

By way of this certification, the Institutional Policy on Patents, Inventions, and their Commercialization of the University of Puerto Rico is established. This document provides a general overview of this policy to familiarize the reader with it. However, this document does not include all the details found in the original document, which should be read in order to attain full understanding of this policy.

I. Introduction

This policy grants the authority to seek, evaluate, and commercialize the inventions of the faculty, personnel, students, and anyone else employed or contracted to work for the University of Puerto Rico. Moreover, this policy establishes and governs a program to recognize, divulge, evaluate, patent, and market said inventions.

The University of Puerto Rico aims to protect and encourage the seeking of patentable and marketable inventions according to the laws of the Commonwealth of Puerto Rico and U.S. Patent Laws, including the Bayh-Dole Act of 1980, as amended.

II. Definitions

This section defines a series of important terms regarding this policy. Among these terms, the following stand out:

1. Employees: Refers to all full-time and part-time employees, including faculty, students, administrative and professional personnel, support personnel, faculty and visiting researchers, research assistants, scientists and visiting professors or any person whose services are paid for by the university.
2. Invention: Any discovery, invention, process, article of manufacture, design, model, technical development, biological material, varieties, culture of any organism, or any other related process.
3. Inventor: Member of members of the university community who have made a discovery or conducted research.
4. License: Refers to the permission granted by the patent or invention holder for others to use the invention.
5. Patent: A property right granted by the U.S. Patent and Trademark Office (USPTO)—or similar international offices—that permits the owner to exclude others from making, using, offering for sale, or selling an invention during the life of the patent.
6. Commercialization: The process of identifying companies or users interested in using the invention or patent in exchange for exclusive license, non-exclusive license, or any other type of agreement.

III. Objectives

This policy pursues four (4) main objectives:

1. To serve the public interest by providing a process through which the product of university research is made publicly available through patent disclosures, issuance of licenses, and the commercialization of inventions.
2. Boost research and development of ideas and inventions by assisting inventors in obtaining patents and by allowing them to share in the profits generated by the commercialization of patents.
3. Protect the interests of the university, its employees, and its students, with respect to patentable inventions developed through the university.
4. Provide the community, private sector, and other entities with services in educating, training, and providing assistance in the obtaining patents, issuing licenses, and commercializing a patent. These services will be offered by way of a written agreement, and the university will charge for its services.

IV. Scope

- This policy applies to all employees of and independent contractors with the university, both full-time and part-time, including faculty, professionals, scientists, personnel, students and visitors, visiting professors and scientists. This policy also includes any other person that uses

university facilities to carry out research and develop projects, or those persons who choose to make their inventions available to the university.

- This policy is considered part of the contracted conditions of employment of every employee of the university (including student employees), as well as of the conditions of enrollment and attendance of every student at the university.
- This policy does not apply to intellectual property rights related to copyrightable material.

V. Invention Ownership

- A. Inventions developed in the course of employment or studies are property of the university if they are developed in the work environment of the employee, in the normal activities inherent in teaching and academic research, in the course of studies or employment, or while using university funds, facilities, or other university resources.
 - i. Any employee interested in developing an invention under these circumstances must present a declaration of intent to this effect before initiating research and must submit it to the entity responsible for the administration of patent policy. Failure to comply with this requirement may result in subjection to administrative sanctions.
- B. Independently developed inventions (in spare time, outside of the employee's field of employment, and without the use of university funds, facilities, or other university resources) will be the individual property of the employee and will not be subject to this policy unless the owner assigns the property through an agreement between both parties.
 - i. All employees interested in sheltering their invention under these circumstances must present a declaration of intent to develop an independent project to the entity responsible for administering this policy.
- C. Inventions that arise from activities or research work sponsored by a third party (including government or private grants, sponsorships of specific inventions, consulting agreements, or any other similar agreements), are considered property of the university, unless the terms of the contract, grant, or other agreement with the sponsor stipulate otherwise.
 - i. All persons interested in initiating third party agreements must include the terms by which full or partial ownership of the invention to be developed will be granted to the university. The proposed agreement must be submitted first to the entity charged with administering this policy to review whether the proposed agreement is consistent with the purposes of this policy and to make all pertinent recommendations.
- D. The university will claim an equitable ownership interest in inventions developed in university facilities (or with university resources) that are the product of research conducted in collaboration with personnel from other institutions. All employees interested in engaging in collaborative research must submit the proposed collaborative agreement first to the entity that administers this policy.
- E. Laboratory notebooks and any other document related to research activities or the development of an invention will be property of the university.
- F. If after evaluating the invention, the university does not wish to pursue the steps to patent or commercialize an invention, the university's interests in the invention can be assigned to the inventor, subject to the approval of the president of the university. Such an assignment must be in writing and will not extend to improvements or additions to the original invention, which are subject to the ownership criteria expressed in parts A, B, C, and D, mentioned above.
- G. No employee may assign, transfer, concede a license, or form a contract regarding the rights of an invention that is property of the university (covered by the parts of this section) without the prior approval of the president of the university.

