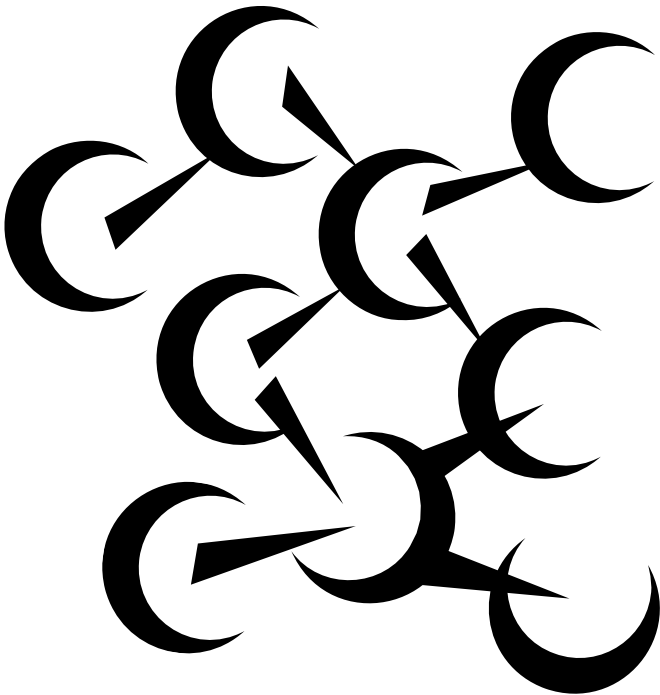


Intellectual Property Handbook

A Handbook for KSU Faculty and Researchers



Prepared by the

Kansas State University Research Foundation

Protecting and Commercializing Intellectual Property

Created at Kansas State University since 1942.

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K-State's disclosure form, information on patents and the patent process, and other general information are available on KSURF's website at <http://www.k-state.edu/tech.transfer/>.

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The Kansas State University Research Foundation (KSURF) is a not-for-profit 501(c)(3) corporation responsible for technology transfer activities for K-State. KSURF secures legal protection (patents, copyrights, trademarks, etc.) for intellectual property created at the university and facilitates various commercialization efforts involving this property. The office is funded solely by a percentage of royalty revenue that it retains through the successful licensing and commercialization of university intellectual property. Licensing and entrepreneurial initiatives are carried out by the National Institute for Strategic Technology Acquisition and Commercialization (NISTAC) in conjunction with KSURF.

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2011**

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KSURF Statistics	
Last Five Calendar Years, 2006 - 2010	
Invention Disclosures	175
New U.S. Patent Applications Filed	93
U.S. Patents Issued	30
Legal Fees Expended	\$1,725,887
License Agreements Executed	27
Option Agreements Executed	10
Royalty Revenue Received	\$7,570,967
Inventor Distributions	\$2,109,250
Department Distributions	\$949,974

Related University Offices

Office of Vice President for Research

R.W. Trewyn, Vice President for Research
105 Anderson Hall
785.532.5110
<http://www.k-state.edu/vpr/index.htm>

Office of Research and Sponsored Programs

James Guikema, Associate Vice President for Research and
Associate Dean of the Graduate School
102 Fairchild Hall
785.532.6195
E-mail: research@k-state.edu
<http://www.k-state.edu/research/>

PreAward Services

Paul Lowe, Assistant Vice President for Research and
Director, PreAward Services
002 Fairchild Hall
785.532.6804
<http://www.k-state.edu/research/preaward/>

University Research Compliance Office

Gerald P. Jaax, Associate Vice President for Research Compliance
203 Fairchild Hall
785.532.3278
E-mail: comply@k-state.edu
<http://www.k-state.edu/research/comply/>

Commercialization Partner Office

National Institute for Strategic Technology Acquisition and Commercialization (NISTAC)

Kent Glasscock, President
2005 Research Park Circle
Manhattan, KS 66502
785.532.3900
E-mail: nistac@k-state.edu
<http://www.nistac.org/>

KANSAS BOARD OF REGENTS' INTELLECTUAL PROPERTY POLICY

The Board of Regents (BOR) approved the following intellectual property policy at its November 19, 1998 meeting. Certain clauses were revised at the board's October 19, 2000 and February 17, 2010 meetings.

8. Intellectual Property Policy

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The purpose of the board's intellectual property policy is to foster the creation and dissemination of knowledge and to provide certainty in individual and institutional rights associated with ownership and with the distribution of benefits that may be derived from the creation of intellectual property. The policy is intended to be a broad statement to provide uniformity among the institutions while allowing for institutional flexibility. The policy applies to all full or part-time employees, including students, creating intellectual property related to the scope of their employment while under contract with a Regents institution. When revenues are to be shared, the creator(s) shall obtain his/her share only after the institution has recouped any direct costs borne by the institution for equipment and materials and costs paid to third parties. The portion of the revenues to be shared among multiple creators shall be shared equally unless otherwise agreed in writing by the creators. Institutions shall develop written policies and procedures consistent with this intellectual property policy.

A. General Copyright Policy

The ownership of the various rights associated with copyright are dependent upon the specific type of intellectual property. The institutions shall assert limited ownership of some of the various rights as set forth below. Since the board has a fiduciary responsibility for the appropriate use of state funds, unless otherwise provided for under this policy, all rights associated with works produced as "work-for-hire" or other works that make "substantial use" of institutional resources belong to the institution. "Substantial use" means that the

Kansas Board of Regents' Intellectual Property Policy

creator receives more than normal support for the project or receives time and/or resources specifically dedicated to the project.

1. Mediated Courseware

(a) Institutions shall have limited ownership or control rights for mediated courseware as specified below:

1. Self-initiated mediated courseware. When employees develop mediated courseware without specific direction by the institution, unless otherwise agreed, the ownership of the courseware shall remain with the employee. Normally, no royalty, rent or other consideration shall be paid to the employee when that mediated courseware is used for instruction at the institution and such mediated courseware shall not be used or modified without the consent of the creator(s). The mediated courseware shall not be sold, leased, rented or otherwise used in a manner that competes in a substantial way with the for-credit offering of his/her own institution unless that transaction has received the approval of the chief academic officer of the institution. Should approval be granted to offer the course outside of the institution, the creator shall reimburse the institution for substantial use of institutional resources from revenues derived from the transaction offering the course.

