



RESEARCH & INNOVATION

News and Information

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Consulting Agreements: Be Careful!

K-State permits a limited amount of personal, professional activity outside the professional responsibilities of employment, provided such activity: (a) further develops the faculty member or unclassified professional in a professional sense or serves the community, state, or nation in a professional capacity; (b) does not interfere with the faculty member's or unclassified professional's teaching, research and service to K-State; and (c) is consistent with the objectives of K-State. All faculty and unclassified staff with 100% time appointments must disclose to K-State whether they have consulting arrangements, significant financial or managerial interest, or employment in an outside entity whose financial or other interests would reasonably appear to be directly and significantly affected by their research or other university activities. 1

Consulting can be technically and financially rewarding, but if one is not careful, Intellectual Property (IP) rights can become tangled, limiting the ability to develop and commercialize the technology. Keep in mind that K-State is your primary employer when consulting and K-State IP protection should be a primary consideration.

You can prepare for a corporate visit by answering the following questions in advance: 1) Why is the com-

pany interested and what information does the company want (i.e., what should be the depth of details for the discussions)? 2) What am I willing to disclose and discuss (i.e., what is public information and what information is already protected by a patent application)? and 3) What are the likely research needs and funding priorities for the company (i.e., what sponsored research or licensing opportunities might you be able to develop)?

Once the agenda and goals for the visit are defined, you may find that it appropriate to enter into a Consulting Agreement. The design of the agreement is very important and should clearly define expectations between the parties. The scope of the agreement should be narrowly defined so as to clearly establish the scope of intellectual property to be discussed.

Most companies require that all IP created by the consultant in the course of the consulting arrangement will belong to the company. Therefore, before entering into a consulting agreement, the K-State employee should consider whether certain rights to intellectual property developed in the course of the consulting services might conflict with intellectual property rights that belong to K-State.

Additional things to consider: Think twice before entering into a consulting agreement with a company that is concurrently funding research in your laboratory if the consulting agreement covers the same subject matter as the research agreement. This

situation can result in conflicting language regarding the company's rights to intellectual property and create the appearance of a conflict of interest.

Do not enter into consulting agreements with more than one company where the subject of the agreement is the same. (You can not promise ownership of Intellectual Property rights to more than one company at the same time).

When consulting, it is important to limit your discussion to the specific scope defined in the agreement so other IP outside the scope of the agreement is not disclosed. Guard against the tendency to teach them everything you know!

The K-State employee should remember that these discussions also have the potential to compromise the interests of research collaborators if not properly managed.

In closing, keep in mind that the long term benefits of protecting intellectual property rights could significantly outweigh the short-term monetary benefits of consulting. When in doubt, please contact K-State's Office of Research and Sponsored Programs, or the KSU Research Foundation with any questions.

References:

I- Taken from: University Handbook, Appendix S: K-State Policy on Conflict of Interest and Conflict of Time Commitment Section B and C.

<http://www.k-state.edu/academic/services/fhbook/fhxs.html>

For additional information, visit the web page on Conflict of Interest and Time Commitment at:

www.k-state.edu/conflict/

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When does a Poster Presentation become a “Printed Publication” and thus bar Patentability?

Scientific researchers, particularly in the academic arena, are often under a great deal of pressure to publish or present their findings soon after making their discoveries. In fact, professional success often depends on how quickly and how often a scientist presents his or her research results (and corresponding inventions) to the rest of the scientific community. However, researchers should understand that presenting their findings at an early date may effect their ability to file for patent protection.

Under United States law, if the invention has been described in a printed publication anywhere, (or has been in public use or on sale) more than one year prior to the date on which an application for patent is filed in this country, a patent cannot be obtained. The U.S. is somewhat unique in providing this one-year grace period. In most non-U.S. jurisdictions, any publication at any time prior to the filing of a patent application absolutely bars a patent on the invention.

The term “printed publication” was first included in the patent law in 1836. It may seem that the term “printed publication” would be well defined referring, for example, to a journal article or text book. In the past the courts supported this interpretation by emphasizing that in order for there to be a publication there must be a “distribution” or the publication must be easily accessible via indexing in a library card catalogue or database. Over time, however, the courts have continued to expand their interpretation of the term in order to capture the intent of the patent law as technology and circumstances have evolved.

