventions and materials deemed to be in the interest of the institution, Board, and public.
- (3) The president is responsible for informing employees regarding Board licensing, patent, educational, and professional materials development, and copyright policies and procedures. The president may delegate this responsibility to a committee or an administrator.
- (4) The duties of the president, committee or a designated administrator shall be:
 - (a) To protect confidentiality of the inventor's or author's disclosure.
 - (b) To counsel with the inventor or author, examine the invention or materials disclosure, and appraise the equities of all concerned parties. If it is determined that the institution and Board have no rights, vested interest, or claim, the committee or administrator shall recommend that the president seek a release or waiver for the inventor or author.
 - (c) To counsel with the inventor or author concerning Board policies and procedures applicable to the invention or material, and with policies of sponsoring agencies, if any, and to assist with compliance.

- (d) To recommend to the president options for maximizing public, Board, institution, and inventor or author benefits when seeking licenses, patents, and publishing agreements. Such action shall be preceded by the execution by an inventor of a Licensing and Patent Assignment Agreement initiated at the institution.
 - (e) To recommend to the president appropriate action pertaining to the invention or material within 60 days after its disclosure.
- (5) When institutional facilities are utilized on a reimbursable basis to develop educational or professional materials or to conduct research on an invention, an agreement shall be prepared and recommended by the president or designee to the Vice Chancellor for Finance and Administration or designee. Such agreement shall be executed in advance of use of the facilities and shall set forth the understanding regarding the use of facilities, ownership rights, and financial arrangements.

6.240 Determination of Equities

In determining equities relating to ownership rights in an invention or material, institutional personnel and the Vice Chancellor for Finance and Administration or designee shall follow these guidelines:

- (1) Consideration shall be given to the equity of all parties in light of circumstances surrounding the development of the new knowledge.
- (2) If an invention or material is deemed to be the result of joint efforts, an agreement shall be reached among the inventors or authors, institution, and Board for distribution of any royalties. The total of net royalty income paid to all inventors or authors shall not exceed the maximum percentage of net royalty income that Board policy allows to be distributed to a single inventor or author.
- (3) In the event an agreement cannot be reached regarding the amount of equity of each party and subsequent distribution of net royalty income, the president shall recommend resolution to the Vice Chancellor for Finance and Administration after having taken affirmative steps to assure thorough consideration of the equities of all parties.

6.245 Commercialization of Inventions

- (1) The Board encourages the president to assist the invention commercialization process to the extent that the invention contributes toward fulfillment of the institution's mission. Resource allocation for licensing, patenting, and technology transfer, however, is the responsibility of the president.
- (2) The president, designee, or appointed committee shall counsel with inventors to determine how to make the invention available to industry and the public in an effective and non-discriminatory manner, to obtain reasonable royalties for use in furthering institutional education and research objectives, and to reward the inventor through participation in net royalty income received.
- (3) When feasible, the president or designated administrator shall recommend that the Vice Chancellor for Finance and Administration grant non-exclusive, royalty-bearing licenses to all qualified organizations. Exclusive licenses may be recommended if it is determined that such a license is required in the best interest of the public, Board, institution, and inventor in order to encourage marketing and eventual public use of the invention.
- (4) Before granting an exclusive license, a bona fide effort shall be made by the institution to apprise qualified organizations known to be interested in the subject matter of the invention and in developing the invention through a non-exclusive license.
- (5) When it is deemed appropriate to grant an exclusive license, the length of exclusivity shall be limited to that time deemed necessary to provide the licensee with the necessary incentive and opportunity to market the product and recover developmental costs, usually not more than five years from the date of first commercialization of the invention, or the issuance of a patent, whichever comes first, and a non-exclusive license for the life of the patent. Exclusive licenses may include the right of the licensee to sublicense others. The Vice Chancellor for Finance and Administration and the Chancellor may approve exceptions to the length of exclusivity, when justified and recommended by the institution.
- (6) Licensing and sponsored research agreements shall include provisions:
 - (a) Prohibiting the use of the name of the researcher, institution, and Board, either directly or implied, in any advertising relating to the commercialization of the product or process or

in supporting evidence provided in prospectus literature, and the use of any statements which imply approval of the licensee's or sponsoring agency's marketing techniques, business objectives, or relationships with wholesalers, retailers, or consumers. Exceptions to this policy require Board approval.

