

Intellectual Property

Section: IV: Research and Sponsored Projects

Chapter: 4

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Policies governing intellectual property related to or arising from employment with The University of Texas System or academic activities at the undergraduate, masters, or doctoral levels within the University of Texas System are stipulated in Regents' *Rules and Regulations* Rules 90101-90106 at <http://www.utsystem.edu/bor/rules/CompleteTOC-2.htm#intellectualproperty>.

4.1 General Rules for Intellectual Property

It is the objective of this policy to encourage the development of inventions and other intellectual creations for the best interest of the public, the creator, and the research sponsor, if any, and to permit the timely protection and disclosure of such intellectual property whether by development and commercialization after securing available protection for the creation, by publication, or both. The policy is further intended to protect the respective interests of all concerned by ensuring that the benefits of such property accrue to the public, to the inventor, to The University of Texas at El Paso, to The University of Texas System, and to sponsors of specific research (if applicable) in varying degrees of protection, monetary return and recognition, as circumstances justify or require.

4.1.1 Individuals Subject to Intellectual Property Policies

These intellectual property policies apply to all persons employed by the University of Texas at El Paso, including but not limited to, full and part-time faculty and staff and visiting faculty members and researchers, and to anyone using the facilities or resources of the University, including but not limited to, students enrolled at the University such as in an undergraduate or graduate degree programs, a certificate program, candidates for master's and doctoral degrees, and to postdoctoral and pre-doctoral fellows.

The University of Texas System Board of Regents automatically owns the intellectual property created by an employee, student, or other individual or entity commissioned, required or hired specifically to produce such intellectual property by the University.

Accordingly, all individuals subject to this policy must assign and do hereby assign their rights in such intellectual property of the Board of Regents. Moreover, individuals subject to this policy and Regents' Rule 90101 who create such intellectual property (creators) shall promptly execute and deliver all documents and other instruments as are reasonably necessary to reflect The University of Texas System Board of Regents' ownership of such intellectual property. A creator of intellectual property owned by The University of Texas System Board of Regents has no independent right or authority to convey, assign, encumber, or license such intellectual property to any entity other than The University of Texas System Board of Regents (see Regents' *Rules and Regulations*, Rule 90101, Section 2).

Works for Hire and Institutional Projects. Notwithstanding the provisions of section 4.1.3 below, The University of Texas System Board of Regents shall have sole ownership of all intellectual property created by an employee, student or other individual or entity commissioned, required, or hired specifically to produce such intellectual property by the University, or created by an employee, student or other individual as part of an institutional project. Except as may be provided otherwise in a written agreement approved by the President, the provisions of the Regents' *Rules and Regulations* Rule 90102 relating to division of royalties shall not apply to intellectual property owned solely by The University of Texas System Board of Regents (see Regents' *Rules and Regulations*, Rule 90101, Section 6).

4.1.2 Types of Intellectual Property Subject to Compliance

Except as set forth in 4.1.3 below, and in Rule 90102 of the Regents' *Rules and Regulations*, this policy shall apply to all types of intellectual property, including but not limited to any invention, discovery, trade secret, creation, know-how, technology, scientific or technological development, research data, works of authorship, and computer software regardless of whether subject to protection under patent, trademark, copyright or other laws (see Regents' *Rules and Regulations*, Rule 90101, Section 3).

Data created by an employee is owned by The University of Texas System Board of Regents and, except to the extent that rights to such research data are contractually assigned or licensed to another by The University of Texas System Board of Regents, the creator shall have a nonexclusive license to use such data for nonprofit educational, research, and scholarly purposes within the scope of the employee's employment, subject to adherence to other provisions of this policy (see Regents' *Rules and Regulations*, Rule 90101, Section 9).

4.1.3 Types of Works Excluded from This Policy

The Board of Regents will not assert an ownership interest in the copyright of scholarly or educational materials, artworks, musical compositions, and dramatic and non-dramatic literary works related to the author's academic or professional field, regardless of the medium of expression. This exemption applies to works authored by students, professionals, faculty, and non-faculty researchers.

The Board of Regents encourages creators to manage their copyrights in accordance with the guidelines concerning management and marketing of copyrighted works consistent with applicable institutional policies (see Regents' *Rules and Regulations*, Rule 90101, Section 4).

The Board of Regents normally asserts an ownership interest in software; however, copyrights in original software that is content covered by the previous paragraph or that is integral to the presentation of such content shall be owned by the creator in accordance with the previous paragraph (see Regents' *Rules and Regulations*, Rule 90101, Section 5).

4.1.4 Role of the Creator

Any person subject to this policy who creates intellectual property (other than a work for hire under section 4.1.2 above or on government or other sponsored research projects where the grant agreements provide otherwise), should have a major role in the ultimate determination of how it is to be published. The President may, at his or her sole discretion, decide whether and how to develop and commercialize an invention after securing available protection for the creation, if needed.

