



UNIVERSITY POLICY

Section: 50.3.19

Section Title: Governance & Legal Matters: Legal Matters

Policy Name: Patent Policy

Formerly Book: Policies 50.3.1 (formerly Book 6.4.1) and 50.3.14 (formerly Book 00-01-05-30:05, formerly Policy 90.4.1) merged into Policy 50.3.19

Approval Authority: Executive Vice President for Academic Affairs

Responsible Executive: Senior Vice President for Research

Responsible Office: Office for Research

Adopted: 09/14/1962

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1. Policy Statement

This policy sets forth the University's patent policies for all Rutgers personnel, including faculty, staff, and students.

2. Reason for Policy

To provide guidelines to assist the University's administration of inventions and patents.

3. Who Should Read This Policy

All University personnel, including faculty, staff, and students.

4. Resources

[Rutgers Research: Commercialize Your Innovation](#)

[Rutgers, The State University of New Jersey Code of Ethics: General Conduct](#)

[University Policy 60.3.2: Outside work for Non-Academic Employees](#) (Legacy Rutgers)

[University Policy 60.5.8: Conflicts of Interest – Faculty Professional Activities Outside the University and Outside Employment for Academic Personnel](#)

[University Policy 60.5.9: Faculty or Staff Involvement with Commercial Enterprise – Contracts with the University](#)

[University Policy 60.9.21: Outside Employment](#) (Legacy UMDNJ)

All policies are subject to amendment. Please refer to the Rutgers University Policy Library website (policies.rutgers.edu) for the official, most recent version.

[University Policy 90.2.5: Investigator Conflict of Interest](#)

[U.S. Public Law 96-517, Bayh-Dole Act](#)

5. Definitions

Incidental Use of University Resources: The ordinary use of computers or office and library facilities generally made available to University faculty, staff, or students.

Innovation Ventures: A unit of the Office for Research responsible for the identification, protection, and licensing or other commercialization arrangements for rights in Inventions arising at the University.

Invention: Patentable or potentially patentable inventions, discoveries, materials, or know-how, regardless of whether reduced to practice or actually patented.

Inventor(s): An individual subject to this policy (as set forth in Section 6.A) who creates an Invention.

Licensing Revenue: All monetary consideration received by the University in exchange for licensing rights in an Invention or from the assignment or other monetization of rights in an Invention. Licensing Revenue expressly excludes any consideration received by the University for the reimbursement of expenses related to an Invention or its protection, as administrative fees under a joint management agreement, or for the performance of research or services by the University, even if such research or service is related to an Invention.

Research or Academic Unit: A department, school, center, institute, or other unit of the University, which may include the New Jersey Agricultural Experiment Station, the Responsibility Center Management level, and the Chancellor level.

Scope of Employment: All activities in the field, discipline, or area of principal competence for which an individual is employed by the University, or in the individual's job description, including the general responsibilities of faculty to teach, conduct research, and other scholarly activities, provide clinical care, and perform community, school, and University service.

Sponsored Research: Research or development activities carried out via grants, contracts, cooperative agreements, and other agreements with third parties administered by the University.

TechAdvance Commercialization Fund: Early-stage technology fund administered by Innovation Ventures that provides financial support and business expertise for the University and its members to advance promising technologies toward commercialization.

University Resources: University funds (including Sponsored Research funds), facilities, materials, equipment, services, and/or personnel.

6. The Policy

The Patent Policy of Rutgers, The State University of New Jersey, was adopted by a resolution of the Board of Governors in 1962. It was amended in 1974, 1986, 1996, 2013, 2020, and 2021.

- A. **Scope and Applicability.** Rutgers, The State University of New Jersey is dedicated to the principle of service in the public interest, to excellence in education at all levels, and to the advancement of knowledge through research and scholarship. Some knowledge can be reduced to practice as useful inventions that directly benefit the public. It is the University's intent to make these inventions available to the public at the earliest possible time, using means appropriate for

a publicly-supported institution to recognize and reward its Inventors and research sponsors as well as serve its own interests. This policy is designed to promote a spirit of inquiry, encourage creative activity, and enhance the University's educational and research missions to benefit the economy of New Jersey and the public Rutgers serves.

This policy applies to all instructional, research, and administrative units of the University and to all University personnel, including faculty and staff holding appointments at or employed by the University, persons holding any form of research appointment, visiting professors, and visiting scientists with or without salary, undergraduate and graduate students, graduate assistants, teaching assistants, and post-doctoral fellows, and all volunteer (unpaid) faculty, volunteer non-faculty staff and interns, and any other persons using University Resources.

