

# MARSHALL UNIVERSITY BOARD OF GOVERNORS

## Rule No. GA-6

### INTELLECTUAL PROPERTY POLICY

#### General

Scope: This policy governs the Intellectual Property rights of Marshall University as it relates to faculty, staff students and others who receive financial support from Marshall University, and/or who use Marshall University facilities or materials in the process of conceiving, and/or developing an idea, invention or discovery

Statutory References: W. Va. Code §18B-2A-4

Passage Date: June 17, 2021

Effective Date: July 27, 2021

Background: This policy amends the Intellectual Property policy effective 3/10/2004 by correcting outdated titles and offices, cross references, and provides exclusions for some University Innovations Centers.

#### 1 Preamble

- 1.1 Discoveries or inventions can result from research or educational activities performed at a university. The prompt and open dissemination of the results of research and creative work among scholars and, eventually, to the public at large is essential to Marshall University's mission of education and research. The commercial development and distribution of the results of research and creative work to benefit the inventor or creator and the economy is part of Marshall University's mission of public service and economic development. Marshall University desires to assure that all ideas and discoveries are properly disclosed and utilized for the greatest possible public benefit. Marshall University also desires to protect the intellectual property rights of the Marshall University faculty, staff and student body, and to abide by the laws and regulations of government agencies and private contracts providing funds for sponsored programs.
- 1.2 This policy is intended to facilitate the commercial development of intellectual property arising at Marshall University and to provide an incentive to University inventors or creators to participate in such development while acknowledging Marshall University's primary goal of the discovery and dissemination of knowledge.

#### 2 Objectives

- 2.1 Create appropriate support mechanisms and incentives to encourage inventive work.
- 2.2 Assure fair allocation of benefit between inventors and Marshall University.
- 2.3 Establish general guidelines for University personnel, industrial sponsors and funding organizations on the disposition of intellectual property.
- 2.4 Define the rights and responsibilities of faculty, staff, and students with emphasis on allowing inventors to become appropriately involved in and benefit from commercialization decisions and processes.
- 2.5 Ensure the widest and earliest dissemination of innovative and creative work.

### **3 Coverage**

- 3.1 The Marshall University Intellectual Property Policy applies to all faculties, administrators, staff, students or other covered individuals who receive financial support from Marshall University, and/or who use Marshall University facilities or materials in the process of conceiving, and/or developing an idea, invention or discovery.

### **4 Administration**

- 4.1 The primary university officer responsible for the administration of this policy shall be the Vice President for Research. In the event of a vacancy in that position or for any other reason, the President shall have the prerogative to appoint another individual to carry out the responsibilities of this policy.

### **5 Types of Intellectual Property**

- 5.1 Intellectual properties are divided into two categories: technical works or technology and creative works.
- 5.2 Technical works include intellectual properties that are generally of a scientific, engineering, or technical nature--such as patentable or unpatentable inventions, devices, machines, processes, methods, compositions, computer software, mobile applications, and University collections. All computer software is included in technical works except that which is clearly developed for entertainment or for instructional purpose, e.g., electronic textbooks and textbook supplements, classroom and self-study tutorials. Technical works may include, but are not limited to:
- 5.2.1 Prototype devices;
  - 5.2.2 Novel biological materials;
  - 5.2.3 New chemical compounds;
  - 5.2.4 Materials having novel optical or electronic characteristics;
  - 5.2.5 Software and programming code, where software is not excluded as a Copyrighted Work; and
  - 5.2.6 Business Methods
- 5.3 Creative works include all intellectual properties not covered in technical works that are of an artistic, scholarly, instructional, assessment, or entertainment nature. Examples of creative works might include creative productions, such as works of art or design; musical scores; books, poems, plays, short stories, essays, novels, scripts, memoirs, screenplays, and other types of scholarly or creative writings; films; video and audio recordings; and instructional materials, such as textbooks and multimedia programs.
- 5.4 Creative works include those productions of drama, music, athletics, and similar events that are managed by appropriate academic departments, colleges, or academic support units expressly approved by the Provost as not being subject to this policy. Nothing in this policy shall interfere or restrict the copyrights or other intellectual property held by others. Nor shall the production of these events create any property rights requiring payment to the University for its production unless otherwise agreed in writing.
- 5.5 Creative works and traditional academic publications that are produced as a normal outcome of scholarly work and have only minor commercial possibilities are not included except under specific and unusual circumstances as determined by the Provost and Vice President of Research. These publications would include professional papers published in scholarly journals, monographs of an academic nature, scholarly books of limited use, or supplementary texts and similar materials. Likewise, juried artistic creations or performances that are the academic, noncommercial equivalents of such scholarly publications are not included.
- 5.6 Nothing in this policy shall conflict with the provision of MUBOG AA-48