4.1.5 Use of University Facilities and Resources

Neither the facilities nor the resources of the University may be used (i) to create, develop, or commercialize intellectual properties outside the course and scope of work for which the individual was hired (See Regents' *Rules and Regulations* Rule 90101, Section 8, and Rule 90102, Section 1); or (ii) to further develop or commercialize intellectual properties that have been released to an inventor (See Regents' *Rules and Regulations* Rule 90102, Sections 2.2 and 2.3) except as approved by the President of the University where The University of Texas System Board of Regents retains an interest under the terms of the release.

4.1.6 Limited License to University

Notwithstanding section 4.1.3 above, and as reasonably required for the limited purpose of continuing an institution's scheduled course offering, The University of Texas System Board of Regents retains for one year following the loss of an instructor's services, a fully paid-up, royalty-free, nonexclusive worldwide license to use, copy, distribute, display, perform and create derivative works of materials prepared by the instructor for use in teaching a course (including lectures, lecture notes, syllabi, study guides, bibliographies, visual aids, images, diagrams, multimedia presentations, examinations, web-ready content and educational software) (see Regents' *Rules and Regulations*, Rule 90101, Section 10).

4.2 Property Rights and Obligations

Policies governing intellectual property rights and obligations are governed by Regents' *Rules and Regulations* Rule 90102.

4.2.1 Intellectual Property Owned by the Creator

For all individuals subject to this policy as stated in 4.1.1 of this Handbook, Intellectual Property developed or created outside the area of expertise for which the individual was hired that is developed on his/her own time and without the support of the University or use of its facilities is the exclusive property of the creator (see Regents' *Rules and Regulations*, Rule 90102, Section 1).

4.2.2 Intellectual Property Owned by the University

Intellectual property either developed within the course and scope of employment of the individual, or related to the area of expertise for which an individual was hired or resulting from activities performed on University time or with University support, or with support of State funds, or from using facilities or resources owned by the University is subject to ownership by The University of Texas System Board of Regents (see Regents' *Rules and Regulations*, Rule 90102, Section 2).

4.2.3 Determination of University's Interest.

Before intellectual property subject to ownership by The University of Texas System Board of Regents is disclosed to any party outside the University, to the public generally, or for commercial purposes, and before publishing same, the creator shall submit a reasonably complete and detailed disclosure of such intellectual property to the University for determination of the Board of Regents' interest (see Regent's *Rules and Regulations* 90102, Section 2.1). For information on forms and university policies regarding procedures for disclosing intellectual property refer to <http://research.utep.edu/Default.aspx?tabid=13104>.

4.2.4. Reimbursement of Licensing Costs and Allocation of Income.

In those instances where the University of Texas System or University licenses rights in intellectual property to third parties, the costs of licensing, including, but not limited to, the costs to operate and support a technology transfer office and the costs of obtaining a patent or other protection for the property on behalf of The University of Texas System Board of Regents must first be recaptured from any royalties or other license payments received by The University of Texas System or the University. The remainder of any such income (including but not limited to license fees, prepaid royalties, minimum royalties, running royalties, milestone payments, and sublicense payments) shall be divided as follows:

50% to creator(s)
50% to U. T. System,

provided, however, that a creator may disclaim his/her interest in such income, in which case the institution shall receive the creator's share and shall decide, in its sole discretion, if, how, and when to disburse such income.

With the prior approval of The University of Texas System Board of Regents and after review by The University of Texas System Vice Chancellor and General Counsel and the appropriate Executive Vice Chancellor, University may adjust the allocation of royalties set forth herein for a creator (see Regents' *Rules and Regulations*, Rule 90102, Section 2.5).

4.2.5 Intellectual Property Involving Sponsored Research

Intellectual property resulting from research supported by a grant or contract with the government (federal and/or state), or an agency thereof, with a nonprofit or for-profit nongovernmental entity, or by a private gift or grant to the University shall be subject to ownership by The University of Texas System Board of Regents (see Regents' *Rules and Regulations*, Rule 90102, Section. 3).

4.2.5.1. Nonconformance with Intellectual Property Guidelines.

Administrative approval of such grants and contracts containing provisions inconsistent with this Rule or other policies and guidelines adopted by The University of Texas System Board of Regents imply a decision that the value to The University of Texas System or the University of receiving the grant or performing the contract outweighs the impact of any nonconforming provisions on the intellectual property policies and guidelines of The University of Texas System or the University (see Regents' *Rules and Regulations*, [Rules 90102, Section 3.1 and 90105](#), Section 2).

4.2.5.2 Cooperation with Necessary Assignments.

Those persons subject to this policy whose intellectual property creations result from a grant or contract with the government (federal and/or state), or any agency thereof, or with a nonprofit or for-profit nongovernmental entity, or by private gift to The University of Texas System or the University shall promptly execute and deliver such documents and other instruments as are reasonably necessary for The University of Texas System or the University to discharge its obligations, expressed or implied, under the particular agreement (see Regents' *Rules and Regulations*, Rule 90102, Section 3.3).