2. Institution-directed mediated courseware. When the institution specifically directs the creation of mediated courseware by assigning one or more employees to develop the mediated courseware and supplies them with materials and time to develop the mediated courseware, the resulting mediated courseware belongs to the institution and the institution shall have the right to revise it and decide who will utilize the mediated courseware in instruction. The institution may specifically agree to share revenues and control rights with the employee.

(b) Institutions shall develop procedures for reporting the development of mediated courseware to the appropriate administrator at the institution.

2. Scholarly and Artistic Works

Notwithstanding any use of institutional resources or the "work-for-hire" principle, the ownership of textbooks, scholarly monographs, trade publications, maps, charts, articles in popular magazines and newspapers, novels, nonfiction works, artistic works, like works, and supporting materials shall reside with the creator(s) and any revenue derived from their work shall belong to the creator(s). Except for textbooks, institutions shall have royalty-free use of the work within the institution, unless otherwise agreed in writing.

3. Manuscripts for Academic Journals

(a) Notwithstanding any use of institutional resources or the "work-for-hire" principle, the ownership of manuscripts for publication in academic journals shall reside with the creator(s) and any revenue derived from their works shall belong to the creator(s).

Kansas Board of Regents' Intellectual Property Policy

(b) If the manuscript is to be published, the creator(s) shall request the right to provide the institution with a royalty-free right to use the manuscript within the institution in its teaching, research, and service programs, but not for external distribution, and, if successful, the creator(s) shall grant such right to the institution.

(c) Upon the establishment of national governmental or nonprofit entities whose purpose is to maintain in an electronically accessible manner a publicly available copy of academic manuscripts, the BOR will review each entity and upon determination that providing the manuscripts will not jeopardize the publication of articles or infringe on academic freedom, require the creator(s) to provide to the appropriate entity a limited license for the use of each manuscript.

4. Copyrightable Software

The rights to copyrightable software with an actual or projected market value in excess of \$10,000 annually, except software included in mediated courseware, shall be determined pursuant to the board's patent and copyrightable software policy.

5. Student Academic Creations

The ownership of student works submitted in fulfillment of academic requirements shall be with the creator(s). The student, by enrolling in the institution, gives the institution a nonexclusive royalty-free license to mark on, modify, retain the work as may be required by the process of instruction, or otherwise handle the work as set out in the institution's intellectual property policy or in the course syllabus. The institution shall not have the right to use the work in any other manner without the written consent of the creator(s).

B. Patent and Copyrightable Software Policy

Patents obtained on inventions or the ownership of copyrightable software with an actual or projected market value in excess of \$10,000 annually resulting from institutionally sponsored research shall be retained by the institution or may be assigned to an organization (hereinafter called the Organization) independent of the institution and created for the purpose of obtaining patents on inventions, receiving gifts, administering or disposing of such patents, and promoting research and the development of intellectual property at the institution by every proper means. The following regulations shall be followed with respect to inventions or software: (10-19-00)

(1) Anyone who conceives an invention or who develops copyrightable software that is not included in mediated courseware resulting from a research project sponsored by the institution shall report the matter to the appropriate research administrator at the institution, who will recommend whether or not to forward it to the Organization. (10-19-00)

(2) If the institution or the Organization decides that the invention does not warrant patenting, the inventor is free to patent it. In such case, however, the institution does not relinquish its right to publish any of the data obtained in the research project. If the

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institution or the Organization decides not to further the use of the copyrightable software, it shall assign the rights therein to the creator(s).

(3) When any revenue is obtained by or on behalf of the institution from the development or assignment of any patent or from royalties, license fees or other charges based on any patent or copyrightable software, not less than twenty-five (25) percent of revenues shall be paid to the inventor(s) or creator(s). Revenue sharing shall begin only after the institution recoups costs as set forth in this policy.

(4) The remainder of any revenue mentioned in paragraph three shall be used to sponsor further research and research-related activities in the institution. The institution may agree that the Organization may retain a portion of the funds.

(5) In case of cooperative research sponsored in part by an outside corporation or individual, a written contract shall be made between the institution and the cooperating agency. This contract should include a statement of policy substantially equivalent to that outlined below:

"It is agreed by the parties to this contract that all results of experimental work, including inventions, carried on under the direction of the scientific staff of the institution, belong to the institution and to the public and shall be used and controlled so as to produce the greatest benefit to the public. It is understood and agreed that if patentable inventions or copyrightable software grow out of the investigation and such inventions or software have commercial value, the cooperating agency shall receive preferential consideration as a prospective licensee, with a view to compensating said cooperating agency in part for the assistance rendered in the investigation."

"It is further agreed that the name of the institution shall not be used by the cooperating agency in any advertisement, whether with regard to the cooperative agreement or any other related matter."

(6) In case of a research project where it is proposed that all costs including overhead, salary of investigator, reasonable rent on the use of equipment, etc., are to be paid by an outside party, the institution shall negotiate with the outside party the appropriate disposition of any resulting patent or copyrightable software rights prior to the provision of any funding by the outside party. "Appropriate disposition" shall include an option to negotiate a license to any resulting intellectual property. The institution shall reserve a royalty-free right to publish all data of fundamental value to science and technology and to use the patent or copyrightable software rights for teaching, research or other educational and academic purposes. (02-17-10)

(7) Changes in the above policies may be made by the institution to conform to the requirements of the U.S. government when contracting with the U.S. government or a federal government agency.

C. Trademark Policy

Each institution may develop a trademark policy that provides for the protection of the trademarks and service marks of the institution.

Kansas Board of Regents' Intellectual Property Policy

D. Institutional Procedures

The institution shall establish procedures that require employment contracts and course catalogs or syllabi to state that the employee or student is subject to this policy and to resolve questions concerning intellectual property rights and any disputes that develop under this policy. Final decisions on disputed matters will be made by the chief executive officer or designee and shall constitute final agency action. (11-19-98)

(Source: Kansas Board of Regents' Policy Manual: Chapter II, Policies & Procedures, page 38-41, http://www.kansasregents.org/policies_procedures)

INTELLECTUAL PROPERTY POLICY AND INSTITUTIONAL PROCEDURES

Kansas State University

The Faculty Senate approved the following intellectual property policy at its May 15, 2002 meeting. This document describes K-State's policies and associated institutional procedures for intellectual property. It is Appendix R of the University Handbook.

