



Vice President for Academic Affairs

Minot State University Intellectual Property Policy and Procedure

Approved by Faculty Senate April 18, 2019; revised and approved by Faculty Senate 12/5/2019

1. General Principles

- a. Minot State University (MSU) encourages and promotes research and scholarship based upon the traditional principles of the academic profession. Some creative endeavors, discoveries, advancements, and innovative approaches have the potential to be distributed and utilized outside of MSU. Through this policy, MSU seeks to execute a synergistic model of education, research, outreach, service, and economic development to accomplish a greater good.
- b. This policy and procedure is written under the authority of and in compliance with North Dakota State Board of Higher Education (SBHE) Policy 611.2: Employee Responsibility and Activities: Intellectual Property (last amended November 30, 2017).
- c. The primary purposes of this policy are to:
 - i) Provide clear guidance for all involved in the creation, development, management, protection, and dissemination of discoveries and intellectual property (IP) at MSU.
 - ii) Provide for an effective and efficient process to achieve positive outcomes for creators and MSU.
 - iii) Effectively manage all interests that may emerge in relation to discoveries that have commercial value or other desirable outcomes and provide guidance as to which of these interests or outcomes has priority.
 - iv) Place creative output into practical use for public benefit as quickly and as effectively as possible, and in a manner consistent with applicable laws and public policy.
 - v) Facilitate the creation of appropriate public-private relationships to support economic development.
 - vi) Encourage a broad array of mutually beneficial relationships with organizations outside of MSU and the North Dakota University System.

2) Definitions

- a) Creator: A person who contributes in a significant manner to the development of IP.
- b) Intellectual Property (IP): Collectively, any form of property created by the mind, including, but not limited to, inventions, trade secrets, copyrights, trademarks, mask works, and any other tangible research results.

- c) Invention: A process, method, discovery, device, plant, composition of matter, know-how, or other discovery that reasonably appears to qualify for protection under United States patent law, whether or not actually patentable. This includes patent-eligible software that may also be copyrightable.
- d) Net Royalties: Gross revenues, including all royalties, licensing, and other fees generated as a direct result of IP, less the actual out-of-pocket expenses incurred in procuring and maintaining protections, marketing, licensing, and enforcing rights in such IP.
- e) Significant Use of Resources: A creator's use of MSU facilities, equipment and/or employees' time that appreciably increases the costs for MSU beyond those normally incurred. Significant use does not include the creator's own time (including developmental leave) or the normal use of facilities or equipment commonly available to faculty, staff, or the public, such as libraries, internet access, office space, office equipment, computers, and/or office supplies.

Course materials (including syllabi, course notes, lecture power point presentations, recorded online courses, textbooks) developed in conjunction with class teaching are also excluded from the "significant use" category, with the exception of textbooks that were developed using MSU administered funds *paid specifically to support textbook development*.

- f) Works for Hire:

EMPLOYEES: A "work for hire," as defined by law, is a work product created in the course of the author's employment. Copyright of the work product in these situations belongs to the employer. For example, results of work assigned to *staff programmers* or *writers of university publications* are considered to have been created in the course of the author's employment and are the property of MSU.

NON-EMPLOYEES: Under the Copyright Act, copyright of commissioned works of non-employees is owned by the author and not by the commissioning party unless there is a written agreement to the contrary.

3) General Patent Policy

- a) All rights in inventions and copyright ownership of materials, including software, made or created by MSU faculty, students, staff, and others participating in MSU programs, including visitors, are as follows:

MSU OWNED: Patents and copyrights including software developed by faculty, students, staff and others, including visitors participating in MSU programs or using MSU funds or facilities, are owned by MSU *when either of the following applies:*

1. The intellectual property was developed in the course of or pursuant to *a research sponsored agreement* with MSU; or
2. The intellectual property was developed *with significant use of funds or facilities* administered by MSU, as defined in Section 2e "Significant Use of Resources" (see page 2).

3. All copyrights, including copyrighted software, will be owned by MSU when it is created as a “work for hire” as defined by copyright law, see Section 2f “Works for Hire” (page 2) or created pursuant to a written agreement with MSU providing for transfer of copyright or ownership to MSU.

CREATOR/AUTHOR OWNED: Creators/Authors will own patents/copyrights/materials when none of the situations defined above for MSU-Ownership of intellectual property applies.