4.2.5.3 Sharing of Royalty Income.

In the event that two or more persons who are entitled to share royalty income pursuant to section 4.2.4 of this policy (or equity pursuant to The University of Texas System Regents' *Rules and Regulations*, [Rule 90103](#) concerning equity interests) cannot agree in writing on an appropriate sharing arrangement, the President of the University shall determine that portion of the royalty income to which the creators are entitled under the circumstances and such amount will be distributed to them accordingly.

In the event that the creators are located at two or more University of Texas System institutions and cannot agree, such royalty (or equity) distribution decision shall be made by the involved institutions' presidents (or their respective designees). In the further event that the involved presidents cannot agree, then the Chancellor (or designee) shall decide and his/her decision shall be binding on the creators (see *Regents' Rules and Regulations*, Rule 90102, Section 3.4).

4.2.5.4. Geographical Scope of Protection.

A decision by The University of Texas System or the University to seek patent or other available protection for intellectual property covered by Section 4.2.2 of this policy shall not obligate The University of Texas System or the University to pursue such protection in all national jurisdictions. The University of Texas System's or the University's decision relating to the geographical scope and duration of such protection shall be final (see *Regents' Rules and Regulations*, Rule 90102, Section 3.5).

4.3 Equity Interests

Policies governing Equity Interests related to Intellectual Property are governed by *Regents' Rules and Regulations* Rule 90103.

4.3.1 Agreements with Business Entities

In agreements with business entities relating to rights in intellectual property owned by the University and The University of Texas System Board of Regents, the University may receive equity interests as partial or total compensation for the rights conveyed. In any such instance, the University may elect, at its option, to share an equity interest, dividend income, or the proceeds of the sale of an equity interest with the creator(s) in the same manner as royalties are shared pursuant to *Regents' Rules and Regulations* Rule 90102, Section 2.5. The University may also receive equity interests in a business entity as consideration for the institution's role as a founder or cofounder, or for other contributions made to the business entity other than as a licensor, and shall not be obligated to share such equity interests with the creator(s).

4.3.2 Creator Holding Equity and Managing Conflict of Interest

University employees who conceive, create, discover, invent, or develop intellectual property may hold an equity interest in a business entity that has an agreement with the University or The University of Texas System relating to the research, development, licensing, or exploitation of that intellectual property only so long as there is an effective conflict of interest management plan in place as required by *Regents' Rules and Regulations*, Rule 90103, Section 2. An effective conflict of interest management plan must be approved by the University President as set forth in Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest (<http://www.utsystem.edu/ogc/IntellectualProperty/ProcedureManagingConflicts.htm>).

In any case where actual conflict of interest is found, the employee may be required to divest the equity interest or terminate affected research.

4.3.3 Employee Equity Interests.

The University of Texas System or the University may, but shall not be obligated to, negotiate an equity interest on behalf of any employee as a part of an agreement between The University of Texas System or the University and a business entity relating to intellectual property conceived, created, discovered, invented, or developed by the employee and owned by The University of Texas System Board of Regents.

4.4 Business Participation and Reporting

Policies governing equity interests related to intellectual property are governed by Regents' *Rules and Regulations*, Rule 90104. When a University employee serves as an officer or member of the board of directors of a business entity that has an agreement with the University or The University of Texas System relating to the research, development, licensing, or exploitation of intellectual property, an effective conflict of interest management plan must be approved by the University President as set for in Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest (<http://www.utsystem.edu/ogc/IntellectualProperty/ProcedureManagingConflicts.htm>).

4.4.1 Report of Equity Interest and Service as Officer or Director.

Any individual subject to Regents' *Rules and Regulations* Rule 90101, Section 2, Rule 90103, Section 2 concerning conflict of interests, or Rule 90104 Sections 1 or 2, must report in writing to the President of the University the name of any business entity in which the person has an interest or for which the person serves as a director, officer, or employee and shall be responsible for submitting a revised written report upon any change in the interest or position held by such person in such business entity (see Regents' *Rules and Regulations*, Rule 90104, Section 3).

4.5 Execution of Legal Documents Related to Intellectual Property

Agreements that grant an interest in University and The University of Texas System Board of Regents intellectual property, including but not limited to option and license agreements and contracts with corporate sponsors may be executed and delivered in accordance with the provisions of the Regents' *Rules and Regulations* Rule 10501, after any required review by The University of Texas System's Office of General Counsel. Other policies governing execution of legal documents related to intellectual property are cited in Regents' *Rules and Regulations*, Rule 90105.

4.6 Income from Intellectual Property

4.6.1 Use of Income

The portion of the net income The University of Texas System or the University retains from royalties and any other intellectual property-related income shall remain with the University for it to use in its sole discretion (see Regents' *Rules and Regulations*, Rule 90106).