Intellectual Property Policy at the University of Notre Dame

Approved by Provost Advisory Council January 27, 2003

Policy Statement
The University of Notre Dame, as an institution of higher learning, has two primary aims: to share existing knowledge with its students and to engage in research and scholarly activities. The products of scholarly and research efforts often have far-reaching and social implications. These products may, therefore, be of benefit to the individuals involved, to the University, and to society. This policy governs the protection and administration of intellectual property developed in support of the University’s mission.

As used in this policy, the following definitions apply:
“University Research” means any research or development activity which is undertaken in connection with an externally funded project, or which is related to duties and responsibilities for which a person is compensated by the University, or which is conducted with substantial use of University facilities, or resources.

“Creator” means any inventor, developer, author, or creator of intellectual property covered by this policy.

“Educational Materials” means the content and associated tools and technologies for delivery of content, including materials developed for traditional “face to face” classroom courses, as well as other delivery methods such as Internet web-based delivery or other distance learning media. For the purposes of this Policy, Educational Materials do not normally include works such as textbooks, articles, papers, scholarly monographs, or artistic works produced in the normal course of academic scholarship.

“Substantial use of University facilities or resources” means the utilization of University facilities, equipment, personnel (including graduate students), or other resources beyond that which is normally provided to carry out one’s assigned duties. For instance, normal use of assigned office space, office equipment, library resources, or administrative staff would not be considered “substantial use.”

It is the policy of the University of Notre Dame, subject to the exceptions contained herein, that the University claims the exclusive right to all intellectual property arising from University Research. Creators of intellectual property have an obligation to disclose intellectual property in the manner prescribed within this policy, to assign intellectual property rights to the University, and to assist the University in legally protecting the intellectual property. The University and the creator share in any royalty income resulting from the intellectual property as described in this policy.

Applicability
This policy applies to all faculty, staff, students, and others who make use of University
facilities, equipment, or other resources or who receive funds from the University in the form of salary, wages, stipend, or other support, but not including undergraduate student financial aid.

The University will ordinarily waive its rights to intellectual property created by student creators where the use of University facilities, equipment, or other resources has been properly authorized, except when:
- faculty or staff involvement is substantial,
- the work is part of a larger University work or specifically commissioned by the University,
- the use of facilities, equipment, or other resources is substantially in excess of the norm for educational purposes, or
- the intellectual property resulted from the student’s employment with the University.

All aspects of the ownership and administration of intellectual property arising from University Research that is funded in whole or in part by an external sponsor, specifically including matters dealing with royalties, will be governed by this policy and the terms of the agreement between the University and the sponsor.

University Ownership of Intellectual Property Arising from University Research

PATENTS
The University owns all rights to all patentable inventions arising from University Research. The University shall make an initial decision of whether to pursue a patent or other legal protection within six months of initial disclosure. If the University elects to pursue a patent or other legal protection, all costs shall be borne by the University or by a sponsor or licensee.

Creators must be aware that an invention may become unpatentable unless a formal application is filed with the U.S. Patent and Trademark Office in a timely manner. Additionally, special rules that vary from country to country govern the time limits within which foreign patent protection may be acquired.

COPYRIGHTS
The University owns all rights to all copyrightable materials (including computer programs, software, or multi-media productions) that are works made for hire under copyright law or that are required to be assigned to the University by the contract terms of a grant or sponsored program. However, consistent with long-standing academic tradition, the University does not normally claim ownership of works such as textbooks, articles, papers, scholarly monographs, or artistic works. Creators, therefore, retain rights in copyright in their works, unless they are created under a grant or sponsored program that specifies ownership rights in some entity other than the creator, they are the subject of a contract modifying ownership rights, or they are otherwise addressed in this Policy.

When the University commissions a work or otherwise causes a work to be developed that is a work made for hire under copyright law, but the creator is an employee whose position is not normally considered to be one immediately related to the production of copyrightable works for the University, the creator will be required to acknowledge the University’s ownership of the work in writing before production of the work.
Creators of works, such as computer software, that are not works made for hire but that are developed with the use of University facilities or resources agree, consistent with other relevant agreements or contracts, to grant to the University a paid-up, royalty-free, non-exclusive license for the use of the work for academic, research, or other scholarly purposes.

Creators may, in certain circumstances, choose to assign their ownership interest in copyrightable works to the University. In these cases, royalty income derived from the work will be shared with the creator as specified in this policy or in any other written agreement with the University.

