

<b>ADMINISTRATIVE DIVISION</b> ACAF Academic Affairs	<b>POLICY NUMBER</b> ACAF 1.33
<b>POLICY TITLE</b> Intellectual Property	
<b>SCOPE OF POLICY</b> Columbia and Regional Campuses	<b>DATE OF REVISION</b> June 3, 2021
<b>RESPONSIBLE OFFICER</b> Executive Vice President for Academic Affairs and Provost	<b>ADMINISTRATIVE OFFICE</b> Office of the Provost

## PURPOSE

This policy addresses the rights to, interests in, protection and transfer of intellectual property created by the university personnel. It covers all intellectual property at the University of South Carolina.

## DEFINITIONS AND ACRONYMS

**Assignment:** is the act of transferring to another part or all of one's property, interest or rights

**Creator:** a university employee or student who creates an Invention and is an individual or group of individuals who make, conceive, reduce to practice, author, or otherwise make a substantive intellectual contribution to the creation of intellectual property. Includes the definition of "Inventor" used in U.S. patent law, as defined in [MPEP 2137](#).

**Equal Shares:** refers to the Creator's share of revenue resulting from the commercialization of an Invention of joint ownership divided equally by the number of individual Creators.

**Independent Efforts:** means the ideas for the Invention came from the Creator and the Invention was created without substantial use of university resources.

**Intellectual Property:** includes all Inventions, but does not include copyrighted works, which are addressed in ACAF 1.35.

**Intellectual Property Committee (IPC)** - As described in the USC Columbia [Faculty Manual](#), the IPC is a standing committee of the Faculty Senate. The university acknowledges the IPC as the advisory body to the TCO, the VPR, and the Provost, on all matters involving intellectual property. The university uses the IPC to review intellectual property management and technology transfer policies and procedures. The university also uses the IPC to make recommendations to the TCO regarding potential revisions to the above policies and procedures. The university also acknowledges the IPC as the university body charged with overseeing the rights and obligations of university personnel who are Creators, and with recommending resolutions to disputes regarding the interpretation of those rights and obligations.

**Invention:** shall include any inventive idea and/or its reduction to practice which relates to: new processes or methods of producing a new and useful industrial result; any composition of matter, including chemical and biological compounds; any new devices; any new plant; any new design in connection with the production or manufacture of an article, any new computer hardware and/or software programs; any knowledge supporting these inventive ideas, systems, devices, compositions, programs or processes; and any new use or improvement of existing systems, devices, compositions, programs or processes.

**Owner:** is the entity (person or organization) that owns the intellectual property. The Owner may be the Creator or an organizational entity that supports the Creator's work by providing resources, facilities, or salary. Ownership of Intellectual Property shall depend on the category of the work in question and on the status of its Creator.

**Reduction to Practice:** the movement of an idea or design from theory to practice and involves creating the necessary conditions under which the idea or design of an invention can be practically realized or made to work.

**Royalties:** compensation for rights in intellectual property and are usually expressed as a percentage of revenue received by the licensee from sale of a product.

**Scope of Employment:** refers to those acts done while performing one's job and the range of activities encompassed by a person's employment.

**South Carolina Research Foundation (SCRF):** a not-for-profit organization, in the State of South Carolina to promote, encourage and assist the research activities of university faculty, staff, and students. SCRF may take equity interests in licensee entities.

**Sponsored Project:** is defined in policy [RSCH 1.07 Administration of Sponsored Projects](#).

**Substantial Use of University Resources:** the use of university funds, programs, equipment, space or other physical assets that exceeds that use customarily and currently provided to employees as part of the ordinary conditions of their employment. In general, the use of university funds or external funds administered through the university, the use of students or employees as support staff to develop an Invention, and the use of specialized or unique facilities, laboratories, and equipment, or other special subventions provided by the university, are construed as substantial use, unless the university specifically approves the use as an exception. For purposes of this policy, the university does not consider the use of ordinary office space, library facilities, ordinary access to university provided desktop, laptop, or tablet computers and networks, or salary, to be substantial use of university resources.

**Technology Commercialization Office (TCO):** is responsible for all matters relating to patents, trademarks, and copyrights as related to the identification, protection, and commercialization of university owned Works and Inventions. The TCO's mission is to help university personnel identify, protect, and commercialize intellectual property assets so that these assets can be used to benefit society and to spur regional and national economic development. The TCO adheres to the mandates of the Bayh-Dole Act. The Bayh-Dole Act enables the university to retain the entire

right, title, and interest in government funded inventions to universities and businesses operating with federal contracts for the purpose of further development and commercialization.

**University Personnel and Students:** University personnel shall include all full-time and part-time university employees, including but not limited to academic personnel, faculty, technical, executive, administrative and managerial support staff, university support personnel, and other personnel services employees; appointees of the university, including certain faculty members and all volunteers; persons paid by or through the university, including fellows; and anyone working under university auspices. Students who are encompassed within any of these categories shall be considered university personnel. Otherwise the term student shall include all individuals that are registered as students pursuant to the defined policies of the university.