## **6 Disclosure**

- 6.1 All members of the Marshall community who are covered by this policy shall disclose the nature and detail of their anticipated invention or discovery in writing to the Vice President for Research, or his/her designated representative at the earliest possible date, preferably within 30 days of making the invention or discovery.
- 6.2 Within 120 days after such disclosure, the Vice President for Research or his/her designated representative shall notify the inventor in writing whether it is Marshall University's intention to retain its interest and to acquire assignment of all ownership rights of the invention or discovery. If such notification cannot be made during that time period, the inventor shall be notified as to the reason for the delay and the additional time necessary to make such determination.

## **7 Intellectual property subject to contractual obligations (e.g., sponsored research agreements)**

- 7.1 In the case of inventions and copyrightable works developed in the course of research funded by a sponsor pursuant to a grant or research agreement, or which is subject to a materials transfer agreement, confidential disclosure agreement or other legal obligation requiring disclosure, the disclosure of such intellectual property will be governed by the terms of such grant or agreement, as approved by the Vice President for Research, if such terms differ from this policy.

## **8 Guidelines regarding public disclosure of inventions**

- 8.1 Internal disclosure of an invention will not interfere with the ability to patent or copyright the intellectual property. However, public disclosure of an invention prior to filing for a patent or copyright application could preclude the availability of patent or copyright protection in most countries. This rule applies to any non-confidential written or oral disclosure that describes the intellectual property (e.g., at a scientific meeting, in a journal, or even in an informal discussion with colleagues).
- 8.2 Accordingly, Marshall University requires inventors to disclose intellectual property to the Vice President for Research as soon as possible, and to delay public disclosure of the intellectual property until the evaluation process is completed and a patent or copyright application is filed if deemed necessary.
- 8.3 During this interim period, an invention may be safely disclosed outside of Marshall University under the protection of a confidential disclosure agreement ("CDA"), because disclosures made under an appropriate CDA are not considered public disclosures. Marshall University requires that all inventors use Marshall University's CDA whenever they disclose information relating to an invention while the invention is under evaluation by Marshall University, and also requires use of Marshall University's CDA as well as consultation with the Vice President of Research if an inventor wishes to disclose an invention to an outside researcher associated with a company or other organization, or directly to such organization.
- 8.4 Inventors should be aware that public disclosure of an invention prior to completion of the evaluation process and filing of a patent or copyright application will adversely affect the commercial value of the invention and therefore may decrease the likelihood that Marshall University will proceed with commercialization of that invention.

## **9 Receiving confidential information from outside researchers**

- 9.1 If an inventor receives confidential information from an outside researcher or organization (non-profit or commercial) in relation to research performed by the inventor at Marshall University, the other organization or researcher may impose serious non-disclosure and non-use obligations on the confidential information and may claim an ownership interest in inventions, copyrightable works, or materials that arise in the course of research performed with such confidential information. For this

reason, only the Vice President for Research is authorized to approve and sign CDA's from other researchers or organizations on behalf of Marshall University.

