



Seattle University Patent Policy

Purpose. This patent policy establishes guidelines for disclosure and assignment of ownership of potentially patentable inventions or discoveries resulting from the work of Seattle University faculty member(s), staff, graduate students, undergraduate students, visitors and any persons using University resources and facilities. It is designed to promote, preserve, and encourage innovation, inform faculty member(s) of the University practices, protect the respective interests of all parties involved, and assist the inventor(s) and the University in realizing tangible benefits from such inventions.

Applicability. This patent policy of the University applies to all discoveries or inventions conceived or first reduced to practice during employment or related professional responsibilities at the University by any person with faculty status, staff, graduate students, undergraduate students, visitors or any persons using University funds, materials, or facilities. This patent policy covers the following three categories of inventions:

Discoveries or inventions that are subject to the terms of sponsored projects or other agreements between the University and a third party: These inventions, developed pursuant to an externally funded activity governed by a written agreement between the University and a sponsor, or pursuant to another agreement between the University and a third party, shall be disposed of in accordance with the terms of the applicable grant, contract, cooperative agreement, letter of agreement or other agreement. All agreements through which a third party funds research or

invention(s) or a decision is made to release the information to the public domain.

Collaboration and Joint Ownership. Collaboration between the University faculty member, personnel and persons not employed by or associated with the University, including researchers at other universities or companies, may result in development of discoveries or inventions that are jointly owned by the University and other institutions or companies. For jointly owned inventions, extensive cooperation and agreement among the owners are required for protection and commercialization of such inventions. Therefore, inventor(s) involved in or contemplating collaborative activities agree to cooperate and work with the University to assign patent rights, assist in locating potential commercial interests, develop appropriate agreements, and transfer inventions or technology.

Shared Ownership with Sponsors or Third Parties. The ownership and control of patent rights to patentable discoveries and inventions resulting from any sponsored research at the University conducted with private industry or government agencies are subject to contractual arrangements between the sponsor and the University. Generally, the University retains ownership and control of the inventions or patents as in Section B(1) or B(2) of Applicability. However, the University will consider assignment or license to the sponsor of partial or complete rights to patentable discoveries and inventions resulting from sponsored research if requested by the sponsor.

Division of Royalties.

Definition. "Net Royalties" means royalties received on an invention or inventions to which the University holds title after deduction of all direct and administrative expenses of generating the royalties, including, but not limited to, t almnt(t)2 (ed t)12 (o,)2 ()10 (t)2 170 Td(but)2 (2) (ad)10 (m9

technology. The foregoing provisions of this section are subject to the terms of applicable grants and contracts with third parties.

Percentage Allocation. In cases of University-owned inventions or discoveries that are taken to market, the Net Royalties shall be divided between the inventor(s) (as defined by the U.S. patent laws) and the University as follows:

50% to the inventor(s); and

50% to the University

Distribution of Net Royalties. Distribution of the inventor's share of royalties shall be made at least annually from the amount received during the previous fiscal year. If there is more than one inventor, Net Royalties will be divided equally among all inventors unless they have all agreed otherwise in writing. At the inventor's request, the inventor may audit the University's records regarding the receipt and distribution of Net Royalties, using an independent auditor, no more than once per year. In the event of any litigation, actual or imminent, or any other action to protect patent or other intellectual property rights, the University may withhold distribution and impound royalties relating only to the affected discovery or invention until resolution of the matter.

Equity. "Equity" means shares of stock or securities, including but not limited to stock options, warrants, or any other rights to purchase stocks or securities. Equity received by the University in licensing transactions, whether in the form of stocks or any other instrument conveying ownership interest in a corporation, shall be distributed in accordance with the Policy on Accepting Equity When Licensing University Technology.

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Any inventor who wishes to request an exception to this patent policy or to challenge a patent decision by the University may appeal to the Provost. The Provost will appoint an ad hoc committee of three (3) members mutually acceptable to the inventor and the Provost, including at least one faculty member and one member of the administration. The ad hoc committee will prepare a report of its findings and make a recommendation to the Provost. The Provost will then make his or her decision, which must be explained in writing, and is final.

In the event of any dispute arising out of or in connection with the Provost's final decision, the dispute shall be resolved by binding arbitration. Notwithstanding the arbitration rules and procedures of the arbitration service, all fees and expenses of the arbitration service, including those for the arbitrator, shall be borne equally by the parties. The place of arbitration shall be Seattle, Washington. The decision of the arbitrator shall be binding and may be confirmed and enforced in any court having proper jurisdiction. All facts, awards, submissions, and other information relating to or arising from the arbitration shall be kept confidential by the parties and arbitrator to the fullest extent permitted by law.

Invention Notice. The Revised Code of Washington section 49.44.140 of the State of Washington provides that: (1) a provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer.

Questions regarding this section should be directed to, and addressed by, the Office of the University Counsel.