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PURPOSES

One purpose of this intellectual property policy is to foster both the development and the dissemination of useful creations, products or processes. The creation of products and materials is encouraged by providing a mechanism for rewarding their creators. Dissemination of products and materials is encouraged by providing for their protection, thus making their commercial development and public application attractive with the intent of providing the most benefit for society.

A second purpose of this policy is to clarify individual rights and institutional rights associated with ownership and with the distribution of benefits that may derive from the creation of various types of intellectual property.

APPLICABILITY

This policy applies to all full- or part-time employees, including students, who create intellectual property related to the scope of their employment while under contract with Kansas State University. This policy also clarifies rights pertaining to student academic creations.

This policy applies only to intellectual property created or disclosed after the effective date of the policy (May 15, 2002).

K-State Intellectual Property Policy and Institutional Procedures

RIGHTS, RESPONSIBILITIES, AND LIABILITIES

Ownership of intellectual property implies responsibility and liability as well as the right to control its use. The owners of intellectual property as described in this document will take reasonable precautions to assure the proper use of materials for which others hold ownership.

I. COPYRIGHTS

Ownership of the various rights associated with copyright is dependent upon the specific type of intellectual property. Creators retain all rights to copyrightable works, unless subject to the conditions discussed in this section.

Kansas State University asserts a limited ownership interest in some of the various rights as set forth below. Since the university has a fiduciary responsibility for the appropriate use of state funds, unless otherwise provided for under this policy, Kansas State University owns rights associated with works produced as "works made for hire" or other works that make "substantial use of institutional resources" (see Appendix C: Definitions).

A. Artistic and Scholarly Works

Regardless of any use of institutional resources or the "work made for hire" principle, the ownership of textbooks, scholarly monographs, trade publications, maps, charts, articles in popular magazines and newspapers, novels, nonfiction works, supporting materials, artistic works, syllabi, lecture notes, and like works will reside with the creator(s) and any revenue derived from their work will belong to the creator(s). Except for textbooks, K-State will have royalty-free use of the work within the institution unless otherwise agreed in writing.

In its interpretation of scholarly works, K-State includes those presented at professional meetings and/or electronically distributed. World Wide Web pages, transparencies for projection, electronic presentations, etc., of scholarly activity remain the property of the creator as stated in this section. See Section I.C.4 for policies governing underlying data upon which these presentations are based.

B. Mediated Courseware

1. Self-Initiated Mediated Courseware

a. Individual Effort

When a creator of courseware develops an idea for a new course or changes an existing course without "substantial use of institutional resources" and without being "institution-directed" (see Appendix C: Definitions), the ownership of both the intellectual content and the presentation will remain with the employee.

Normally, no royalty, rent or other consideration will be paid to the employee when that mediated courseware is used for instruction at K-State and such mediated courseware will not be used or modified by other K-State staff without the consent of the creator. Until the creator either resigns or retires from K-State, the creator will not sell, lease, rent or otherwise use the courseware in a

K-State Intellectual Property Policy and Institutional Procedures

manner that competes with for-credit or revenue producing offerings of K-State unless that use has received the approval of the department/unit head and dean/director.

Approval to offer the courseware outside of the institution can be requested through the department/unit head and dean/director. Approvals will be forwarded to the provost. If approval is granted and the creator uses substantial institutional resources to offer the courseware, then the creator will reimburse K-State. As owner of the materials, the creator is responsible for securing and maintaining any and all copyright permission related to the content or presentation of the courseware and for responding to any other legal actions resulting from the use of the material.

b. Use of K-State Resources

When a creator of courseware develops an idea for a new course or changes an existing course without being "institution-directed" but with "substantial use of institutional resources" (see Appendix C), the university makes no claim to the intellectual content of the courseware. However, the ownership of the specific presentation or materials created will remain with K-State. A written agreement that specifies the respective contributions of the employee and of the support unit(s) should be prepared.

Normally, no royalty, rent or other consideration will be paid to the employee when that mediated courseware is used for instruction at K-State. Such mediated courseware will not be used or modified without the consent of the creator(s). If the creators wish to use the presentation or materials in a manner that competes with for-credit or revenue producing offerings of K-State, they must request and obtain the approval of their department/unit head and dean/director and also of the director of any and all support units that aided in the creation of the presentation. Approvals will be forwarded to the provost. If approval is granted, K-State, as owner of the copyright, will provide the creator with a limited license to use the material and will share revenues derived from offering the course in a manner similar to the sharing of royalties from patents.

The creator is responsible for securing and maintaining any and all copyright permission related to the intellectual content. The university will secure and maintain any and all copyright permission related to presentation of the courseware and to responding to any other legal actions resulting from the use of the presentation.

2. Institution-Directed Mediated Courseware

Mediated courseware belongs to K-State when K-State specifically directs the creation of mediated courseware by assigning one or more employees to develop the mediated courseware and supplies them with materials and time to develop the mediated courseware. K-State will have the right to revise it and decide how mediated courseware may be utilized in instruction. The university will provide the resources to secure any and all copyright permissions related to the intellectual content or presentation. The university will retain and manage said copyright

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permissions. The university will be responsible for responding to any other legal actions resulting from the use of the material.

The institution may specifically agree to share revenues and control rights with the creator(s). At the time of the assignment, the K-State administrator who has directed creation of courseware will inform the employee assigned to this task of the university's right of ownership. The employee may request an agreement on the sharing of revenue and control. If the employee and administrator cannot reach agreement, the matter may be reviewed by the Intellectual Property Advisory Committee (IPAC).