## 10 Ownership Rights

### 10.1 Ownership of Intellectual Property

10.1.1 Marshall University will own any intellectual property that is made, discovered, or created by any creator who was employed or otherwise financially supported by Marshall University who makes substantial use of University resources (including University-funded time, facilities, or equipment) in connection with the development of such intellectual property. This includes any intellectual property created through a research project funded by corporate, federal or other external sponsors administered by the University. Use of library facilities, facilities available to the general public, and occasional use of office equipment and office staff will not ordinarily be considered "substantial use" of University facilities and equipment.

10.1.2 Upon mutual agreement, a creator may assign intellectual property he/she would otherwise own under this Policy to Marshall University to be managed by the Vice President for Research.

10.1.3 If Marshall University decides not to take assignment or ownership rights, and there are no restrictions by the sponsor of the research, Marshall University will release its proprietary interest to the inventor.

### 10.2 Obtaining a Patent or Copyright

In the event Marshall University determines that it will not file for a patent or copyright, or if Marshall University decides to terminate the application for a patent or copyright, the creator shall be notified as soon as possible and he/she may proceed to obtain his/her own patent or copyright, at his/her own expense.

### 10.3 No Ownership Rights of Marshall University

The ownership rights to intellectual property are considered to be exclusive property of the creator only if Marshall University has not contributed to the conception or development of the intellectual property in the way of funds, space, materials, reassigned time, or facilities and the intellectual property was conceived and developed by the creator on his/her own time without the use of University facilities or staff.

### 10.4 Determination of Ownership Rights

In a case where there is a disagreement between the creator and Marshall University as to ownership rights or the retention of such rights by Marshall University, the Council on Research and Commercialization shall recommend to the President what further action Marshall University should take. The decision of the President shall be final.

### 10.5 Ownership Rights in Sponsored Programs

In the case of programs sponsored by government agencies or private firms with which Marshall University has negotiated a particular agreement regulating patents, inventions, licensing, etc., those regulations will govern. For all federal agencies with which there is no such agreement, Marshall University normally must agree to provide an irrevocable, nonexclusive free license to the government for the non-commercial use of patents or copyrights arising from programs which they supported.

### 10.6 Release of ownership rights

Marshall University, at its sole discretion and subject only to the restrictions of a sponsoring agency or a licensing agreement, may determine to release a previously obtained patent or copyright to the creator for promotion and development. In so doing, Marshall University will require that it recover any costs incurred in obtaining the patent or other intellectual property or in subsequent promotions.

The transfer of rights must be approved and secured by an assignment agreement. Marshall University will retain a royalty-free, non-exclusive license to use any such inventions or copyrightable works for academic research and teaching.

10.7 Student Ownership of Intellectual Property

Students who independently develop intellectual property arising out of their participation in programs of study at Marshall University, such as thesis, dissertations, research reports, will usually retain ownership rights to that property unless:

- 10.7.0.1 It makes substantial use of Marshall University property, personnel or facilities.
  - 10.7.0.2 It is a work-for-hire under the United States Copyright Act.
  - 10.7.0.3 It is supported by a direct allocation of funds through the University (grant, contract, fellowship, scholarship, wage, stipend, etc.).
  - 10.7.0.4 It is commissioned by the University.
  - 10.7.0.5 It is otherwise subjected to contractual obligations such as a sponsored research agreement.
- 10.7.1 If any of the above conditions are met, students will be treated in the same manner as similarly situated Marshall University personnel. Students must promptly disclose to the Vice President for Research any intellectual property which they have developed in which Marshall University may have ownership rights.
- 10.7.2 Any student engaging in research or development of intellectual property under the supervision and direction of a faculty or staff member in connection with a program or activity subject to this Intellectual Property Policy shall have no ownership interest in the resulting property, but may be eligible to participate in the income and/or equity distribution established in this policy. Faculty who supervise or direct students should have the students sign an “Assignment of Ownership Agreement” form as well as a non-disclosure form.