B. Requirement to Disclose and Assign Rights to the University.

1. Disclosure Obligation. All Inventors shall promptly and fully disclose to the Associate Vice President of Innovation Ventures at the Office for Research or his/her designee all Inventions covered by this policy. This policy shall not be construed so as to infringe upon the rights of all persons connected with the University freely to pursue research and publish the results obtained. However, it is the obligation of the Inventor to disclose his/her Invention in accordance with this policy before he/she discloses the same to the public and soon enough to permit timely assessment for potential filing of a patent application.
2. Ownership of Inventions. The University owns all domestic and foreign rights, title, and interest in, and to any and all Inventions made or developed by persons subject to this policy either in the Scope of Employment by the University or through more than Incidental Use of University Resources. Each Inventor agrees to assign and hereby does assign all rights in such Inventions to the University. Laboratory notebooks and all other documents pertaining to research activities are records necessary for the University to document an Invention or discovery and to support a related patent application and are the property of the University.
3. Condition of Participation. Compliance with this policy is a condition of employment, participation in Sponsored Research or study at the University, and/or more than Incidental Use of University Resources. By accepting employment, participating in Sponsored Research or study or making more than Incidental Use of University Resources, each individual subject to this policy evidences agreement with the terms of this policy and thereby does assign to the University, all right, title, and interest to intellectual property as provided by this policy. This assignment is effective as of the first date of an individual's employment, matriculation, participation in research, or use of University Resources, facilities, or funds, whichever occurs first, regardless of whether such individual has at that time, or since, executed a formal intellectual property assignment agreement. Anyone subject to this policy as described in Section 6.A. (Scope and Applicability), will promptly confirm their consent to this policy in writing upon request. In the event that an Invention arises out of an agreement between the University and another party, then the Inventor will be bound by the terms of that agreement as well as this policy.
4. Students. The University will disclaim ownership of Inventions created by undergraduate and graduate students under certain circumstances. Undergraduate and graduate students will be deemed to own their Invention unless it is conceived or reduced to practice: (a) under a Sponsored Research agreement or other agreement with a third party; (b) within the scope of faculty-supervised graduate thesis or dissertation work; (c) within the scope of the student's employment with the University; or (d) with more than Incidental Use of University Resources. The University shall retain the right to practice student-owned Inventions for educational and research purposes. Students shall comply with all provisions of this policy concerning the disclosure of Inventions.

5. Personal Inventions. Individuals who have reached an agreement with Innovation Ventures for the University to pursue Inventions not owned by the University and in which the individuals have full rights will be required to assign to the University his/her rights to the Invention, which will then be administered as an Invention owned by the University and be subject to this policy.
 6. Conflicting Obligations. In the event that any person subject to this policy is, or proposes to become, also subject to an agreement or policy elsewhere that would prohibit assignment of Invention rights to the University, it shall be the obligation of that person to so inform, through their academic superordinates, the Senior Vice President for Research or designee before entering upon a program of study at, entering the employment of, accepting any form of support from, or using University Resources, or entering into the conflicting obligation, as applicable. Upon such notification, the University will enter into a specific, written agreement respecting the rights and obligations of each involved party in regard to Inventions. In the absence of such written agreement, the provisions of this policy shall apply.
 7. Outside Activities. University employees shall be mindful of University regulations involving professional activities outside the University and outside employment, including consulting activities covered by [University Policy 60.5.8: Conflicts of Interest – Faculty Professional Activities Outside the University and Outside Employment for Academic Personnel](#), as these regulations relate to the obligation of employees to disclose and assign rights to Inventions to the University under this policy. In no case will University employees assign to others rights to any Invention that is the property of the University under this policy, including under any consulting arrangement, unless the University is party to the agreement and has specifically agreed to such an assignment. If an employee proposes to engage in consulting activity that may be deemed related to specific research conducted at the University or with University Resources by the employee or by others under the employee's direction, the employee will submit any intellectual property/consulting agreement for review by the Associate Vice President for Innovation Ventures or his/her designee to confirm that such agreements do not inappropriately assign University rights to third parties.
- C. **Return of Rights through a License or Assignment.** If the University elects not to file a patent application or otherwise protect or commercialize an Invention disclosed to the University, this decision will be communicated promptly to the Inventor(s). Upon request from the Inventor(s) to pursue a patent application and commercialization independent of the University, the University may, at its sole discretion and under conditions it deems appropriate, grant such permission through a license and/or assign to the Inventor(s) some or all of its rights to such Inventions. In exercising its discretion, the University shall take the following items into account: the public interest; the interests of sponsors, including the provisions contained in an agreement with a sponsor executed prior to the initiation of the research activity which led to this discovery; the interests of the Inventor and the University; and such other considerations as it deems appropriate. In every case, the University will retain for itself and other nonprofit and governmental entities a non-exclusive, royalty-free license to practice the Invention for educational, research, and patient care purposes and for other internal University purposes.
- D. **Reservation of Rights in Sponsored Research.**
1. U.S. Government. Ownership of Inventions and patents claiming those Inventions arising from work sponsored by Federal agencies are subject to the provisions of Public Law 96-517, the Bayh-Dole Act as amended, other applicable law, and the provisions of this patent policy. The Bayh-Dole Act clearly sets forth as the objective of Congress the utilization of the patent system to “effectuate the transfer of government-funded inventions to the public,” and gives nonprofit institutions a right of first refusal to title in inventions resulting from research performed with the support of Federal contracts and grants.