C. Manuscripts for Academic Journals

1. Regardless of any use of institutional resources or the "work made for hire" principle, the ownership of manuscripts for publication in academic journals will reside with the creator(s) and any revenue derived from the works will belong to the creator(s).
2. If the manuscript is to be published, the creator(s) will request the right to provide the institution with a royalty-free license to use the manuscript within the institution in its teaching, research, and service programs, but not for external distribution and, if successful, the creator(s) will grant such right to the institution.
3. Upon the establishment of national governmental or nonprofit entities whose purpose is to maintain, in an electronically accessible manner, publicly available copies of academic manuscripts, the Kansas Board of Regents (KBOR) will review each entity and upon determination that providing the manuscripts will not jeopardize the publication of articles nor infringe on academic freedom, will require the creator(s) to provide to the appropriate entity a limited license for the use of each manuscript.
4. Ownership, as described in Sections I.A and I.C, is limited to the scholarly work and does not extend to data or other scholarly information which the creator may have collected or obtained during the course of the project or to other creations which may be based on the same scholarly information. If the creator's project is supported by funds or other resources from agencies external to K-State, the ownership and location of the scholarly information will be determined by the agreement between K-State and the agency, or by the published requirements of the agency. In the absence of such requirements or agreements and for projects that receive no external support, the data and other scholarly information collected as a result of the scholarly activity of a K-State employee will remain the property of Kansas State University and will reside physically at the university.

D. Copyrightable Software

The rights to software included in mediated courseware will be determined pursuant to Section I.B of this document. However, the rights to all other copyrightable software will be determined pursuant to K-State's marketable software policy. (See Section III of this document.)

K-State Intellectual Property Policy and Institutional Procedures

E. Student Academic Creations

The ownership of student works submitted in fulfillment of academic requirements will be with the student, except when the student collaborates with faculty or staff to create works as part of research or development activities. By enrolling in the institution, the student gives the institution a nonexclusive royalty-free license to mark on, modify, and retain the work as may be required by the process of instruction. The institution will not have the right to use the work in any other manner without the written consent of the creator(s). Students are responsible for obtaining and maintaining copyright permissions related to their creations.

This ownership is limited to the creation of the student and does not extend to data or other scholarly information the student may have collected or obtained during the course of a project or to other creations which may be based on the same scholarly information. If the student's project is supported by funds or other resources from agencies external to K-State, the ownership and location of the scholarly information will be determined by the agreement between K-State and the agency or by the published requirements of the agency. In the absence of such requirements or agreements and for projects that receive no external support, the data and other scholarly information collected as a result of the student academic creation will remain the property of Kansas State University and will reside physically at the university.

II. PATENTS

A. General Provisions

The rights to patentable inventions resulting from university-sponsored research will be assigned to the Kansas State University Research Foundation. The Foundation is a nonprofit corporation, chartered under the laws of the State of Kansas, for the purpose of promoting research and developing and managing intellectual property at Kansas State University. The Foundation may, at its discretion, waive its rights in favor of the inventor. If it retains the rights, the Foundation will execute an agreement with the inventor(s) providing for royalty payments on income derived from the patent.

The term "university-sponsored research" includes not only research covered under an official university research contract, but also any research-like activity or other creative endeavor carried out by employees in the course of their official duties or responsibilities, or any activity that makes "substantial use of institutional resources" (see Appendix C).

Modification of provisions of Section II may be made by the university to conform to the requirements of the United State Government when contracting with the United State Government or a federal government agency.

B. Patentable Inventions

1. Disclosure

Based on the provisions of this policy the creator(s), along with the department head, director, or dean, will make an initial determination of the commercialization and marketability potential of an invention or discovery. Where such potential is

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deemed to exist, the creator(s) will present a disclosure of intellectual property to the IPAC, which will recommend whether or not the Foundation should pursue a patent application on the subject invention. Upon consideration of the IPAC's recommendation, the Foundation is free to pursue a patent application or to waive its rights to the invention subject to the rights of any sponsor. The creator(s) will be notified of the Foundation's decision to pursue patent application or waive its rights, within three months of submission of the disclosure to the IPAC. If rights are waived by the Foundation, or if a patent application is not initiated within six months of the disclosure, the creator(s) will be free to patent the invention or publish any of the data pertaining to the disclosure. In such case, however, the university does not relinquish its rights to the data obtained in the research project.

2. Assignment/Sharing of Revenues

When any revenue is obtained by the Foundation from the assignment or licensing of any patent, not less than twenty-five (25) percent of revenues will be paid to the inventor(s). This revenue sharing will begin only after the Foundation recoups its out-of-pocket costs uniquely associated with patenting the invention. The remainder of any shared revenue, less a portion that may be retained by the Foundation to fund its operation, will be used to sponsor further research and research-related activities in the university. The Foundation underwrites all costs of obtaining a patent and of legal counsel retained for that purpose.

In the case of projects sponsored in part by an outside party or individual, a written contract will be made between K-State and the cooperating agency and will include a statement of policy regarding patents substantially equivalent to that outlined in K-State's standard Memorandum of Agreement in Chapter 7010 of the K-State Policies and Procedures Manual.

In the case of a research project where all costs, including overhead, salary of the investigator, reasonable rent on the use of equipment, etc. are paid by an outside party, the outside party and the university may negotiate the allocation of all patent rights prior to the provision of any funding by the outside party. The university will reserve the rights of the creator(s) to publish all data of fundamental value to science and technology.

C. Patentable Software

Some software embodies algorithms that can be the subject of a patent, which provides broader protection than copyright but at a greater expense. Any software that may fall into this category should be treated as an invention, and handled by its inventor, the university, and the Foundation as described in the paragraphs that apply to patentable inventions above.

D. Other Intellectual Property

Intellectual property may exist in the form of material that is not patentable, but which by its nature can be protected. An example of this would be anything produced from a biological material harvested from a unique, continually-growing culture. This type of intellectual property may be protectable, and revenue may be generated by licensing

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agreements with parties interested in commercial production. This type of intellectual property is to be treated by its creator, the university and the Foundation in the same fashion as described above for patentable inventions.

III. MARKETABLE SOFTWARE

Software is another form of intellectual property covered by this policy.

1. When software embodies algorithms that can be the subject of a patent, it should be treated as an invention, and handled by its inventor, the university, and the Foundation as described in the paragraphs that apply to Patentable Inventions in Section II.B above.
2. Software that falls into the mediated courseware category will be covered by the Mediated Courseware Section I.B above.
3. Software that is to be distributed with textbooks as supporting material will be covered by the Artistic and Scholarly Works Section I.A above.

Software that may be marketed or commercialized and is not covered by any of the above three circumstances will be covered as follows.

A. Assignment of Rights

The rights to software resulting from university-sponsored research will be assigned to the Foundation. The Foundation may, at its discretion, waive its rights in favor of the creator. If it retains the rights, the Foundation will execute an agreement with the creator(s) providing for royalty payments on income derived from the software.