In Re Klopfenstein

The KSU Research Foundation was recently involved in a case at the Federal Circuit, *In re Klopfenstein*, that

has provided further guidance as to what constitutes a “printed publication,” as this statutory phrase will be interpreted under U.S. law.

The facts of the case were as follows: The KSU inventors presented a fourteen-slide presentation at a meeting of the American Association of Cereal Chemists. The slides were also made into a poster that was displayed for two and a half days at the meeting and for an additional half day at another meeting at Kansas State University. No notice was given to the audience that prohibited note taking, nor was anyone present at the poster to prohibit copying of the poster. The poster was shown to a wide variety of people, many of whom possessed ordinary skill in the art of cereal chemistry—the subject of the invention. It was noted, however, that no copies of the poster or research were distributed at either meeting. The presentation was not indexed in any library or database.

Based on the understood definition at the time of what constituted a “printed publication”, the KSU Research Foundation applied for a patent approximately two years after these presentations were made.

The Patent and Trademark Office Examiner rejected the claims as being anticipated by the presentations. The inventors agreed that the presentations disclosed every limitation of the invention claimed in the patent application, but argued that their presentations did not qualify as a “printed publication” under the Patent Act. The case was then appealed to the Federal Circuit for clarification of the definition of “printed publication” under the U.S. Patent Laws.

The Federal Circuit focused its inquiry on whether the presentations had been “publicly accessible.” “[D]issemination and public accessibility are the keys to the legal determination whether a prior

art reference was “published.”” The inquiry depends heavily on the facts of each specific case.

Four Factors to Consider

In this particular case, four factors were relevant: (a) the length of time the display was exhibited; (b) the expertise of the targeted audience; (c) the existence (or lack thereof) of reasonable expectations that the material displayed would not be copied; and (d) the simplicity or ease with which the material displayed could have been copied.

Based on the facts presented, the court found that a two and half day display to a target audience that was skilled in the art, where no measures were taken to prevent copying of the displayed information and where the amount of novel information was minimal and thus easily copied or retained, led to the conclusion that the poster was a “printed publication” for purposes of patent law. Because the “printed publication” had taken place more than one year before the application was filed, the patent application was improperly filed.

The determination of whether a particular scientific presentation is a “printed publication” or not thus seems likely to remain a highly factual one.

Conclusion

After *In re Klopfenstein*, it is clear that a researcher, in order to safeguard his patent rights, should file for a patent application as soon as the idea and the details for reducing the invention to practice are clearly known or understood, and in any event, no later than one year after making an oral or poster presentation of the invention at a professional conference or other public forum. If the inventor is interested in patent rights in countries other than the United States, patent applications should be filed before any public presentation or disclosure of the invention; and in today’s global economy, the latter approach may be the most appropriate.

If you are planning to leave K-State for a position at another university, in industry or for retirement, there are a few housekeeping items to attend to before your last day on the job.

This article will highlight some of the policies and laws that can effect researchers as they move from one institution to another.

Laboratory Notebooks:

K-State is required to assume stewardship of all laboratory notebooks and work products of its employees, appointees, and affiliates. This stewardship is required by both state and federal law (for example, as part of a federal research grant). K-State must ensure that original technical data is maintained in a manner that facilitates timely access and secure retention. As a result, all original data (including laboratory notebooks,) must be retained by the laboratory, department, program or other appropriate unit when faculty, staff or students involved in the project terminate or interrupt their formal affiliation with the University.

Depending on the nature of the work product and the inventions contained therein, employees who leave the University are permitted to copy their laboratory notebooks and take the copies with them, even when they are required to maintain the confidentiality of the data contained within the notebooks. The original notebook must, by law, remain at K-State.

Research Materials:

Both non-profit and for-profit organizations often require researchers and the University to sign a material transfer agreement (MTA) to receive biological or other research materials. A MTA is a binding written contract between parties that governs the use of loaned Material. MTAs generally reflect the fact that one of the parties has

a proprietary interest in the Material loaned and the other party intends to use the Material for his/her own research purposes. These MTAs typically restrict how the materials may be used and prohibit redistribution of the materials to other researchers. In addition, MTAs typically require the Material be returned or destroyed upon termination of the Agreement.

Researchers preparing to leave K-State, who have received materials from other institutions should examine whether there are contractual duties to return or destroy the materials. These materials should not be taken with them to another institution. If the researcher wants to use the materials at his or her new institution, a new MTA should be executed between the relevant parties.