**11 Substantial Use of Marshall University Resources**

11.1 Substantial use of Marshall University resources in generating intellectual property is defined as use of Marshall University facilities, equipment, personnel, and one’s time in excess of that needed to fulfill the required activity of one’s appointment at Marshall (see, for example, Notice of Appointment and Offer Letter). Marshall University will retain title to all intellectual property that makes substantial use of University resources, including but not limited to:

- 11.1.1 Extended use of time and energy by the creator (s) in creating or promoting the work that results in reducing the levels of teaching, scholarship, or service activities
- 11.1.2 Use of Marshall University facilities such as laboratories, studios, equipment, production facilities, or specialized computing resources
- 11.1.3 University funding in support of the work’s creation or commercialization.
- 11.1.4 Reassigned time to develop or complete the work
- 11.1.5 Paid professional development leave to develop or complete the work
- 11.1.6 Direct assignment or commission from Marshall University to undertake a creative project as a part of the developer’s regular appointment
- 11.1.7 Funding from gifts to Marshall University to support creation or commercialization of the intellectual property involved
- 11.1.8 Production of the work under specific terms of a sponsored research grant or contract
- 11.1.9 Subvention by Marshall University in the protection, dissemination or publication of the intellectual property
- 11.1.10 Use of specifically designated Marshall University funds or extensive use of the services of a support unit financed by Marshall University for protection, production, or commercialization of a creative work

- 11.1.11 Use of Marshall University computers and servers for Web-based activities such as a distance learning course
- 11.2 With written approval of Marshall University, services of University Innovation Centers funded with non-state sources in order to further promote the economic growth of the region shall not be considered substantial use of University resources. Marshall University is directed to develop an Administrative Procedure to outline the requirements for approval.

## **12 Similar Intellectual Property**

- 12.1 If an inventor makes, creates, or discovers intellectual property without substantial use of Marshall University resources, but the intellectual property closely resembles a specific research project that the inventor has conducted at Marshall University, it may appear that the intellectual property arose with use of substantial Marshall University resources. Under these circumstances, Marshall University and the inventor (or a company for whom the inventor consults) could later argue about ownership of the intellectual property because Marshall University might reasonably believe that substantial University resources were in fact used. Such arguments usually arise after the intellectual property has gained substantial commercial value. In order to avoid these potentially litigious situations, Marshall University requires inventors to disclose to the Vice President of Research any intellectual property that closely resembles a specific research project at Marshall University, together with an explanation that the intellectual property did not arise through substantial use of University resources. Marshall University may ask the inventor for documentation supporting the claim that there was no substantial use of University resources. If there was no substantial use of University resources, Marshall University will give the inventor a written acknowledgment that Marshall University has no ownership interest. If there is substantial use, the ownership of the intellectual property resides with Marshall University and the inventor must take all necessary steps to protect Marshall University's intellectual property rights.

## **13 Administration**

- 13.1 The responsibility for the administration of the Intellectual Property Policy will reside in the Office of the Vice President for Research . The Vice President for Executive Affairs and General Counsel of Marshall University shall be consulted on all legal matters pertaining to this policy.

## **14 Administrative Procedures – Sponsored Research with Commercial Organizations**

- 14.1 The Vice President for Research in consultation with the Vice President of Executive Affairs and General Counsel shall have responsibility for negotiating, executing, and administering funded research agreements between Marshall University and commercial organizations, in accordance with Marshall University policies.

## **15 Inventions or Discoveries Arising From Sponsored Programs**

- 15.1 The Vice President for Research will review the rules and regulations of all potential sponsors of research with regard to ownership rights and licensing of inventions, discoveries or patents either at the time that proposal is submitted or prior to accepting an award from the sponsor.
- 15.2 If the regulations of a potential sponsor are contrary to the Marshall University Intellectual Property Policy, the Vice President for Research will consult with the potential project director, and/or if the Vice President for Research deems it advisable, with the Council on Research and Commercialization. After such consultation, the Vice President for Research will determine whether or not to accept the sponsorship of the research under those regulations.

