MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual

SUBJECT: RESEARCH AND PUBLIC SERVICE
Policy 401.2 – Inventions and Patents
Revised May 31, 2007; Issued June 11, 2007

I. Board Policy:

A. All employees and units of the Montana university system (MUS) shall adhere to the following procedures with respect to patentable inventions or discoveries. The purpose of these procedures is to define the relationships among the inventor; the MUS; the unit, college, school, branch, division or agency of the MUS; and outside sponsors of research within the MUS.

B. General objectives of this policy include dissemination of existing knowledge together with the acquisition of new knowledge and understanding through research. System research is also conducted to train students and to stimulate a spirit of inquiry, but seldom with regard to practical applications which might result. However, inventions are often by-products of research, and when such inventions are made, it may be in the public interest that the MUS provide the protection and control available under the patent laws. In such cases, it is the intention of the board of regents to provide that protection and control when practicable.

II. Procedures:

A. Ownership of inventions or discoveries. All patentable inventions made by employees of the MUS (including all its various units, colleges, schools, branches, divisions and agencies), in connection with their assigned duties and/or by the use of the MUS' facilities, shall be considered the property of the unit at which the inventor was employed under the following circumstances and to the following extent:

1. Wholly the property of the unit if the person (or persons) responsible for the invention was employed by the unit specifically for that purpose.
2. To the extent specified if the person's (or persons') contract of employment contains specific provision vesting ownership in the unit**.**
3. To the extent recommended by the unit patent management officer or committee and approved by the president if research or endeavors directly resulting in the discovery or development of the invention or marketable product involved use of unit time, materials, property, or facilities.

Under all other circumstances individual employees are free to secure, under the patent laws of the United States, the exclusive right to their inventions, consistent with Article I, Section 8, of the Constitution of the United States which grants to the congress the power "to promote the progress of science and the useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries...".

B. Limitations.

1. This policy shall not include copyrights.
2. Provision of normal academic environment, including library facilities, does not constitute grounds for equity by the unit in a discovery or invention.

C. Inventors' rights and duties. MUS employees retain the right and responsibility for recognizing in their work inventions that may reasonably be marketable; and in every case, complete freedom of publication in both time and scope shall be maintained, unless agreements with outside sponsors provide otherwise as indicated below. Investigators will participate in work under such outside agreements only after they have informed themselves of such provisions and have accepted these provisions. Any employee or student to whom the conditions set forth in Section II A 1, 2 and 3 above applies, who believes an invention or discovery resulting from his work should be patented, shall present the matter to the unit patent management officer or committee for consideration and disposal. Within 18 months of submission of an invention disclosure, the

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patent management officer or committee shall inform the inventor(s) in writing whether it plans to secure the patent or release the discovery to the inventor(s). In the latter case, or in case of failure by the officer or committee to communicate in writing within 18 months, the inventor(s) is free to secure the patent, pay all fees, and receive all benefits therefrom.

D. Submission of patentable inventions or discoveries to patent management officer or committee

1. Invention outside the MUS. If an invention is made and/or developed without MUS support of a significant degree, all rights remain with the inventor. Such inventions may be voluntarily submitted for consideration by the unit in the MUS, but the inventor is under no obligation to do so. Provision of a salary or desk to an inventor by the MUS does not, in itself, constitute significant support. However, any invention by an employee related to an area in which he or she participates in research under unit auspices must be reported to the appropriate unit so that the question of whether the unit has provided sufficient support can be decided by the patent management officer or committee of the unit. This decision may be appealed to the system invention committee.
2. Invention with MUS support. If an invention is made and/or developed with MUS support of a significant degree in time, money, materials, or facilities, the inventor must submit a full disclosure of the invention to the patent management officer or committee of the unit. Additionally, a copy of any manuscript submitted for publication shall simultaneously be submitted to the patent management officer or committee of the unit, if the author considers that it may contain marketable inventions. The unit patent management officer or committee may advise, but not require, deferral of publication in order to protect the patent rights of the unit and the inventor.