2. Bayh-Dole Act Requirements. The Bayh-Dole Act mandates that the University require disclosure and assignment of Inventions arising under federally-funded research. Individuals participating in Sponsored Research funded by Federal agencies confirm that they are subject to and will comply with obligations under this policy to disclose all Inventions and to assign to the University and to execute all documents and take such other actions as reasonably required to perfect intellectual property rights in Inventions and to confirm the foregoing in writing upon request.
3. Other Sponsors. Ownership of Inventions and patents claiming those Inventions arising from Sponsored Research funded by other external sponsors shall be subject to specific provisions contained in agreements with those sponsors which have been executed by an appropriately authorized individual in accordance with University regulations.

E. Distribution of Licensing Revenue.

1. Objective. The University will share with Inventors Licensing Revenue actually received by the University according to a schedule of distribution designed to recognize the Inventor's creativity, the Research or Academic Unit as an innovative environment, and the administrative activities necessary for Inventions to be successfully licensed for commercialization.
2. Licensing Discretion. The University has the sole right in its discretion to enter into licensing or other monetization agreements concerning income on Inventions and related intellectual property or to assign or sell rights to Inventions to a third party for income where such license, assignment, or sale will enhance the mission of the University and serve the people of New Jersey. These agreements may include terms, such as nonexclusive and royalty-free, which could influence or even obviate Licensing Revenue. The University does not act as a fiduciary or agent for any Inventor concerning potential income not actually received by the University and no Inventor has any interest in, or legal right to, such potential income.
3. Third Party Agreements. Any obligation of the University to share Licensing Revenue with a third party, whether under a Sponsored Research agreement, a patent management agreement, or other agreement, will be deducted before Licensing Revenue for distribution is calculated. In the case of an Invention made jointly by Rutgers' personnel and personnel from an external organization or institution or an individual Inventor without institutional affiliation, distribution of income will be governed by the terms of any contractual agreement entered into by the University upon the initiation of the activity which led to the Invention. In the absence of such a contractual agreement, the Associate Vice President for Innovation Ventures or his/her designee will negotiate an agreement concerning the distribution of income.
4. Distribution Schedule. Licensing Revenue shall be subject to the following distribution schedule.

Inventor(s)	35%
Research or Academic Unit(s)	30%
TechAdvance Commercialization Fund	5%
Innovation Ventures	30%

5. Inventor Allocation and Portability. Inventor allocation of Licensing Revenue will be payable to Inventors whether or not employed at the University and is transferable by assignment, will, or intestate succession. It is the responsibility of the Inventor to provide notice of updated contact information to the University. The Inventor may elect to deposit all or part of

the Inventor's share in a University account to support his/her research.

6. Multiple Inventors or Inventions. In the absence of a specific written agreement to the contrary between the Inventors and filed with the Associate Vice President for Innovation Ventures, the University will distribute Licensing Revenue: (i) equally among multiple Inventors, and (ii) equally among all licensed Inventions covered by a single license where the license does not assign values or otherwise allow reasonable determination of the value attributable to each Invention. In certain instances, non-Inventor contributors may be included with Inventors for income distribution purposes, provided that all Inventors and such non-Inventor contributors agree to such inclusion as evidenced by a written agreement signed by all parties.
7. Research or Academic Unit. The allocation of Licensing Revenue to Research or Academic Unit is intended to recognize and reward those units that provide an environment that fosters creativity and innovation. In most instances, the Research or Academic Unit allocation will be distributed equally between the Inventor's department and the school. Primary consideration in the distribution of these funds shall be given to the support of the Inventor's research and in instances where the Invention resulted from laboratory research, a portion of the Research or Academic Unit allocation will be distributed to the originating laboratory. Due to existence of diverse organizational structures across the University and its institutions and diverse approaches to fostering creativity and inventorship across disciplines, the University may establish additional guidelines for the distribution of Licensing Revenue to Research or Academic Units as may be required. The Associate Vice President for Innovation Ventures may consult with the Inventor and with the chair, dean, or director of all Research or Academic Units in which the Inventor is budgeted or affiliated to assess the relative contributions to the research or activity that resulted in the Invention. The allocation determination is subject to the approval of the appropriate Chancellor.

