

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD  
ACADEMIC SENATE

CSUB PATENT POLICY

**RES 202117**

FAC

**RESOLVED:** that the Academic Senate recommend to the President the attached "Patent Policy, California State University, Bakersfield" be adopted by the campus.

**RATIONALE:** CSUB does not have a Patent Policy in place which leaves the campus liable to lawsuits. A CSU Task Force was created to address the lack of a formal policy systemwide. The Task Force (the Intellectual Property Committee) submitted recommendations to the Office of the Chancellor in 2016, including a proposed Patent Policy vetted by lawyers for the CSU system. The attached CSUB policy replicates that proposed policy with some minor revisions.

Attachment:  
CSUB Patent Policy



CSU Bakersfield

---

## Patent Policy, California State University, Bakersfield

---

[This document contains substantial word-for-word excerpts from the source cited in *Acknowledgment and Reference Note*]

### 1. Policy Objective

California State University, Bakersfield (CSUB), fosters innovation and encourages faculty, staff and students to translate results from their research, scholarly and creative activities for public benefit. In addition to the public benefit, these activities directly support CSUB's mission to educate students. Participation in research projects, scholarly work and creative activities has been proven to contribute to student academic and career success and increased graduation rates. The purpose of this policy is to provide guidelines and processes for determining the interests of CSUB, CSUB Auxiliary for Sponsored Programs Administration (SPA), Inventors and Sponsors in inventions created by CSUB personnel.

### 2. Policy Statement

Patents provide a means to encourage the development and utilization of inventions. In administering rights to inventions and patents for the public benefit where CSUB or SPA retains an interest in an invention, CSUB and SPA aim to encourage and assist members of the faculty, students and staff in the use of the patent system. CSUB and SPA determine ownership of patentable inventions in a manner that is equitable to all parties involved. The aim of promoting the progress of research by using the benefits of the patent system is consistent with the purposes for which it was established by Article I, Section 8, of the Constitution of the United States.

This policy is guided by federal law and ethics which require the disclosure of inventions achieved with federal grants. The Bayh-Dole Act requires universities to report inventions resulting from federally funded projects (*see* Regulations for complete list). The law also mandates that institutions have procedures for commercialization of disclosed inventions since economic development is a public good. This policy is also applicable to inventions made with non-federal funding. Nothing in this policy is intended to be inconsistent with CSU Collective Bargaining Agreements.

### **3. Policy Requirements**

#### ***a. Campus Intellectual Property Officer***

The CSUB President will designate a Campus Intellectual Property Officer (CIPO) as the authorized campus representative who is responsible for the management of inventions and patents, including, but not limited to, assignment and licensing as decided or recommended by the Campus IP Committee. It is the responsibility of the designated CIPO, under direction of the President, to establish and maintain procedures that achieve the following objectives:

- Provide appropriate encouragement and education to create a culture for research, creativity, innovation and entrepreneurship by faculty, staff, students and others associated with CSUB;
- Establish and maintain a Campus IP Committee, as needed, to advise on matters related to inventions and patents;
- Establish guidelines, processes and practices for determining the interests of CSUB, SPA, Inventors and Sponsors regarding inventions;
- Develop processes to determine and pursue the best use of the invention for the public good and/or to support the mission of the University; and
- Safeguard the interests of CSUB, SPA, Inventor and Sponsor.

#### ***b. Invention Disclosure***

CSUB and SPA will maintain a process for management and review of invention disclosures and make recommendations regarding the best use of disclosed inventions. Inventors will promptly and fully disclose to the Office of Grants, Research, and Sponsored Programs (GRaSP) all inventions conceived of, improved upon or reduced to practice while employed by CSUB. Inventors will execute such declarations, assignments or other documents as may be necessary to assure that title to certain inventions is being held by CSUB, SPA, or other designated parties in compliance with this policy. If the research/invention is supported by federal funds, GRaSP will disclose the invention to the federal agency supporting the applicable research program within two months after the Inventor discloses the invention in writing to GRaSP.