Any and all exceptions to this policy, except as otherwise provided herein, shall be determined and approved by the Vice President for Academic Affairs (VPAA) and the Vice President for Administration and Finance (VPAF).

b) Patents: Protection

Although patent protection is sometimes sought for various noncommercial reasons, such as professional status, MSU will not seek protection for inventions which are not commercially attractive--even if the invention is intellectually meritorious—unless otherwise requested by the sponsor of the research.

It is important to understand at the outset that any publication (*or even verbal public disclosure*) which describes an invention prior to filing for a patent may preclude patenting in foreign countries altogether, and may also preclude protection in the United States unless a patent is filed within one year from publication.

c) Patent Procedures:

- i) The Creator provides timely disclosure of IP by submitting an MSU Intellectual Property Disclosure Form to the Vice President of Academic Affairs (VPAA).
- ii) Once an MSU Intellectual Property Disclosure Form is submitted, the VPAA will begin the process of evaluating the invention for patentability, commercial potential and obligations to sponsors. *The first step will typically be a meeting with the creator.*
- iii) The VPAA will promptly notify creator if MSU is not interested in filing a patent application or otherwise retain title to the creation after disclosure is made to MSU. In this case, MSU shall, upon request, release its rights in such IP to the creator by completing an Assignment of Invention Title form.
- iv) If MSU is interested in filing a patent application, the creator will collaborate with the MSU’s legal counsel to prepare the patent application.

d) When there are two or more creators, each creator shall share equally in the creator’s share of net royalties unless all have agreed in writing to a different distribution of such share. MSU will honor any agreement purporting to share rights and/or royalties between participating parties to the fullest extent permitted under applicable law. In cases of joint development where creators are employed at two or more institutions, MSU will enter into an inter-institutional agreement with the other institution(s).

e) If at any time MSU decides not to pursue, or otherwise to discontinue its protection and commercialization of any IP, MSU shall notify the creator. In the absence of overriding obligations, MSU shall, upon request of at least one creator, release its rights in such IP to the original assignor,

subject to an obligation to reimburse the institution for its actual out-of-pocket costs in the event of a commercial windfall. However, under no circumstance may the creator to whom rights are released use the name of MSU or the NDUS system in connection with subsequent development, use, or marketing of the IP.

- f) The creator may request IP rights be released, even in the absence of a prior decision by MSU to discontinue protection. MSU shall have the discretion to grant such a request, provided that the creator reimburse MSU for its actual, out-of-pocket costs incurred in pursuing formal protection of the IP.
- g) Subject to any overriding obligations, creators, or the creators’ heirs, successors, or assigns, shall be entitled to a minimum 40% of the net royalties received by MSU in connection with the creators’ IP. Royalties provided for MSU are to be utilized principally in support of research.

Net Royalties	Creator(s)	MSU	Dept./Division
≤ \$250,000	50%	40%	10%
\$250,001 - \$500,000	45%	45%	10%
> \$500,000	40%	50%	10%

Specifically, the creator’s interest is 50% for the first \$250,000 of net royalties, 45% for the next \$250,001-500,000, and 40% for more than \$500,000. For example: If in year 1, a creator’s royalties were \$200,000, the creator would receive 50%. If in year 2 the creator’s royalties increased by an additional \$1,000,000, then the creator would receive 50% for \$50,000 of the \$1,000,000, 45% for the next \$250,000, and 40% for the remaining \$700,000.

- h) IP resulting in work created by an MSU employee outside the scope of employment and without the use of institutional resources belong to the employee.

4) General Copyright Policy

Copyright ownership policy is covered in the Section 3a “General Patent Policy”. Specifically,

- a) MSU owns copyright in works prepared by its employees if:
 - i) the work was created in the course of a research sponsored agreement;
 - ii) if the work was created with significant use of funds or facilities administered by MSU (Section 2e);
 - iii) if the work was created at the specific direction of MSU (“Works for Hire”, Section 2f)
 An employee shall report such work in accordance with the General Patent Policy set forth in section 3. Net royalties received by MSU as a results of copyright ownership will be disbursed in accordance with the General Patent Policy set forth in section 3.
- b) The employee owns copyright in works that are prepared within the scope of employment, when none of the situations defined above for MSU-Ownership applies.