B. Disclosure of Software

Based on the provisions of this policy the creator(s), along with the department head, director, or dean, will make an initial determination of the commercialization and marketability potential of software resulting from university-sponsored research. Where such potential is deemed to exist, the creator(s) will present a disclosure of software to the IPAC. The committee will establish a projected market value of the software. If that projected market value is in excess of \$10,000 annually, it will recommend to the Foundation that it register a copyright for the software, and manage the commercial interests of the software. The Foundation is free to follow the recommendation of the committee, or to waive its rights to the software. If rights are waived by the Foundation, the creator is free to pursue the commercialization of the software. In such case, however, the university does not relinquish its right to the data obtained in the research project.

C. Allocation of Costs and Revenues

When any revenue is obtained by the Foundation from the assignment or licensing of any software, not less than twenty-five (25) percent of revenues will be paid to the creator(s). This revenue sharing will begin only after the Foundation recoups its out-of-pocket costs uniquely associated with protecting the software. The remainder of any shared revenue, less a portion that may be retained by the Foundation to fund its operation, will be used to sponsor further research and research-related activities in the university.

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In the case of cooperative research sponsored in part by an outside corporation or individual, a written contract will be made between the institution and the cooperating agency and will include a statement of policy regarding software generated in the research project substantially equivalent to that outlined in K-State's standard Memorandum of Agreement in Chapter 7010 of the K-State Policies and Procedures Manual.

In case of a research project where all costs including overhead, salary of the investigator, reasonable rent on the use of equipment, etc. are paid by an outside party, the outside party and the university will negotiate the allocation of the rights to all software generated in the research project prior to the provision of any funding by the outside party. The university will reserve the rights of the creator(s) to publish all data of fundamental value to science and technology.

IV. TRADEMARKS and SERVICE MARKS

To protect its name and the institution, the University has registered its own name and associated trademarks and service marks. The rights given to these trademark and service mark registrations are maintained and managed by the K-State Office of University Relations and Licensing. Outside of trademarks identifying the institution, the University may seek legal protection for trademarks that identify products and/or services that are offered by units of the university system. In the event that a trademark is designed for university use only, the university will maintain its rights to the trademark and manage the legal protection of the trademark.

If a trademark or service mark presents foreseeable commercial applications (i.e., licensing to a third party) and the mark relates to a product or service that is not clearly a part of the university's operations, the mark will be referred to the Intellectual Property Advisory Committee, which will review the mark's commercialization or marketability potential. If no such potential appears to exist and there has been no substantial use of institutional resources, the creator of the mark will retain the rights, subject to the rights of any sponsor.

V. INSTITUTIONAL PROCEDURES

A. Process

Based on the provisions of this policy the creator, along with the department head, director, or dean, will make an initial determination of the potential of intellectual property for commercialization and marketability. Where such potential is deemed to exist, the matter will be disclosed to the Intellectual Property Advisory Committee.

1. Employee Intellectual Property Agreement

Employment contracts and agreements will include a formal notice of and acceptance of the KBOR and K-State intellectual property policies (see Appendix A: Intellectual Property Agreement). In the case of unclassified employees, the next annual contract following adoption of this policy will include the Intellectual Property Agreement. For classified employees, the Intellectual Property Agreement will be distributed for a signature and included in the employee's personnel records.

K-State Intellectual Property Policy and Institutional Procedures

Student employees will be given the Intellectual Property Agreement to sign at or before the time they enter into employee status.

2. Catalog Statements

The K-State Undergraduate Catalog and Graduate Catalog will include prominently positioned statements on intellectual property policy (see Appendix B).

3. Dispute Resolution

The Vice President for Research acts as designee of the president. The vice president's decision on matters submitted from the Intellectual Property Advisory Committee (IPAC) will constitute final administrative action for purposes of the General Grievance Board Procedure. In the event a grievance is filed, procedures in Appendix G, of the University Handbook will govern. If no grievance is filed, the decision of the Vice President for Research will constitute final agency action. Resolution of disputes with the Kansas State University Research Foundation (KSURF) can be sought by contacting the IPAC, the Chair of the Board of Directors of the KSURF, the faculty members or other university members who serve on the KSURF's Board of Directors, and officers of KSURF.

B. Intellectual Property Advisory Committee (IPAC)

The Intellectual Property Advisory Committee (IPAC) will be deemed advisory to the Vice President for Research. IPAC will review the technical merit and also the market and commercial potential of inventions, discoveries, and creations developed within the K-State community by employees and students. IPAC will be appointed by the President and will consist of at least eight members plus the Vice President for Research or his/her designee, who will serve as chair. Members will be chosen to assure expertise appropriate to the charge committee.

1. General Procedures

When existing or proposed material subject to copyright or trademark protection appears to have commercial potential, the creator will submit an inquiry to the Intellectual Property Advisory Committee to obtain a determination on marketability and to begin the process of assignment of rights. In the case of materials that may be protected under copyright or trademark law, the committee's review is discretionary rather than mandatory. In the case of patents and discoveries, all inventions are to be disclosed to and submitted to the committee.

In the event that intellectual property matters referred to the Intellectual Property Advisory Committee show a University ownership interest and commercial potential, the committee will recommend appropriate allocations of ownership, revenues or royalties, and control of ancillary rights based on this policy.

Recommendations of the Intellectual Property Advisory Committee will be forwarded to the Vice President for Research. The Vice President's decision on matters submitted from the committee will constitute final administrative action. The Vice President or his/her designee will promptly notify the creator(s) of the IPAC

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decision. Recommendations to pursue intellectual property protection and licensing will be forwarded to the Kansas State University Research Foundation.

2. Discretionary Procedures

When students and employees create intellectual property outside the scope of this policy, they may still disclose it to the Intellectual Property Advisory Committee. The Advisory Committee can recommend confirmation of independent ownership, and the creator may then negotiate with the Kansas State University Research Foundation or the University to act on their behalf to protect the intellectual property. The Intellectual Property Advisory Committee provides a no cost avenue for a first evaluation of such property. The Research Foundation provides a no upfront cost avenue for securing protection of the property if the Foundation is interested in it. It is strongly encouraged that any situation involving intellectual property that is not clearly outside the scope of this policy should be reported to the Intellectual Property Advisory Committee. It can recommend a determination concerning policy applicability that can unquestionably release the creator of such property from any further obligation to the University in regards to that property.