#### ***c. Multiple Inventors***

Invention disclosures will list all Inventors – faculty, students and others. GRaSP will establish a process for determining each inventor's contribution to the invention and for ensuring equitable royalty sharing among the inventors prior to filing a patent

application, consistent with the parameters for royalty sharing set forth within this policy.

***d. Rights to Inventions and Patents***

An agreement to assign inventions and patents to CSUB or SPA, except those resulting from permissible consulting activities without the use of CSUB Resources, is mandatory for all employees, for persons not employed by the CSUB but who use CSUB Resources and for those who receive grant or contract funds through CSUB or SPA. Such an agreement may be in the form of an acknowledgment of obligation to assign. Inventors will assign invention and/or patent rights to CSUB or SPA for inventions first conceived or reduced to practice under any of the following circumstances:

- within their Scope of Employment;
- with the use of CSUB or SPA Resources;
- under an externally funded agreement awarded to CSUB or SPA; or
- under an appropriately authorized 3rd party agreement (for non-funded agreements).

CSUB or SPA may return rights to the Inventor when the best interests and mission of CSUB or SPA are better served by such action, as long as there is no further use of CSUB or SPA Resources and no overriding obligations to third parties, including outside sponsors of research.

There is no joint ownership between CSUB and SPA and the Inventor. Rights to inventions or patents resulting from collaborative research of multiple Inventors from different entities are addressed among the parties in a separate written agreement. Assignment does not apply to any invention that qualifies fully under the provisions of the California Labor Code Section 2870, which states, *“(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer’s equipment, supplies, facilities, or trade secret information except for those inventions that either: (1) Relate at the time of conception or reduction to practice of the invention to the employer’s business, or actual or demonstrably anticipated research or development of the employer; or (2) Result from any work performed by the employee for the employer. (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.”*

*e. Patent Protection & Trade Secrets*

Patent Protection: GRASP is responsible for receiving and managing invention disclosures. GRASP will establish and maintain a process for determining within 90 days of invention disclosure: (1) whether disclosed inventions are rightfully owned by CSUB or SPA; (2) whether CSUB or SPA will release or retain rights in disclosed inventions; and (3) when/whether CSUB or SPA will seek patent protection.

Trade Secrets: Certain inventions or technologies may be licensable to industry as trade secrets. When kept secret, a trade secret gives its owner a competitive advantage over those who do not have access to the secret. In order to protect a trade secret, it is necessary for those having access to the trade secret to be bound by a contractual agreement preventing them from disclosing it. Use of trade secret protection should be approved by CSUB or SPA but should be used sparingly and cautiously. However, if public disclosure will inhibit a company's willingness to invest the necessary funds for product development and commercialization, CSUB or SPA, in consultation with the disclosing employee, may license the subject invention as a trade secret. Inventions falling within this category are subject to the Royalties section of this policy.

*f. Royalties*

CSUB and SPA will determine equitable distribution of income/royalties resulting from inventions within the parameters set forth in this policy. Subject to restrictions arising from overriding obligations of CSUB or SPA pursuant to gifts, grants, contracts or other agreements with outside organizations, CSUB or SPA, depending on which entity owns the intellectual property rights, will pay annually to the named Inventor(s), or the Inventor(s) heirs, successors or assigns net royalties from the patented invention, as follows:

1. 50% of net royalties, up to the first \$100,000
2. 35% of net royalties, between the first \$100,000 and the first \$1M
3. 25% of net royalties greater than \$1M

Distribution takes into consideration the proportion of the Inventor's contribution, CSUB or SPA costs, any provisions imposed by sponsors or other funding sources and any other applicable agreements concerning the invention. CSUB or SPA costs may include campus, auxiliary or Chancellor's Office expenditures (direct and/or indirect) related to patent management from invention disclosure through licensing, including patent prosecution, maintenance and tech transfer administration, among others. When appropriate, income distribution must be in compliance with the Bayh-Dole Act. In the event that the share of net licensing income (generated by intellectual property covered by this Patent Policy) received by CSUB or SPA providing tech transfer services

exceeds the operating costs of such services in any fiscal year, CSUB or SPA will pay to the CSU for that fiscal year 5% of the net licensing revenues and income received in excess of the operating costs of its tech transfer services. All licensing income paid to the CSU is used in CSU's systemwide efforts to support research and innovative endeavors resulting in intellectual property, including without limitation providing assistance with tech transfer and licensing efforts, protection and enforcement of intellectual property rights, and providing support and training to CSU faculty, staff and students on intellectual property issues.