## **POLICY STATEMENT**

The intellectual property policy seeks to encourage and reward research and scholarship that results in the creation of intellectual property, and to recognize the rights and interests of the Creator(s), the public, the external sponsor, and the university. It is acknowledged that the university and the public derive significant benefits from such creative activities and it is, therefore, in the university's interest to reward research and scholarship. The university reserves the right to patent and exploit the intellectual property, subject to such limitations as may be imposed by prior agreement with the external sponsors. Federal regulations require the Creator to file written invention disclosures and written assignments of such inventions made under programs sponsored in whole or in part by the federal government.

### **A. Guidance**

This section will explain the intent, goals, and interpretation of intellectual property policy to faculty, staff, students, and administrators. This section also includes definitions of key terms and phrases relevant to intellectual property.

#### **1. Basic Principles**

The following principles serve as a guide to the intellectual property policy's interpretation and application.

##### **a. Academic Freedom and Preeminence of Scholarly Activities**

Because the academic missions of teaching and scholarship have preeminence, this policy is not intended to diminish the right of university personnel to disseminate the results of their research and creative activity for scholarly purposes. However, it is in the best interest of the Creator and the university to identify and protect the products of scholarly activity that have potential commercial value. Accordingly, the Creator has a duty to disclose such discoveries to the university in a timely fashion.

##### **b. Equity and Fair Play**

This policy applies equally to the intellectual property of all university personnel, and regardless of the specific characteristics of a given discipline, facilities, or technical support available for the creative effort. The principle of fair play facilitates mutual cooperation between the Creator and the university, and prohibits any person from deliberately creating or exploiting to his or her own advantage unintended exceptions to this policy. If a violation of the principle of fair play is suspected, the policy contains a procedure for redressing the grievances of a given case.

c. Mutual Trust and Good Will

In the event of future controversies regarding the rights to intellectual property, the transfer and commercialization of a particular property, or the interpretation of this policy, all parties should recognize that mutual trust and good will were fundamental tenets in forging the policy and that those tenets should guide all members of the university community in their actions.

d. Faculty Governance and Review

Faculty members, through their majority representation on the Intellectual Property Committee (IPC), have a primary role in the establishment and periodic revision of this policy, and in the review and recommendation of dispute resolutions arising under it. As referenced in this policy, and outlined in greater detail in the Faculty Manual, the IPC is established by the Faculty Senate, has a majority of members who are faculty, and is chaired by a faculty member.

e. Mutual Participation in Licensing Decisions

The Creator shall play an active role in the entire licensing process, particularly in cases where the Creator has no external financial interest in the licensee. Where the Creator has external interests in the licensing of a property, participation in licensing decisions shall be consistent with State and Federal conflict of interest regulations and university policy.

B. Intellectual Property Development and Technology Transfer

1. Legal Considerations

With the passage of the Bayh-Dole Amendments, Public Law 96-517, entitled “The Patent and Trademark Amendments Act of 1980,” the federal government facilitated the retention of intellectual property, particularly inventions, by universities. In this Act, the federal government gives nonprofit organizations, including universities, the right to retain title to inventions made in the performance of government grants and contracts. The Act reflects Congress’ intention that these organizations use the patent system as a vehicle to effectuate the transfer of government-funded inventions to the public.

## 2. Relation to the University's Mission

As a public institution devoted to teaching, research, and service, the university recognizes that one aspect of its mission is the application of knowledge to problems of general public interest. Therefore, the university encourages and rewards activities of university personnel that may lead to the development of intellectual property and to the transfer of beneficial technologies to the private sector.

## 3. Objectives

The objectives of the university's intellectual property management activities are: (a) to attract resources to support university personnel in activities that may lead to intellectual property development; (b) to provide services to university personnel to enable them to identify and protect intellectual property; (c) to facilitate, in cooperation with the Creator, the efficient transfer of technology from the university to the private sector in service of the public interest; and, (d) to promote local and national economic development.

## PROCEDURES

### A. Disclosure of Inventions

In order to identify and protect Inventions with potential commercial value that results from the work of university personnel, university policy requires that Creators disclose all Inventions in confidence to the university. Public release in any form, such as publication in a peer reviewed journal, presentation at a professional meeting or seminar, or press release, may have the effect of making public the Invention, thereby precluding the university and the Creators from pursuing intellectual property protection. Therefore, Creators should promptly make the confidential disclosure to the university prior to any public release of information about the Invention. Creators shall work with the university's TCO to execute a nondisclosure agreement to preserve the integrity of confidential, proprietary information when communicating with third parties about the Invention.

For more information about the intellectual property disclosure process, visit [https://www.sc.edu/about/offices\\_and\\_divisions/technology\\_commercialization/for\\_inventors/index.php](https://www.sc.edu/about/offices_and_divisions/technology_commercialization/for_inventors/index.php) and complete the [invention disclosure form](#) located there.