- (b) Indemnifying the institution against any and all claims, demands, damages, costs, and other related items arising from the manufacture, use, or sale of the licensed invention or process, and, whenever possible, from any liability for damages resulting from a final judicial determination that such commercial utilization of the invention constitutes an infringement of any third party patent.
- (c) Allowing the institution to produce and use the invention or process for its own educational or research purposes.
- (d) Allowing the institution and inventor to publish the findings of research and to continue with research related to the process or invention including publication of future findings.
- (e) For receiving or examining accounting records maintained by the licensee and any sub-licensees.
- (f) For removing licensing rights and terminating the agreement should the licensee fail to develop and market the product within a reasonable time.

6.250 Distribution of Royalties

- (1) The Vice Chancellor for Finance and Administration or designee, upon the recommendation of the president, shall act on behalf of the Board to conclude agreements to share net royalty income accruing to the Board from licensing and patent agreements, and from the sale, lease, or licensing of materials outside the institution.
- (2) Agreements involving the sharing of net royalty income shall be initiated in writing at the institution and recommended by the president or designee to the Vice Chancellor for Finance and Administration or designee for review and approval. In determining disposition of income, due consideration shall be given to the equity of all parties in the light of all circumstances surrounding the development of the invention or material.

- (3) Prior to distribution of any royalty income, the Vice Chancellor for Finance and Administration or designee shall require deduction from gross royalty income, of all institutional expenses and reasonable costs incurred in developing the invention or material, expenses incurred in enforcing or defending any patent, copyright litigation, licensing, interference, and marketing costs attributable to the invention or material, as well as any other expenses deemed necessary to recoup.

Gross royalty income minus all such costs and expenses constitutes net royalty income.

- (4) The maximum net royalty income that may be distributed to the inventor shall be 40 percent of the first \$50,000 of net royalty income received by the Board, 35 percent of the next \$50,000, and 30 percent of all additional net royalty income.
- (5) The maximum net royalty income that may be distributed to the author shall be 50 percent of the net royalty income received by the Board.
- (6) Net royalty income received by the Board, less the amount distributed, if any, shall be dedicated to the institution of the inventor, or author, subject to the limitation of ORS 351.250. The use made of such net income shall be at the discretion of the president, subject to Board-established budget policy.
- (7) If the originator and developer of an invention or author of material cannot be determined, or if the inventor or author waives any claim to net royalty income, the percent share of royalties intended for such person may be distributed, upon recommendation of the president or designee, to the originating department, laboratory, or center at the institution.

6.255 Copyright Registration Procedures

In establishing copyright registration procedures, institutional personnel and the Vice Chancellor for Finance and Administration or designee shall follow these guidelines:

- (1) All educational and professional materials developed with significant Board and institution-assisted effort shall be registered for copyright, at the option of the institution and Board, in the name of the institution and Board. The institution and Board shall provide for disclosure of appropriate credits and shall counsel with participating employees regarding presentation of materials.

- (2) Educational and professional materials developed with minimal Board- or institution-assisted effort should be registered for copyright, if at all, in the name of the author. The author and the president or his designated representative will agree upon the cost of institutional support for such effort, and the author will reimburse the institution for such costs out of royalties received from the registered materials.
- (3) Materials developed under sponsored assignments should be registered for copyright, if at all, in the name of the institution and the Board, with appropriate acknowledgment to the author. The institution and author are obligated to adhere to any publication rights included in agreements made with grant or contract sponsors.
- (4) Educational and professional materials developed solely by individual effort shall be registered for copyright, if at all, in the name of the author. All rights, including those to royalties, reside with the author.

Financial Management of Bonded Debt Relating to Auxiliary Enterprises and Other Self-Liquidating Activities

6.300 Financing Self-Liquidating Bond Debt Services

(6.300-6.325 were approved by the State Board of Higher Education, Meeting #668, November 21, 1997, pp. 572-580; 6.300-6.520 were amended by the Board, Meeting #721, July 18, 2003, pp. 172-186)

- (1) Auxiliary enterprise and other self-liquidating activities shall be assigned to one of the following categories for debt financing purposes:
 - (a) Residence halls and residential dining facilities (other than Portland State University).
 - (b) Portland State University residence halls.
 - (c) Other housing facilities.
 - (d) Parking facilities.
 - (e) Auxiliary enterprise facilities financed primarily from building fees.