***g. Student Inventions***

Students will assign invention and/or patent rights to CSUB or SPA for inventions first conceived or reduced to practice under any of the following circumstances:

- collaborating on research projects with CSUB faculty members (including faculty-supervised graduate thesis or dissertation work);
  - as a student or research assistant employed by or commissioned by the CSUB or SPA;
- or
- under an externally funded agreement awarded to the CSUB or SPA.

Except for those situations identified above, any invention conceived or first reduced to practice by a student at CSUB during the normal course of their education (including homework assignments, laboratory experiments, and special and independent study projects) is owned by the student. The University does not claim ownership of such inventions.

Situations may occur where students are presented with the opportunity to participate in projects or activities in which the ownership of any resulting inventions must be assigned either to CSUB or SPA, or to a sponsoring entity (such as a company), as a condition of the student's participation. Students are never required to participate in projects or activities that relinquish the student's rights to the invention to CSUB, SPA, or another entity. In situations where participation is required for course completion, but the student is not prepared to waive her or his rights, CSUB must provide an alternative that allows the student to retain rights to their inventions.

***h. Reporting***

GRaSP will report the following information to the Chancellor's Office annually (by September 30th of each fiscal year):

- number of Invention Disclosures received;

- new patent applications filed;
- new licenses and options executed;
- gross license income received;
- licenses/options yielding income;
- legal fees expended;
- legal fees reimbursed;
- U.S. patents issued;
- total cost of tech transfer services provided by CSUB and SPA; and
- net license income supporting CSUB- and SPA-provided tech transfer services.

Information reported will be used to inform the Chancellor and Board of Trustees and assist the Chancellor's Office in identifying resources necessary to support CSU innovation.

#### **4. Definitions**

Assign/Assignment: Transfer of patent ownership rights from one person/entity (the "assignor") to another (the "assignee").

CSU: The Trustees of the California State University or California State University System, which includes all 23 individual campuses within the California State University System. For purposes of this Policy, the term CSU also includes associated CSU campus auxiliary organizations where the auxiliary organization is the entity responsible for management of intellectual property, compliance with the Bayh-Dole Act or is assigned the rights to the invention for the benefit of the CSU.

CSUB or SPA Resources: Any combination of the following constitute support in the form of resources by CSUB or SPA:

- CSUB, SPA, or campus funds, regardless of source, which are administered under the control, responsibility or authority of the CSUB or SPA;
- CSUB staff, including student assistants, support staff, administrative support, etc.; or
- use of facilities, including buildings, equipment and any other facility or asset under the control of the CSUB or SPA.

Inventor: CSUB faculty, staff or student who contributes intellectually to the conception of a claimed invention.

Permissible Consulting Activities: Professional or scholarly services provided by CSUB employees for outside compensation, which do not interfere with assigned CSUB duties, do not utilize CSUB Resources, and are not prohibited by terms of the CSUB employment contract or other applicable CSUB agreements or policies.

Scope of Employment: Any work an employee is expected to perform as part of the employee's assigned duties, including work that contributes to the employee's tenure, promotion or professional development and/or work performed with the use of CSUB Resources or under an externally sponsored agreement. Excludes work performed outside of the employee's CSUB appointment and not performed with the use of CSUB Resources (see Permissible Consulting Activities).

Trade Secrets: Information that qualifies under the Uniform Trade Secrets Act, Cal. Civil Code § 3426 et seq., including a formula, pattern, compilation, program, device, method, technique or process, that derives independent economic value from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Cal. Civil Code § 3426.1(d).

## **5. Acknowledgement and Reference Note**

This document replicates, with minor revisions, the proposed Patent Policy section of the *Intellectual Property Policy Committee Report and Recommendations* submitted by the Intellectual Property Committee to the California State University (CSU) Office of the Chancellor in December 2016. Significant portions of this document are lifted directly from that report.