EDUCATIONAL MATERIALS
Educational materials represent a broad spectrum of copyrighted works. These materials encompass traditional educational materials, such as lesson plans and face-to-face course presentations, as well as other methods of course delivery, such as Internet-based learning. The desire of the University is to encourage the development of creative and effective educational tools and media in order to further our educational goals.

In keeping with the University’s general policy of not claiming ownership in the scholarly works of its creators, Educational Materials produced in the normal course of our educational mission will, generally speaking, be owned by the creators of the materials. Certain circumstances, however, may give rise to a claim of ownership by the University; for instance, in the case of Educational Materials that are works made for hire, such as those produced by non-faculty employees within the specific scope of their employment with the University. Because all possible circumstances cannot be envisioned by this policy, each particular situation will have to be evaluated on its own facts to determine ownership interests and who may have the right to use Educational Materials that are developed. This section provides a general guide for determining ownership and control of Educational Materials developed by University personnel.

Educational Materials developed on the initiative of the creator with less than substantial use of University facilities and resources
This category includes, for example, a faculty member developing traditional “face to face” class lecture materials or on-line Educational Materials to supplement an existing University-offered course. In this situation, the Educational Materials would be owned by the creator. As such, the Educational Materials could be used by the creator outside the context of the University course, consistent with the University’s conflict of interest and conflict of commitment policies (which currently prohibit teaching at other institutions without the consent of the University). For any such use of these Educational Materials outside the University, the creator would not be allowed to use the University’s name in conjunction with the Educational Materials (e.g., “a Notre Dame course” or “the same course taught at Notre Dame”) without specific written permission of the University.

Educational Materials developed on the initiative of the creator with a substantial use of University facilities or resources (e.g., video production, web-casting, or teleconferencing facilities)
An example of this situation would be the development of Educational Materials that requires extensive video production, integration of video streaming, or website development that would
be made possible through the use of University resources. In this circumstance, the tangible works developed (i.e. the website or the video production) are owned by the University, while the creator maintains ownership of the underlying creative content of the materials. Creators of this type of Educational Materials grant to the University a paid-up, royalty-free, non-exclusive license for the use, reproduction, and creation of derivative works of the underlying creative content for the University’s purposes. The tangible Educational Materials owned by the University may be used by the creator while still employed by the University, consistent with the University’s conflict of interest and conflict of commitment policies. For any such use of these Educational Materials outside the University, however, specific written permission of the University would be required.

**Educational Materials commissioned for production by the University**
This category includes institutional works and Educational Materials developed as specifically directed by the University; for instance, the assigned development of an enrichment course to be offered to the public. Such Educational Materials, including the underlying creative content, are works made for hire, and as such are owned by the University. When the production of such a commissioned work is anticipated, a written agreement will be entered into in advance of production between the University and the creator, acknowledging the University’s ownership rights in the Educational Materials. This written agreement will also address issues such as compensation for production of the materials, sharing of any potential revenues resulting from commercial distribution of the Educational Materials, the relationship of the assignment to other duties (for instance, whether the assignment is in addition to or in lieu of normal teaching and research activities), and any other relevant issues related to the production of the Educational Materials. Commissioned Educational Materials may be used by the creator outside the University only with specific written permission of the University, and in such a way as to be consistent with the University’s conflict of interest, conflict of commitment, and use of institutional name policies.

**Educational Materials funded by an external sponsor**
Ownership of externally funded Educational Materials will be governed by the terms of the sponsor’s agreement with the University. In the absence of specific ownership terms for Educational Materials in the sponsorship agreement, Educational Materials developed through external funding will be treated consistently with the terms of this policy.

**Changes to Educational Materials**
Consistent with this policy and copyright law, the owner of Educational Materials has the right to change or make derivative works of his or her Educational Materials. Educational Materials owned by the University may only be changed, and derivative works of University-owned Educational Materials may only be made, with the written permission of the University.

**OTHER INTELLECTUAL PROPERTY**
The University owns all other forms of intellectual property arising from University research, including trade secrets, trademarks, and know-how (unless the know-how is related to intellectual property otherwise not owned by the University).
**Modifications, Extensions, or Translations of Intellectual Property**
The University owns or retains an interest in, as applicable, any portions, modifications, extensions, or translations of intellectual property as it would in the original work, Educational Materials, or invention, consistent with the treatment of derivative works under copyright law. Creators shall disclose modifications, extensions, and translations of previously identified works or inventions to the University, and these disclosures will be administered according to this policy. Disclosure of modifications, extensions, and translations to the University is required regardless of any previous or pending University decision to assign rights or interests to the creator in the case of an underlying work or invention.