C. Ownership and Management

1. Copyrights

Copyrights in which the university has a property interest will be deemed "university property" regardless of the allocation of ownership and royalty interests, and will be managed by the university.

2. Patents

Patents and discoveries in which the university has a property interest will be assigned to and managed by the Kansas State University Research Foundation regardless of the allocation of ownership and royalty interests.

3. Trademarks and Service Marks

Ownership of "university" trademarks or service marks resides with the university and is managed by the Office of University Relations and Licensing.

Ownership of marks that are clearly separate product or service marks but in which the university has a property interest will be assigned to either the Kansas State University Research Foundation or the Office of University Relations and Licensing for management, regardless of the allocation of ownership and royalty interests.

4. Base Royalties

Those who create or discover intellectual property in which the university claims an ownership interest will be entitled to no less than a twenty-five (25) percent share of allocated royalties.

Appendix A

Intellectual Property Agreement

Kansas State University

Preamble

The Intellectual Property Policy adopted in November 1998 by the Kansas Board of Regents requires that employment contracts or agreements of all Kansas State University employees, including part-time and student employees, will include a formal notice of and acceptance of the KBOR and KSU policies on intellectual property. This form serves as that notice and acceptance. It is completed at the time of initial employment. The original copy will be retained in the employee’s personnel records.

One purpose of these intellectual property policies is to foster both the development and the dissemination of useful creations, products or processes. The creation of products and materials is encouraged by providing a mechanism for rewarding their creators. Dissemination of products and materials is encouraged by providing for their protection, thus making their commercial development and public application attractive with the intent of providing the most benefit for society. A second purpose of these policies is to clarify individual rights and institutional rights associated with ownership and with the distribution of benefits that may derive from the creation of various types of intellectual property.

The K-State Intellectual Property Policy may be found online in the University Handbook at www.k-state.edu/academicpersonnel/fhbook/fhxr.html. The KBOR policy may be found at www.kansasregents.org/academic/policies_procedures.

Statement of Agreement:

1. I agree to abide by the stipulations and procedures set forth in the intellectual property policies of Kansas State University and the Kansas Board of Regents, and I agree to assign and do hereby assign to the University my right, title, and interest in inventions resulting from my employment as required by those policies.
2. I will not enter into any agreement creating patent, copyright, or trademark interests or obligations that is in conflict with Kansas Board of Regents and Kansas State University policies.

Signature

Department/Unit

Name (Please print)

Date

Appendix B

Intellectual Property Statements for Undergraduate and Graduate Catalogs

a. Student Academic Creations

Under Kansas State University and Kansas Board of Regents policies, copyrightable materials created by students in fulfillment of academic or course requirements are considered the property of the student, except when the student collaborates with faculty or staff to create works as part of research or development activities. The University retains a license (permission) to mark, modify, handle, and retain the work as required for instructional or record-keeping purposes. The University cannot use the work in other ways without the consent of the student.

b. Student Employees

Kansas State University retains an ownership interest in creations, inventions, and discoveries developed by students within the scope of their duties as employees of the University. Full details may be found in the Intellectual Property Policy of the Kansas Board of Regents and the Intellectual Property Policy of Kansas State University. The K-State Intellectual Property Policy may be found online in the University Handbook at www.k-state.edu/uac/fhbook. The KBOR policy may be found at www.kansasregents.org/academic/policies_procedures.

K-State Intellectual Property Policy and Institutional Procedures

Appendix C

DEFINITIONS

Institution-Directed

Work is institution-directed when the assignment is made to an employee in the normal course of his/her employment.

Mediated Courseware

Mediated courseware is defined as teaching aids, instructional modules, and full courses dependent on electronic media for application, presentation, delivery, and/or distribution. Mediated courseware may incorporate text, graphics, video, and audio elements. Examples of such materials include, but are not limited to, hypertext modules, interactive lessons, simulation software, web sites, web pages, listservs and databases containing numbers, images, or text.

Substantial Use of Institutional Resources

Substantial use of institutional resources will mean that for the project that produced the intellectual property the creator received staff, salary or material support beyond that normally provided to the creator at K-State. Should a question arise about whether support is beyond the norm, a written statement will be obtained from the unit leader (department or division Head, dean, director, etc.) concerning the level of use of Kansas State University support and facilities.

University-Sponsored Research (Applies to Section II: Patents)

The term "university-sponsored research" includes research covered under an official university research contract and any research-like activity or other creative endeavor carried out by employees in the course of their official duties or responsibilities, or any activity that makes a substantial use of institutional resources.

Work for Hire/Work Made for Hire (Applies to Section I: Copyrights)

The meaning of the phrase "work for hire" is an important part of the Board of Regents' policy. As used in the Kansas State University implementation, work for hire/work made for hire is defined by the 1976 Copyright Law and by the court cases in which this term has been clarified. The 1976 law states:

A "work made for hire" is

(1) a work prepared by an employee within the scope of his or her employment; . . .

While the definition is not precise, the term has been defined as well as it can be for general situations in legislation and court cases since 1909. Thus, in implementing the Board of Regents policy, Kansas State University will use a definition of work for hire/work made for hire that is consistent with court cases and legislation related to the 1909 and 1976 copyright laws.