### B. Ownership

The university owns Inventions that are conceived or reduced to practice by university personnel as a result of (a) research that makes substantial use of university resources or facilities, (b) activities that fall within the Creator's scope of employment with the university, whether or not university resources or facilities are used, or (c) work supported by funds that are administered through the university.

In cases where a Creator believes that an Invention was conceived or reduced to practice by independent efforts, the university has established a procedure whereby the Creator may file a

claim of ownership. . In claiming ownership, the burden of proof is with the Creator to document that the Invention (a) was not conceived or reduced to practice as part of an activity within the Creator's scope of employment as a university employee, (b) that it was conceived and reduced to practice on his/her own time, and that (c) the Creator did not make substantial use of university resources, facilities, or grant funds administered by the university. Grounds for ownership claims may also be based on documentation from the Inventor that the university did not uphold its due diligence obligations to pursue commercialization in a timely fashion as described in Procedures Section C. The IPC serves as the body from which the Creator or the TCO can obtain an impartial review regarding issues of ownership.

A student who creates an Invention that results from work the student performs for a university class shall retain all rights to the intellectual property unless the student performs the work as part of a sponsored project, in which case the project agreement shall govern the ownership and disposition of any intellectual property that results from the student's work. (See policy [RSCH 1.07 Administration of Sponsored Projects](#))

#### C. TCO Due Diligence

The university TCO shall use "due diligence" in assisting university personnel to protect, and commercialize intellectual property developed as part of their association with the university. The university's due diligence obligation shall include a review of requirements of sponsorship agreements, if any, a preliminary market analysis, and an explanation of options for commercialization. The TCO shall provide ongoing feedback to the Creator about university actions relevant to the status of the invention.

#### D. Options for Commercialization

In general, the university provides the following options for the commercialization of a technology as noted below. After consultation with the Creator, the TCO will choose the option which best serves the mission of the university, including the objectives of this policy, and which is consistent with the available technology transfer resources of the university. Preferences expressed by the Creator are actively sought and given strongest consideration. Options for commercialization include, but are not limited to, the following:

##### 1. Licensing to Third Parties

The university may license an Invention owned by the university to external entities for further development and commercialization. If the TCO decides not to proceed, or cannot proceed in a timely manner to patent and/or license an Invention, then the TCO may assign ownership to the Creators upon their request and to the extent possible under the terms of any agreements that support or relate to the work.

##### 2. Licensing to Business Entities in Which a Creator Holds an Ownership or Management Interest

The university may enter into license agreements with business entities in which the Creator holds an ownership interest. Such licenses will be comparable to those negotiated with unrelated third-party licensees. The terms may include royalty payment, equity interest, or a combination thereof, as consideration for the license. The emphasis in structuring license agreements with Creator start-up companies will be on helping the company become viable.

### 3. Reassignment of Ownership to Creator

Subject to the provisions described below in Procedures Section E, if the Creator wishes to market, protect, and license intellectual property on their own with minimal university involvement, the university may assign its right of ownership to the Creator. Normally, where the Invention is to be commercialized via a business in which the Creator holds a financial or management interest, the option described in Procedures Section D.2 will control. The assignment shall be subject to the terms of any agreements that support the related work. The return to the university for an assignment of ownership will consist of recovery of any university patent and licensing expenses and up to 15% of royalties, equity, or other value received by the Creator through subsequent licensing or reassignment. In exceptional cases, the TCO, in consultation with the appropriate school or college, may modify this rate of return.

## E. Distribution of Revenue from Royalties or Sale of Equity Interest

In cases where the university owns the Invention, the university's policy is to distribute a substantial portion of net revenues to the Creator.

### 1. Goals of Revenue Distribution

The university's goals for revenue distribution are: (a) to create a strong incentive for faculty participation in technology transfer activity by providing revenues for the continued support of Creator's research, (b) to support further investment in research and educational activities, (c) to share revenues directly with Creator, and (d) to fulfill its obligations under federal regulations. The university's intent is to encourage intellectual property development and technology transfer activities.

### 2. Revenue Distribution Plan

The university shall maintain a revenue distribution plan comparable to plans of other universities of equivalent size, nature, and scope. Accordingly, after recovery of university expenses, including those for patent protection, marketing, development, and licensing, the Creator's share of aggregate net revenues resulting from royalties and/or sale of equity interests is 40%. If the work is of joint ownership, the Creator's share of aggregate net revenues shall be distributed in equal shares, unless a written agreement between Creators exists and specifies otherwise. The university encourages Creators of a Joint Work created at the university to enter into a written agreement providing for ownership, attribution, use,

sharing of royalty or other income, and the registration and protection of the work. The TCO determines how to distribute the remaining 60% interest.

**HISTORY OF REVISIONS**

<b>DATE OF REVISION</b>	<b>REASON FOR REVISION</b>
January 6, 1989	New policy approval
April 26, 2005	Policy substantially revised to update policy organization, definitions, and procedures and to separate the copyright policy from the IP policy.
June 3, 2021	This revised policy would also supersede university policy ACAF 1.39 Software, which is recommended for repeal.