E. Prosecution of patents

1. Time Limits. In the event that the unit deems that a patent should be prosecuted, the prosecution shall be carried out diligently and without expense of any kind to the inventor. The inventor must assign to the unit any interest in the patent equivalent to the property interest which the committee determines to belong to the unit or which is required by Section II A 1 or 2. The preliminary patent search must be started within 9 months from the date the matter is presented to the unit or the unit forfeits all right to the invention. If no patent application is filed within a total elapsed time of 18 months following disclosure, all patent rights revert to the inventor(s) unless other agreement is executed between the inventor(s) and the unit.
2. Options available to the MUS unit. The inventor has an obligation to offer the unit the opportunity to develop the invention for commercial use if the invention was made under unit auspices. The unit may:
   (a) Elect to acquire title to the invention by assignment and in this case will undertake (unless inappropriate) the timely filing of patent applications, patent prosecution development, and marketing of the invention and shall bear all related costs. If the unit desires to accept such an assignment after competent peer review, the inventor shall be obligated to make such an assignment. The inventor shall, in this instance, receive on an annual basis, 50 percent of all net income, defined as gross royalties or other payments, including any recovery of damages obtained by the unit, but less external costs incurred by the unit in obtaining and protecting the patent rights and less any direct costs of development; or
   (b) Cause the invention to be assigned to some patent management organization, such as research corporation or the unit's research foundation. The domestic patent rights, foreign patent rights, or both, may be assigned to the patent management organization. The inventor shall receive on an annual basis 50 percent of all net royalties and other income received by the MUS from said patent management organization; or
   (c) Decline to accept any rights to the invention by assignment or otherwise, in which case all rights

revert to the inventor. If a dispute arises concerning the origin of an invention or patentable discovery or any aspect of patent policy, the dispute shall be presented to the MUS invention committee for final disposition.

3. Invention developed under agreement with outside sponsor. If the invention was made or developed under an agreement with an outside sponsor, the rights with respect to the invention shall be governed by provisions of that agreement. If not provided otherwise by the sponsoring agreement, the inventor's share of royalty or other income received from an outside sponsor shall be limited to the share he would have received had the unit supported the research entirely. If the sponsor determines that invention rights are left with the unit, the unit may elect to pursue one of the three options listed in Section II E 2.

F. Distribution of unit-retained invention-related income. In order to provide invention incentive and capability to unit personnel, the unit's share of invention income will be distributed as follows. Of the unit-retained share of net royalty or other income for any given invention, defined as gross receipts, less external expenditures for that invention and less the inventor's personal share two-thirds of the first $30,000 per year, one-half of the next $30,000 per year and one-third of the remainder will be designated through the unit budget or financial office to support the work of the inventor while employed by the unit and/or to promote discoveries at the unit. The rest will be distributed to a designated fund and will be used to support and expand research at the unit. Such distribution to support the inventor's work, derived from any given invention, will terminate after eight years from the first sale of products embodying that invention, and any earned monies after this date will go to a designated fund.

G. Development of inventions. If the inventor becomes dissatisfied with the development of the invention as carried out by the unit, or with the unit's delay in reaching a decision, an appeal may be made to the MUS invention committee, in which the inventor may urge specific changes in the proposed course of action undertaken by the unit, or if the unit has been assigned rights to the invention, may ask that the invention rights be reassigned to a patent management organization such as research corporation or all rights be reserved to the inventor.

If after a period of three years from the acquisition of the issued patent by the MUS the invention has not been marketed, all rights revert to the inventor, unless an agreement with any outside sponsor precludes such reversion.

III. Definitions:

A. Employees
1. regularly employed faculty or staff members;
2. part-time or special faculty or staff members;
3. students employed by any of the MUS units; and
4. any other persons including students using any unit's facilities who are not covered by contract or agreement.

B. Invention. (Webster) - A device, contrivance, or process originated after study and experiment. To produce, as something useful, for the first time through the use of imagination or of ingenious thinking and experiment. The term "invention" includes improvements, discoveries, processes and anything else covered by the federal patent laws.

C. Inventor. A person who invents. Specifically in this policy, an employee of the MUS who invents.

D. Patent. (Webster) - A writing securing to an inventor for a term of years the exclusive right to make, use, or sell his or her invention.

E. Unit patent management officer or committee. The person or committee, regardless of name or title, designated by the unit president to carry out the duties created by this policy.

F. System invention committee. The ad hoc committee selected by the commissioner as needed to carry out the duties created by this policy.

History:

Item 179-000, Patent Policy, University of Montana, July 10, 1961 (Rescinded); (Item 18-007-R1077), Invention and Patent Policy, Montana University System, October 28, 1977; as revised November 18, 1999 (Item 104-103-R0999); adopted May 31, 2007 (Item 135-105-R0507).