Intellectual Property Advisory Committee (IPAC) Members

Dr. James A. Guikema, Chair

Associate Vice President for Research and Graduate Education

Dr. Stefan H. Bossmann

Chemistry

Dr. Jon Faubion

Grain Science & Industry

Dr. Bret N. Flanders

Physics

Dr. Karen Garrett

Plant Pathology

Dr. Sherry J. Haar

Apparel, Textiles, & Interior Design

Dr. Larry C. Hollis

Animal Sciences & Industry

Dr. Meena Kumari

Anatomy & Physiology

Dr. Dale Schinstock

Mechanical & Nuclear Engineering

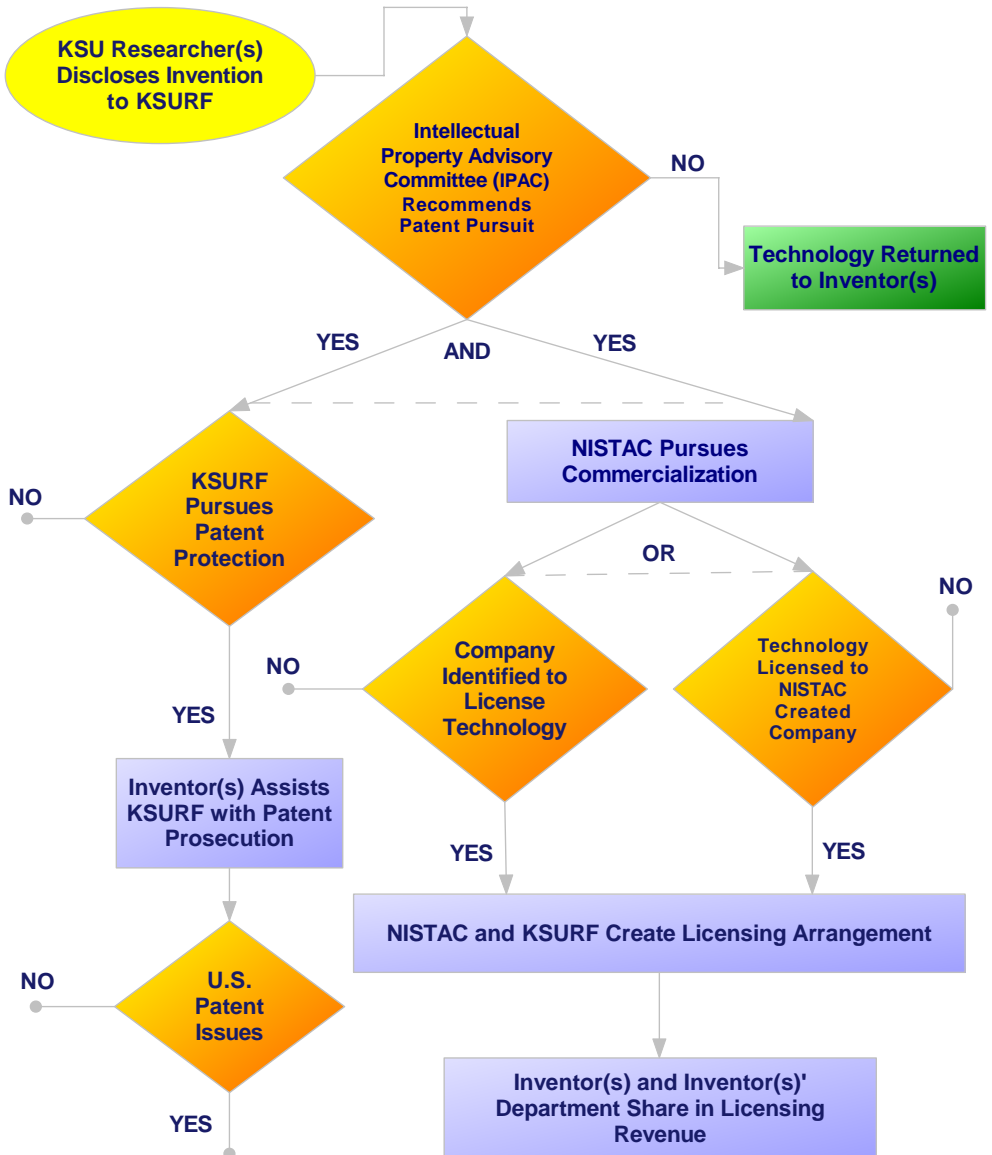
Mr. Jeff Tucker

Advanced Manufacturing Institute

Dr. Anna Zolkiewska

Biochemistry

The Normal Process for KSU Technology Transfer



FREQUENTLY ASKED QUESTIONS

1. What is the role of the Kansas State University Research Foundation (KSURF)?

KSURF aids faculty, staff and students in matters relating to the protection and eventual marketing of the University's technologies. Basic functions include the following:

- a. protecting the inventors' and the University's rights regarding inventions, discoveries, trademarks, copyrights and software
- b. assisting researchers in preparing invention disclosures, the initial step in disseminating new and useful knowledge for public benefit
- c. evaluating the potential to protect the technology and to generate commercial interest
- d. promoting transfer of technology to industry through negotiations of intellectual property issues related to sponsored research, material transfer agreements or licensing
- e. distributing royalty and other income to inventors

2. Who is NISTAC?

NISTAC, the National Institute for Strategic Technology Acquisition and Commercialization, is a not-for-profit corporation contracted by KSURF to market and commercialize University technologies. NISTAC focuses on external activities by assisting KSURF in identifying potential licensees and negotiating licensing terms on KSURF's behalf. NISTAC licensing agents often consult with inventors on marketing activities involved with their particular invention.

3. What is an invention?

An invention is a novel and useful idea resulting from study and experiment, and may relate to a process, machine, article of manufacture, composition of matter or any improvement thereof.

4. Who are inventors?

Inventors are those who conceive of and reduce an invention to practice. Inventorship is a legal determination. Patent attorneys will make this determination based in part on the claims that are allowed. Researchers will be asked to list contributors on the disclosure form. All contributors will then be asked to provide documented proof of their contributions to the technology.

5. If I invent something at KSU, does it belong to the University?

Yes, if the inventor was employed or otherwise financially supported by the University or if he/she used University facilities, materials or time to conceive and develop the discovery or invention. As part of the invention disclosure process, faculty inventors are asked to complete an assignment form documenting the University's ownership.

Frequently Asked Questions

6. What about inventions prior to joining KSU?

KSU will not claim ownership of such inventions, however, any developments or improvements of such inventions that are made while at KSU must be disclosed to KSURF. Inventions made at other institutions prior to a faculty member taking a new position at KSU can be managed by KSURF when the institutions formalize such an arrangement via an inter-institutional agreement.

7. What is the benefit of disclosing an invention to KSURF?

Disclosing your invention to KSURF is an important part of protecting the rights to your discovery. One of the most important benefits may be the commercialization of your technology through KSURF's efforts in patenting and licensing the discovery. Other benefits through KSURF's marketing efforts include new contacts with industry or industry-sponsored research in your laboratory. If royalties are generated, they are distributed according to University Policy.

8. How do I disclose my invention?

You may either download the form from our website (www.k-state.edu/tech.transfer) or if you would like a hard copy, contact us by phone at (785) 532-5720 or email tech.transfer@ksu.edu.