Allocations of income to Research or Academic Units generally will remain unchanged should the Inventor relocate within or outside the University, or in the event of death or retirement of the Inventor. Should a Research or Academic Unit receiving income be disestablished, its share of income will be assigned as determined by the appropriate Chancellor.

8. Innovation Ventures. The allocation of Licensing Revenue to Innovation Ventures is intended to support the budget for out-of-pocket costs for protection and commercialization of Inventions and other non-salary operating costs. Spending of Innovation Ventures' allocation will be reviewed on an annual basis by the Executive Vice President – Chief Financial Officer and University Treasurer and the Senior Vice President for Research. Associate Vice President for Innovation Ventures shall report on an annual basis on activities of the Innovation Ventures to a committee comprised of the Senior Vice President for Research and the appropriate Chancellor(s) or their designees and representative research deans and faculty. It shall be the responsibility of this committee to advise the Associate Vice President for Innovation Ventures on the interpretation of this policy and such matters as the Associate Vice President for Innovation Ventures or Senior Vice President for Research may deem appropriate.
9. Program Surplus Reallocation. Licensing Revenue allocated to Innovation Ventures in excess of the out-of-pocket costs for protection and commercialization of Inventions and other non-salary operating costs will be reallocated on an annual basis according to the following schedule. The Chancellors reallocation will be distributed to the Chancellors proportional to the contribution of each Chancellor's unit to the Licensing Revenue that year. The primary consideration for this Surplus Reallocation will be to support initiatives that promote the development of an innovation ecosystem at the University and to support and

grow research and cross-chancellor research efforts and initiatives throughout the University.

Chancellors	50%
Senior Vice President for Research	50%

- F. **Equity.** The University has the right, at its sole discretion and under conditions it deems appropriate, to enter into agreements involving equity. The terms of agreement involving equity and the distribution of income on equity will be negotiated by the Associate Vice President of Innovation Ventures or designee. Proceeds from equity will become Licensing Revenue only if and when the University sells the equity for cash. Decisions regarding if and when to sell equity will be made by the Senior Vice President for Research in consultation with the Office of Finance.
- G. **Timeliness of Decisions.** The University shall make reasonable efforts to act expeditiously under the circumstances in arriving at all decisions under this policy. From the time of disclosure, Inventors will work in close collaboration with an assigned administrator or licensing manager who will monitor progress of the Invention through the University process. Under normal circumstances an Inventor can expect an initial response to a disclosure from the administrator within sixty (60) days. Appeals for action on a basis of timeliness may be made as needed by the Inventor.
- H. **Administrative Authority.** The Senior Vice President for Research shall have final and binding authority to interpret and enforce this policy, and to resolve any disputes under this policy.
- I. **Adjustments and Exceptions.** The Associate Vice President for Innovation Ventures may modify the distribution of Licensing Revenue in the event of new information relating to inventorship or other extraordinary circumstances that require a change in distribution to avoid an inequitable result. From time to time, it may be in the best interests of the University to make exceptions to the provisions of this policy. The University may, in its discretion, make exceptions after consultation with the appropriate University officials and administrators and only upon written agreements signed by individuals authorized to grant such exceptions on behalf of the University. In the event that an Invention generates unusually high levels of Licensing Revenue, the University may, in its discretion, revise the Surplus Reallocation of Licensing Revenue to Chancellors and the Senior Vice President for Research. The revision determination will be made by the Executive Vice President for Academic Affairs in consultation with the Executive Vice President – Chief Financial Officer and University Treasurer, the Senior Vice President for Research, and the appropriate Chancellor(s).
- J. **Effectiveness.** This policy is effective as of July 1, 2021 and is applicable to all Inventions existing at that time or later created. This policy may be modified or changed from time to time in accordance with University policies and procedures.