**Administration of this Policy**
**DISCLOSURES**
Persons to whom this policy applies have a duty to report, in a timely manner, all creations of intellectual property covered by this policy to the Committee on Intellectual Property using disclosure forms available from the Committee. They also are required to cooperate fully in steps necessary to legally protect the University’s rights. Accordingly, all personnel covered by this policy will confirm in writing their obligation to comply with this policy and to disclose inventions or other covered intellectual property in a timely manner as prescribed by this policy. The failure to confirm these obligations in no way diminishes or extinguishes the rights of the University.

**ASSIGNMENT OF RIGHTS**
Upon request of the University, creators of intellectual property shall assign intellectual property rights to the University in accordance with the provisions of this policy. Intellectual property rights claimed by or otherwise retained by the University under this policy may be assigned, licensed, or otherwise transferred to a third party only with the prior written consent of the University.

**COLLABORATION AGREEMENTS**
In cases in which the University’s rights and interests in intellectual property are shared with other institutions, organizations, or program collaborators, or when such entities agree to contribute to the evaluation, development, or exploitation of the intellectual property, the University may elect to enter into separate agreements to establish the means by which intellectual property rights will be protected and royalties will be distributed among the parties. Distribution of royalties to University employees will be governed by this policy. Royalties distributed to other parties (those not affiliated with the University) shall not be considered part of net royalty income under this policy.

**GENERAL ADMINISTRATION**
This policy is to be administered by the Office of the Vice President for Graduate Studies and Research with the continued advice and assistance of the Committee on Intellectual Property. The University shall be entitled to forward descriptions of intellectual property to internal and external evaluators for review and shall have the right to transfer ownership of the intellectual property.
No use of the name of the University in the promotion or sale of intellectual property, other than as a notation of the creator’s employment status or affiliation with the University, is permitted without prior written approval of the University, whether the University has retained ownership of intellectual property or returned the rights to the creator. Requests for such approval shall be transmitted to the University through the Vice President for Graduate Studies and Research.

**University Organizations Responsible for Intellectual Property Protection**

OFFICE OF THE VICE PRESIDENT FOR GRADUATE STUDIES AND RESEARCH

This office administers the Intellectual Property policy for the University. Where actions or decisions in the policy are to be to taken by the University, this Office, with advice from the Committee on Intellectual Property and the Office of General Counsel where appropriate, will have ultimate responsibility. Any appeal of the actions or decisions may be made directly to the Provost. His or her determination, which shall be made with advice from the Committee on Intellectual Property where appropriate, shall be a final determination for the University.

**UNIVERSITY COMMITTEE ON INTELLECTUAL PROPERTY**

The Committee on Intellectual Property shall consist of 14 members, six who serve ex officio and eight who are elected members of the faculty. Of the latter:
- 1 is elected by the faculty of the College of Arts and Letters
- 1 is elected by the faculty of the Mendoza College of Business
- 1 is elected by the faculty of the School of Architecture
- 2 are elected by the faculty of the College of Engineering
- 2 are elected by the faculty of the College of Science
- 1 is elected by the faculty of the Law School.

The terms of the elected members are three years, except initially when they are arranged to provide staggering of terms. The ex officio members of this committee are the Vice President for Graduate Studies and Research, the Vice President and General Counsel, the Associate Vice President for Finance, the Dean of the College of Engineering, the Dean of the College of Science, and the Assistant Vice President for Research. The Vice President for Graduate Studies and Research serves as chairperson and the Assistant Vice President for Research as secretary of the committee.

The Committee advises the Vice President for Graduate Studies and Research on intellectual property matters generally and the disposition of rights in those intellectual properties referred to the Committee. The Committee is also responsible for periodically updating the procedures for implementing this intellectual property policy and proposing amendments to it. At the request of the Vice President for Graduate Studies and Research, the Committee will be available to assist in resolving conflicts of interest and in mediating disputes on matters related to intellectual property developed by members of the University community.

