

OTT Operating Memo No. 97-2  
February 26, 1997  
Enclosure 1

# Patent and Intellectual Property Policy of the Arthritis Foundation



revised 5/96

## **Patent and Intellectual Property Policy of The Arthritis Foundation**

The following Patent and Intellectual Property Policy of the Arthritis Foundation will be adhered to by, and is binding on, all Grantee Institutions, their assignees, and Awardees as defined herein. Acceptance of the award by the Grantee Institution and Awardee constitutes acceptance of the terms and conditions outlined herein.

### **I. DEFINITIONS**

1. The term "Foundation Supported Intellectual Property" as used in this policy means all data, information, inventions, formulas, techniques, processes, concepts, systems, protocols, programs or devices (electrical, electronic or mechanical), whether or not patentable, or subject to copyright or trade secret protection, that are created, made, developed, or perfected by the Grantee Institution, its assignee, or Awardee with support by the Arthritis Foundation.
2. The term "Grantee Institution" as used in this policy means the parent institution in which the Awardee holds a position, which is responsible for administering the award, and is signatory for all matters relating to the award, including use of human subjects, animals, recombinant nucleic acid, safety, and Patent and Intellectual Property Policy of the Arthritis Foundation.
3. The term "Awardee" as used in this policy means the principal investigator or primary recipient of an Arthritis Foundation award or grant.

### **II. TERMS AND CONDITIONS**

#### **4. Notification, Cooperation and Confidentiality**

The Grantee Institution or its assignee and Awardee will notify the Research Department of the Arthritis Foundation at the earliest practical time of any Foundation Supported Intellectual Property and will further notify the Arthritis Foundation whether the Grantee Institution or its assignee intends to pursue patent application or copyright protection of the Foundation Supported Intellectual Property. The Grantee Institution or its assignee will consider seriously and in good faith, any comments or objections the Arthritis Foundation may have concerning such patent application or copyright protection and agrees to the provisions as stated in paragraph 9, below. The Foundation agrees to keep all such patent application or copyright protection information confidential and not to release any information relating to such patent application or copyright protection while prosecution is pending.

## 5. Ownership Rights

If the Grantee Institution has a patent or intellectual property policy or procedure that requires employees, private contractors or agents to assign their ownership rights to the Grantee Institution or its assignee and such policy or procedure is binding on the Awardee, then the Grantee Institution may pursue patent protection for any Foundation Supported Intellectual Property. If the Grantee Institution does not have such a policy or procedure, if there is no Grantee Institution, or if the Grantee Institution or its assignee chooses to suspend or abandon the pursuit of a patent or other legal protection for any reason, or is unsuccessful in the commercialization of any Foundation Supported Intellectual Property, then the Awardee and the Grantee Institution or its assignee, as applicable, will assign, if the Arthritis Foundation requests such assignment in writing within 90 days of notification, all of whatever right, title and interest they may have in the Foundation Supported Intellectual Property and in any patents or patent applications or copyright protection thereon to the Arthritis Foundation, provided, however, that if the invention results in part from federally-sponsored research, any such assignments to the Foundation require the prior approval of the federal granting agency. In the absence of such approval, Grantee Institution shall not be required to assign such inventions and rights to the Foundation. However, the Awardee and the Grantee Institution or its assignee shall have a perpetual, royalty-free right to use Foundation Supported Intellectual Property for educational, research, and academic purposes. The costs of prosecution of any patent application or copyright protection shall be borne by the party prosecuting same.

## 6. Distribution of Income

If the Grantee Institution or its assignee obtains and retains the rights to the Foundation Supported Intellectual Property as stated in paragraph 5 above, then the distribution of any income derived from such property, including any equity dispositions, shall be according to the policies of the Grantee Institution. When income exceeds \$250,000, there shall be a distribution of income or equity distribution to the Arthritis Foundation reasonably related to the Foundation's proportion of support, unless such distribution is prohibited under applicable federal or state law. Whenever income is received by a Grantee Institution which would otherwise be sharable with the Arthritis Foundation under this Policy, but the Grantee Institution determines that distribution of such income is prohibited by applicable federal or state law, the Grantee Institute shall notify the Arthritis Foundation of (i) the amount of income received and the periods during which it has been received; (ii) the proportion of the Arthritis Foundation's support in the creation, etc. of the Foundation Supported Intellectual Property, or the Grantee Institution's most reasonable estimate thereof and the basis for such estimate; and (iii) the specific provision of federal or state law which the Grantee Institution believes prohibits distribution of a proportionate part of the income to the Arthritis Foundation.

## 7. Licenses

Any licenses made by the Grantee Institution or its assignee for any Foundation Supported Intellectual Property shall include terms similar to the following, as appropriate to the

licensee, obligating the licensee to use its best efforts to commercialize any Foundation Supported Intellectual Property:

The licensee agrees to exert its best efforts to commercialize or cause to be commercialized the [Foundation Supported Intellectual Property] as rapidly as practical, consistent with sound and reasonable business practices and judgment. In the event that the licensee has failed to commercialize the [Foundation Supported Intellectual Property] within a number of years determined to be reasonable for the [Foundation Supported Intellectual Property], the Grantee Institution or its assignee upon conferring with the Foundation shall have the right to convert an exclusive license to a non-exclusive license or to terminate a non-exclusive license. If the licensee has an ongoing and active research, development, manufacturing, marketing or licensing program as appropriately directed toward the production and sale of the [Foundation Supported Intellectual Property], the same would be deemed to be sufficient evidence that the licensee has commercialized the [Foundation Supported Intellectual Property].

8. Publicity

The Arthritis Foundation reserves the right to publicize Arthritis Foundation supported research. The Foundation will provide the Grantee Institution and the Awardee prior notice and an opportunity for comment on any such public acknowledgment. The Arthritis Foundation name and logo, however, may not be used in association with any Foundation Supported Intellectual Property without prior approval of the Foundation.

9. Use by Arthritis Foundation

The Arthritis Foundation may have the use of any Foundation Supported Intellectual Property the ownership of which was retained by the Grantee Institution or its assignee under paragraph 5 above, notwithstanding the grant of any exclusive license under paragraph 7 above, without payment of royalties or fees, but solely for use within the Foundation for research and non-commercial purposes by its Awardees via materials transfer agreement or confidential disclosure agreement.

Approved BOT and HOD November 1995