9. Do I need to reduce the invention to practice before disclosing to KSURF?

No. Disclose your idea verbally or in a brief memorandum to KSURF as soon as the intellectual property is clearly conceptualized. It is not wise to wait for reduction to practice, and KSURF can assist you in determining the timing for completing the disclosure form.

10. After a disclosure form has been submitted to KSURF, what is the evaluation process?

The researchers will be asked to present their technology to the University's Intellectual Property Advisory Committee (IPAC). IPAC reviews disclosures of all intellectual property by University employees and makes a recommendation on the suitability for further patent investigations and filings.

11. What is IPAC?

IPAC is the Intellectual Property Advisory Committee, which is composed of faculty scientific advisors who critique the science and offer advice on whether the University, via KSURF, should accept or reject the technology. IPAC reports to the President through the Vice President for Research.

12. Who decides whether or not to file patent applications?

KSURF's professional staff works with the University's Intellectual Property Advisory Committee (IPAC) to decide. Such decisions are based on the scope of the invention, its patentability and its commercial merit.

Frequently Asked Questions

13. What makes an invention patentable?

Novelty: It is new and wasn't known, sold or used by others or printed in a publication more than one year prior to the filing, however, this one year grace period does not exist internationally.

Usefulness: The invention must be useful.

Non-obviousness: The invention cannot be obvious to a person of "ordinary skill" in the art. Non-obviousness is usually demonstrated by showing that practicing the invention yields surprising and unexpected results.

14. Is computer software patentable?

Software may be patentable when it is part of a functional system. In addition, software is covered by the Copyright Act of 1976 under which computer software (as well as all other copyrightable work) is protected by Federal Statute from the moment it is "fixed" in a tangible form.

15. How does public disclosure affect patenting?

To protect the patentability rights to your invention, it is important that you contact KSURF as early as possible prior to public disclosure. Public disclosure includes journal articles, publication on the Internet, conference abstracts, oral presentations or poster presentations. **Foreign patent rights are lost immediately upon public disclosure.** In the U.S., you have one year from the date of the public disclosure to file a patent application.

16. Is a grant proposal considered public disclosure?

Yes, grant proposals that are approved for funding would constitute public disclosure.

17. How do I search for prior art patents?

Use the U.S. Patent and Trademark Office website to search for prior art patents.

18. How long does it take to obtain a patent?

The entire process in the U.S. may take from two to six years.

19. What is the cost of obtaining a patent?

The Cost of a U.S. patent typically ranges from \$10,000 to \$20,000. The initial cost to file internationally ranges from \$4,000 to \$6,000. This allows for up to 30 months of protection following the filing of the first U.S. application; after which, individual country applications must be filed. Individual country costs are approximately \$10,000 to \$15,000.

20. Who pays for patenting?

If the invention is pursued by KSURF, then all legal expenses and fees for the preparation, prosecution and maintenance of patent filings are paid by KSURF.

Frequently Asked Questions

However, these costs are often recovered from licensees and/or research sponsors once the technology is licensed.

21. Who prepares and prosecutes patent applications?

Most applications are prepared by patent attorneys at private law firms. KSURF directs the filing and prosecution of these applications and coordinates all correspondences between the creator(s) and the patent attorneys to ensure that the essence of the invention is captured and that commercialization issues are factored in.

22. Are there different types of applications that can be filed?

There are four types of initial patent applications. They are:

Provisional Application: This application is available only in the U.S. and is less complex than a utility application. For strategic reasons a provisional application may be filed to establish a filing date that is good for one year. At that time, the utility application must be filed to maintain the early filing date.

Utility Application: This is a full patent application that must contain all the information on which you wish to obtain coverage.

Design Application: This application protects the visual ornamental characteristics embodied in or applied to an article of manufacture, but not its structural or utilitarian features.

Internationally, a Patent Cooperation Treaty (PCT) Application can be filed. Filing a PCT application retains international rights for up to 30 months from the earliest U.S. filing date. Once the 30 months has passed, the PCT process is complete and a decision must be made to select individual countries in which to file.

23. How long does patent protection last?

U.S. utility patents have a term of twenty (20) years from the earliest date of filing a patent application.

24. Are there any additional fees once a patent has been issued?

Yes, in the U.S. an escalating maintenance fee must be paid 3.5, 7.5 and 11.5 years from the date that the patent is granted. If any one of these fees is not paid, then the patent coverage is abandoned and the intellectual property becomes part of the public domain. Internationally, annual maintenance fees must be paid in each country to keep the application or patent in force.

25. How is my invention marketed or licensed?

After presentation of the invention to IPAC and after consultation with the inventor(s), non-confidential material is prepared for distribution to selected or pertinent companies with research or commercial interest in a similar field. Technical details of an invention may be disclosed to interested parties under a confidential disclosure agreement. Based on further evaluation of the invention by interested companies,

Frequently Asked Questions

which often involves direct communication with the inventor(s), a potential licensee may be identified and negotiations for a license would begin.

26. How is the license income distributed to inventors?

Per Kansas Board of Regents' IP Policy, at least twenty-five percent of net proceeds are distributed and shared by inventors directly responsible for the creation of the licensed intellectual property. For patentable inventions, ten percent is also distributed to the department(s)/administrative unit(s) of the inventors to support further research.

27. What happens if KSURF does not want my invention?

Rights to the invention may be released to inventor(s) if there are no plans to pursue the technology or to secure additional research funding. Each case is evaluated on its own merits before such a decision is made.

28. Why are Confidential Disclosure Agreements necessary?

A Confidential Disclosure Agreement (CDA) is a contract for the protection of proprietary information. Such a document is necessary before any transfer of proprietary information is made from one party (university investigator) to another (corporate scientist). Without this agreement, the individual or company to whom the information is disclosed is free to use and transmit this information to others. Such activity may significantly reduce or eliminate the value of intellectual property related to the information. **It is important to contact KSURF before disclosing any confidential information to another party.**

29. Why are Material Transfer Agreements necessary?

A Material Transfer Agreement (MTA) is a contract for the protection of tangible research materials and/or information that is created by KSU investigators and is useful to others for research or for commercial development. **It is important to contact KSURF prior to receiving or sending out any research materials.**