Once intellectual property has been disclosed to the University, the disclosure is provided to the Committee for review. The Committee may use internal University resources that it considers necessary to perform an adequate evaluation of the intellectual property. This internal review may be supplemented by an external review if considered helpful by the Vice President for Graduate Studies and Research. Along with its review, the Committee may recommend the steps to be taken to protect the intellectual property.
The creator(s) must be informed in writing within 6 months following the date of intellectual property disclosure of the action the University intends to pursue with respect to the intellectual property. The University may, at any time, elect not to pursue a patent or other legal protection at which time all University rights to the intellectual property may be released by the University to the creator(s) of the intellectual property at their request, subject to any restrictions imposed by grant, sponsor, or other requirements.

**Intellectual Property Promotion Account**
The University will establish and maintain an intellectual property promotion account for the payment of initial expenses for intellectual property promotion. The purpose of this account is to subsidize individual intellectual property accounts before such accounts produce income. As royalty income is received, repayment of the subsidy will be made to the promotion account. Once the subsidy has been paid in full for an item of intellectual property or for a grouping of such items, the distribution of net income will follow the guidelines for Royalty Distribution stated in this policy.

In addition, up to 15% of the University share of Royalty Distribution is to be added to the intellectual property promotion account in order to establish and maintain a minimum $150,000 balance.

**Amendments to this Policy**
The University reserves the right to amend this policy at any time. Royalty distributions due to University employees with respect to intellectual property matters are established by the policy in effect at the time that the University enters into any license agreement or other contractual arrangement concerning exploitation of the intellectual property.

**Waivers**
The University may grant a waiver of any provision of this policy on a case-by-case basis. All waivers must be in writing and signed by the Vice President for Graduate Studies and Research. Any decision to grant a waiver will take into account the best interests of the University and the facts of the particular situation involved. This paragraph shall not relieve the University of any of its obligations under this policy. Any waiver granted pursuant to this paragraph will apply only to obligations imposed on the creator, unless otherwise agreed to by the creator.

**Royalty Distributions**
Any distribution of royalties paid pursuant to this policy represents an employee benefit from the University to the recipient. Creators of intellectual property covered under this policy should understand that the receipt of distributions may have serious income tax ramifications; accordingly, creators are highly recommended to retain their own competent tax advice concerning the tax treatment of any income derived through the implementation of this policy.

Funds or other consideration provided by external sponsors to the University to support the performance of University research are not royalties and do not constitute income to the University on which royalty distributions may be computed.
When royalty income is received by the University from intellectual property covered under this policy, the income shall be distributed as follows:

- Royalty income will first be used to reimburse the University for direct expenses associated with the intellectual property. Such direct expenses may include, but are not limited to, costs for patenting, registering copyrights or trademarks, marketing, licensing, protecting, or administration.

- After deductions for expenses, net royalty income from intellectual property will be distributed as follows:

  **Of the first $100,000 of net income:**
  50% to the creator
  50% to the general fund of the University

  For all net income over $100,000 but less than $1,000,000:
  25% to the creator
  25% to a research account to promote the creator’s continued research at the University, provided the creator is a full-time member of the research faculty or the teaching and research faculty. If the creator is not or ceases to be a full-time member of the research faculty or the teaching and research faculty, these funds will be directed to the creator’s department to promote department research.
  25% to the department of the creator to promote research
  25% to the general fund of the University

  **For all net income exceeding $1,000,000:**
  25% to the creator
  15% to the department of the creator to promote research
  10% to the college of the creator to promote research
  50% to the general fund of the University

- Income and expenses will be computed on a cumulative basis. At the end of each fiscal year, the undistributed cumulative net income will be distributed according to the above schedule.

- In the case of multiple University creators, the creator’s share will be divided among the co-creators as they mutually agree at the time of formal assignment of the intellectual property to the University. This agreement shall be in writing, signed by all creators involved, and submitted to the University. Should the creators not mutually agree on a division, the University will make the final decision on division after consultation with all parties involved. If several intellectual properties are licensed under a single licensing agreement, the University will determine the share of net income to be assigned to each intellectual property.
- For the purposes of royalty distribution only, all intellectual property, such as disclosures, patents, copyrights, marks, licenses, and similar matters related to a single technology, and improvements and extensions thereon, shall be grouped together. For example, if two license agreements should result from a single technology, the creator would receive 50% of the first $100,000 of net income from both licenses combined rather than 50% of the first $100,000 from each of the licenses. In cases of doubt, the University shall determine which matters shall be grouped into a single technology.

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