KSU Materials:

Research Materials created in the course of your employment at K-State belong to the University. Whether or not they are covered by a patent, these materials should not be taken to your new institution without written Agreement by K-State.

Intellectual Property:

To assure K-State's ability to comply with obligations arising under federal laws or in extramural sponsor agreements, faculty, staff, and students participating in sponsored research are required as a condition of such participation to file disclosure reports for any invention or discovery (including non-patentable research tools or materials) that was made during the course of his or her employment. Before leaving K-State, you should insure that all such disclosures have been documented. Any materials of commercial interest should be catalogued and secured by the department.

Conclusion:

Employees planning to leave K-State should work with their Department Head, the Office of Research and Sponsored Programs and the KSU Research Foundation to insure the following action items are taken care of:

Laboratory Notebooks should be catalogued and secured by the department. If permitted, copies of the notebooks may be made for the investigator's reference. Any ongoing confidentiality obligations should be reviewed and documented.

Materials received from other entities should either be returned or destroyed and such action certified and documented.

If Materials belonging to K-State are of interest for ongoing research, a MTA may be executed between K-State and the new institution to provide for transfer of the Material.

IP created in the course of employment at K-State should be disclosed to KSURF. For IP generated under Federal Grants, in addition to disclosure to KSURF, a Final Invention Statement and Certification, or transfer of the grant to the new institution, may be required.

For questions, or to prepare for your upcoming exit, please contact your department head, the Office of Research and Sponsored Programs (x26195) or KSURF (x25720).

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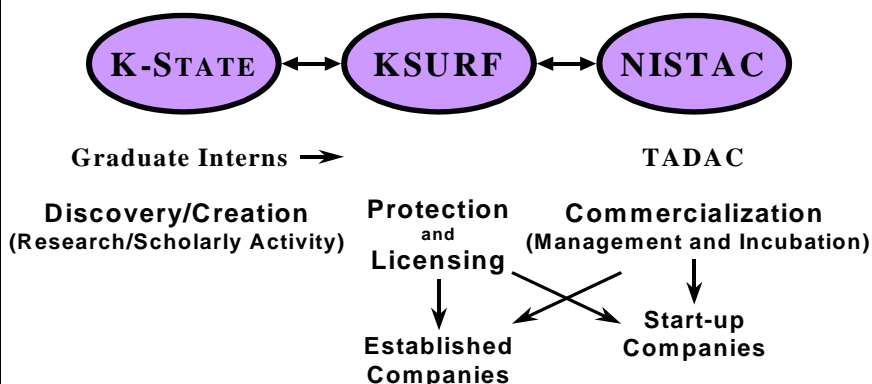
KSURF's disclosure form, information on patents and the patent process, and other general information are available at our web site.

www.ksu.edu/tech.transfer

The Kansas State University Research Foundation is a non-profit 501(c)(3) corporation responsible for managing the technology Transfer activities of Kansas State University. KSURF secures legal protection and facilitates commercialization of intellectual property created at the University. Responsibility for licensing and entrepreneurial initiatives is contracted to the National Institute for Strategic Technology Acquisition and Commercialization (NISTAC).

KSURF and NISTAC work in partnership to protect and commercialize innovations created at K-State.

**Partnerships for Innovation
Comprehensive Intellectual Property Services**



**U. S. Patents Issued
to KSURF in 2005**

Patent No. 6,843,919 "Carbon-Coated Metal Oxide Nanoparticles" Aleksandr Bedilio and Kenneth Klambunde. Issued January 18, 2005.

Patent No. 6,916,824 "Methods of Treating Cataracts and Diabetic Retinopathy with Tricyclic Pyrones" Alan Brightman, Bradley Fenwick, Duy Hua and Dolores Takemoto. Issued July 12, 2005.

**Invention Disclosures Received by
KSURF in 2005**

Arts & Sciences	7
Chemistry	4
Biochemistry	2
Physics	1
Engineering	5
Electrical & Computing	3
Mechanical & Nuclear	2
Vet Med	10
Diagnostic Med	9
Anatomy & Phys	1
Agriculture	2
Animal Science & Industry	2
Human Ecology	5
Human Nutrition	1
Textiles	4
Total	29