Specifically, the faculty own the copyright in course materials (including course notes, lecture power point presentations, recorded online courses, textbooks) developed in conjunction with class teaching, with the exception of textbooks that were developed using MSU administered funds paid specifically to

support textbook development. MSU can use the said course materials for teaching purposes only with the written permission of the Creator/Author.

For course syllabi, the faculty own the copyright to those parts of the syllabus that are created by the instructor. The faculty do not own the copyright to those parts of the syllabus provided by the campus to be included in every syllabus (e.g., Title IX Statement, Access Services Statement) or those parts which are program- and course-specific (e.g. student learning outcomes, course objectives, course description).

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- c) MSU may relinquish its copyright ownership that arises by operation of law and, if necessary, execute assignments conveying such copyright ownership to employees. As a condition of such relinquishment or assignment, MSU shall retain a perpetual, non-exclusive, worldwide, and royalty-free license to use the work for teaching, educational, archival, and research purposes. This subsection shall not apply to companion works that enable, or are incidental to or necessary for the practice of, an invention owned by MSU under this policy.
 - i) In the event an employee has made a significant use of resources in the creation of a work governed by this subsection, MSU may require the employee to reimburse MSU for the value of such use.
 - ii) MSU employees shall not use any work governed by this subsection, including textbooks and other course materials, either printed or electronic, in any manner that competes in a substantial way with the for-credit offerings of MSU unless such use has received the approval of the VPAA and the VPAF.

5) Trademark Policy

- a) MSU shall maintain a portfolio of trademarks and service marks that are used in any manner to identify MSU in conjunction with goods and services, including goods or services offered in the course of MSU's business activities.
- b) MSU shall be listed as the owner of any trademark or service mark for which an application for registration is filed. Trademarks and service marks shall be filed, prosecuted, registered, and maintained by MSU at MSU's expense.
- c) Any transfer of ownership in a trademark or service mark to or from MSU must include all rights in the mark, including goodwill.
- d) MSU may license to a third party rights in one or more trademarks or service marks owned by the institution. Any such license must, at a minimum, reserve to MSU the express right to monitor and supervise the use by licensee of the mark(s).
- e) Trademarks and service marks developed by faculty, students, and staff of MSU shall be treated in the same manner as other forms of IP.

6) Student IP

- a) MSU will not require an assignment of IP rights from a student unless at least one of the following applies:
 - i) The student received financial support from the institution, in the form of wages, salary, stipend, or grant funds, for the research and/or activities that lead to the development of the IP.
 - ii) MSU is contractually obligated to require such assignment.
 - iii) The IP was developed with significant use of resources and the retention of such rights by the student would substantially impair a mission of MSU.
 - iv) The IP was a companion work that enabled, or was incidental to or necessary for the practice of an invention owned by the institution under this policy.
 - v) The student expressly agreed to make such assignment.
 - vi) The IP comprises marks and/or logos used or intended to be used solely or primarily by MSU in conjunction with MSU's offering of goods or services, including but not limited to MSU's Department of Athletics.

- b) MSU will not require a license in IP from a student unless at least one of the following applies:
 - i) The IP comprises copyright in a thesis.
 - ii) The IP arose from a multi-semester classroom project administered by an MSU employee, such as a senior design project, and the license is necessary for MSU to continue administering the project.
 - iii) In the absence of such license, a mission of MSU would be substantially impaired.
 - iv) The student has expressly agreed to grant such license.

- c) In the event an assignment by this section is made, the student making such assignment shall be treated as a creator and shall be entitled to all right and benefits of creators under this policy.

- d) Licenses required by this section shall be non-exclusive, non-commercial, perpetual, and royalty-free, unless otherwise agreed to by MSU.

- e) Nothing in this section shall be construed to prevent a student from voluntarily entering into a relationship with MSU concerning IP.

- f) When a student works on a faculty's research project, then the student does not become a Creator and does not acquire IP rights, unless there is a written agreement to the contrary.

- g) When a student works on a faculty's research project, then the faculty may request that the student sign the MSU Confidentiality and Non-Disclosure Agreement for Student Participation in Faculty Research.

7) Other provisions

- a) MSU may assign or transfer ownership rights in IP to a foundation defined in SBHE policy. Such assignment or transfer shall be in writing and signed by the MSU President or designee.

- b) It is the responsibility of MSU employees to ensure that the terms of their consulting agreements with third-parties or the conditions of developmental leave do not conflict with this or any other SBHE or MSU policy.