

PATENT COORDINATORS
CONTRACT AND GRANT OFFICERS
VICE CHANCELLORS - RESEARCH/ADMINISTRATION

Subject: The Foundation Fighting Blindness (National Retinitis Pigmentosa Foundation, Inc.) Patent Policy (July 18, 1996)

Background

The National Retinitis Pigmentosa Foundation, Inc., doing business as The Foundation Fighting Blindness (Foundation), implemented a patent policy in 1995. The terms of the policy were particularly problematic due to the level of involvement of the Foundation in the licensing process, the restrictions to be placed on any licensee, and the unrealistic requirement that products be made available by the licensee at a minimal cost to the public. Specifically, under the terms of the Policy, the University would be required to notify the Foundation 60 days prior to any sale, assignment or license of the intellectual property and grant the Foundation an opportunity to meet with potential licensees and transferees to discuss their intended use of the technology and their acceptance of Foundation Policy. The University would not be able to abandon a patent or copyright without prior notification to the Foundation and without permitting the Foundation to take title. The Foundation would have the right to terminate a license between the University and a third party and transfer rights to the Foundation if the pricing objectives were not met within three years after patent award and the University's licensee would be required to confer with the Foundation on the pricing of products based on the Foundation-supported invention. Further, the University would share income derived from Foundation-supported inventions in reasonable proportion to the level of Foundation support for the invention. Finally, the Foundation would be authorized to use the University's name and logos in publicizing its support for an invention.

OTT opened negotiations with the Foundation to try to obtain less restrictive provisions. The Foundation provided a revised policy dated July 18, 1996 (Enclosure 1) for our review. The new policy eliminated most of the problematic language. There remaining unresolved issues were addressed without revisions to the Policy, but with the following understandings between the Foundation and the University.

Obligations to Third Parties

Foundation Policy Provision No. 3 (g) requires that if the technology is not developed in a reasonable period of time that the University grant, or allow the Foundation to grant, a non-exclusive license to a qualified applicant. Because it is not uncommon that there will be Federal or third party funding involved in any Foundation-supported invention, it was agreed that the University would comply with this provision only to the extent there are no overriding obligations to the Federal government or other sponsors of research.

February 28, 1997

Page 2

Royalty Sharing

In accordance with Foundation Policy Provision No. 7, the University and the Foundation agreed that the University will share income with the Foundation, in proportion to the level of funding provided by the Foundation for a particular invention, based upon royalties retained by the University. Royalties retained by the University are to be considered gross income less expenses and administrative costs, and less mandatory distributions to the State and inventors. The University would share with the Foundation University income above \$500,000 for any invention. This understanding means that the University will be able to share income with inventors in accordance with the University Patent Policy and there would be no impact to the inventor share of income.

Use of Name

It was clarified that the name of the University of California is the property of the State of California and logos are registered trademarks of the University. Under State law, neither may be used by third parties without prior written approval of the University. Foundation Policy Provision No. 8 allows use of the name of the University, subject to University review and approval.

Application of Policy

The terms of the new Foundation Patent Policy (July 18, 1996), with Foundation agreement to the understandings discussed above (Enclosure 2), will apply retroactively to all 1995 and 1996 awards at all University of California sites and apply to future awards until further notice. Thus, Contract and Grant Officers may accept awards from the Foundation referring to this policy without modification. Investigators are not required to sign a notice of restrictive patents terms.

If you have any further questions about awards from the Foundation, please give Cathy Whenmouth a call.

Refer questions to: Cathy Whenmouth
(510) 748-6632
catherine.whenmouth@ucop.edu

Subject Index: Pending
Organization Index: Pending

Sincerely,



Joe Acanfora
Associate Director

Enclosures: 1. The Foundation Fighting Blindness Patent Policy dated July 18, 1996
2. Letter from Edwin J. Cronin to Catherine Whenmouth dated December 6, 1996

cc: Executive Director Feuerborn
OTT Associate Directors