VI. Obligation to Disclose Discoveries and Inventions

- A. All individuals who generate discoveries or inventions under this policy must disclose them immediately, within a maximum period of thirty (30) calendar days from the moment of the discovery, to the entity that administers this policy. Failure to comply with this provision may result in subjection to administrative sanctions.
- B. Any person who makes the discovery or who is responsible for the invention must cooperate with the university in providing all the necessary information to facilitate the process of patenting or commercializing the invention.
- C. Lack of certainty as to whether the invention can be patented does not waive the requirement for disclosure. Invention-related information must always be disclosed.
- D. The disclosure will be considered confidential and will not be subject to public release. Failure to comply with this requirement will result in disciplinary measures.
- E. Individuals will provide all information related to the invention during the process of obtaining patent rights to ensure that the title of such inventions be held by the university as indicated by this policy.

VII. Distribution of Income

- A. The university will receive all the gross income arising from patents and their commercialization through the Office of the President. The president will determine the form, manner, and processes that are best for its administration and distribution.
- B. The president of the university, in consultation with the system-wide Technology Advisory Committee (TAC), will establish the percentage of profits corresponding to each person or entity. These figures must be publicly disclosed. Notwithstanding, the distribution must contain the following items:
 - i. One part corresponds to the inventor
 - ii. Another part corresponds to the inventor's campus
 - iii. Up to one third (1/3) to a special fund allocated to the administration of this policy
 - iv. The remainder, if any, will be used for other institutional purposes
- C. The net income from the invention assigned to the university or subject to an agreement will be distributed according to the terms of agreement.
- D. The inventor may transfer his/her corresponding share of profits to third parties or heirs as long as the transfer applies with the applicable laws. When having chosen to do so, the inventor must present the entity charged with administering this policy a notification of the effected transfer.

VIII. Administrative Responsibilities

A. Responsibilities of the President

- i. The president will be responsible for implementing and administering this policy. The president may delegate his authority to another person or entity to be responsible for carrying out these duties.
- ii. Also, the president, in consultation with the entity designated for administering this policy, will put in place a program for the sale or licensing of inventions or discoveries, so as to promote the commercialization of inventions and provide maximum investment benefit for both the university and the inventor.
- iii. The entity designated by the president to administer this policy will prepare an annual plan for the president's approval. Once the plan has been approved, the entity will report, as required, but at least annually, on patent disclosures, issuances of licenses, commercialization, and other activities, so that the president can evaluate the effectiveness of the system-wide program.

B. Responsibilities of the Chancellors

- i. The chancellors will be responsible for administrative matters relating to this policy on their corresponding campuses. Each chancellor may delegate his/her authority to any person or persons so they may carry out these responsibilities.
- ii. Each chancellor may appoint a representative who will serve as the liaison between that chancellor and the person or entity designated by the president to administer this policy.

IX. **Settling Disputes**

Should any dispute arise over the ownership of an invention or any provision contained within this policy, the controversy will be submitted for the consideration of the president, whose decision will be final and binding to all parties.

X. **Management of Conflict of Interest**

The inventors or persons who are working on a research project must notify the person or entity designated by the president of any conflict of interest (or appearance of conflict) that might result from any relationship that involves remuneration or economic benefit (directly or indirectly) for them or any of their relatives.

Should the university initiate contract negotiations related to any of its research, inventions, patents, technology transfer, or other related processes in which any employee or student or any of their relatives have any financial interest, direct or indirect, that employee or student must inform the chancellor of the campus and the person or entity designated by the president to administer this policy before the contract is signed.

Upon informing the entity designated by the president as to the conflict of interest (or appearance of conflict), this entity will then determine how to proceed in accordance with this policy and the applicable laws.

XI. **Technology Advisory Committee**

The president will appoint a system-wide Technology Advisory Committee (TAC).

Composition

- i. The president, on the recommendation of the chancellors of each campus, will appoint six (6) regular university employees actively engaged in research in scientific and technical disciplines. There must be one representative from the Mayagüez, Medical Sciences, and Río Piedras campuses. The remaining three (3) representatives may come from any of the other system units.
- ii. In addition to these six (6) members, two (2) public interest representatives will be appointed.
- iii. Both the director of the Legal Affairs Office of the Central Administration and the entity charged with administering this policy will be non-voting, *ex officio* members of the committee.
- iv. The vice-president for research and technology will be a regular voting member of the committee as well as the committee president.

B. Functions

- i. The committee will advise on the needs and problems that the entity charged with administering this policy brings before its consideration.
- ii. The committee will review situations in which problems arise over the implementation of this policy or the execution of the program for patenting, licensing, and commercialization, and will make recommendations on how to improve the processes, including, recommending amendments to the Institutional Policy, if necessary.
- iii. The committee may evaluate inventions brought before its consideration.
- iv. The committee will meet at least once a semester and will submit a report at least once a year on its conclusions and recommendations to the president.

XII. Amendments

This policy may be amended without affecting rights regarding inventions or payments already established. Amendments to this policy will be subject to the approval of the Board of Trustees, by recommendation of the president of the university.

XIII. Effective Date

Upon becoming effective, this policy nullifies Certification Number 18 (1991-92) as well as any other policies or rules on patents or inventions existing or in effect at that time. This policy became effective thirty (30) days after its registration at the State Department on May 16, 2003.