## **16 Commercialization of University-Owned Intellectual Property**

- 16.1 The Vice President for Research shall have the responsibility for protection, commercial development, and administration of all University-owned intellectual property. This commercial development will ordinarily occur through licensing of inventions, copyrightable works, or tangible research materials to a company. The Vice President for Research will regularly consult with, seek the advice of, and

inform the creator of the intellectual property throughout the commercialization process. Marshall University recognizes that involvement of the creator at every step of the commercialization process is essential for the successful commercialization of intellectual property. The Vice President for Research will use diligent efforts to commercialize the intellectual property.

#### **17 Evaluation of Commercial Potential**

- 17.1 In the case of an intellectual property that the creator discloses for possible commercialization by Marshall University, the Vice President for Research will determine its commercial potential. To assist in this determination, the Vice President for Research may consult with patent or copyright counsel and outside experts in particular fields.
- 17.2 In addition to these resources, the Vice President for Research may seek the advice of various evaluation committees with expertise in various fields of research, which committees the Vice President for Research shall have authority to establish at his or her discretion.

#### **18 Development, Promotion and Licensing**

- 18.1 In administering the patent portfolio of Marshall University, the Vice President for Research shall act to bring to the public all inventions and discoveries in which Marshall University has proprietary rights. In doing this, the Vice President for Research shall use whatever means appropriate for development, promotion and licensing of each invention, consistent with the expressed goals of the Intellectual Property Policy.
- 18.2 Marshall University is free to enter into agreements with any outside agent which it deems will successfully aid Marshall University in developing inventions or discoveries, in obtaining patents, or in promoting or manufacturing inventions, provided that such agreements are consistent with this Intellectual Property Policy. If a particular invention or discovery is to become subject to such an agreement, this shall be made known to the inventor.
- 18.3 Marshall University is free to enter into any licensing agreements which it deems beneficial to Marshall University, the inventor and the public in general, provided such agreements are not prohibited by a sponsoring agency's rules or regulations and will comply with all federal and state laws. Any terms governing the relationship among the licensee, Marshall University or the inventor due to such licensing agreements shall be disclosed to the inventor, the dean of the college/school, the Council on Research and Commercialization, and the President.

#### **19 Council on Research and Commercialization**

- 19.1 The Council on Research and Commercialization (Council) will advise and coordinate activities with the Vice President for Research and review current procedures, policies, and practices and make recommendations for policy development. The Council has responsibility for resolving conflicts of interest that involve intellectual properties or any commercial involvement or consulting arrangements of Marshall University personnel. The Council is also responsible for dispute resolution.
- 19.2 The Council has the responsibility for reviewing disclosed intellectual property and for advising the Vice President for Research on the priority of projects for commercialization. Subcommittees may be formed and consultants contacted for determination of commercial potential of projects.
- 19.3 The Council is chaired by the Vice President for Research and includes the Vice President for Executive Affairs and General Counsel, the Provost and Senior Vice President of Academic Affairs, , the Vice President for Information Technology, the Vice President of Finance, the Executive Director of the Marshall University Research Corporation, and the Deans of the College of Business, School of Medicine, School of Pharmacy, College of Science, and College of Information Technology and Engineering. The President of the University may make additional appointments to the Council and

may designate another individual to serve in the event of a vacancy in one of the aforementioned member positions.

## **20 Assignment of Intellectual Property**

20.1 Prior to or in conjunction with disclosure of University-owned intellectual property, the developer(s) shall obtain from all staff and students (and others covered by this policy) working on its development who shall not be entitled to an interest in the intellectual property the Employee Intellectual Property Assignment Form. These completed forms will be kept in the Vice President Research offices.

## **21 Confidentiality**

21.1 All intellectual property disclosures shall be considered confidential by Marshall University. Marshall University will inform all members of the Council and all outside experts that the information contained in the disclosures is confidential, and that breach of confidentiality is a violation of Marshall University policy that could lead to personnel or other available sanctions or legal actions and will obtain written acknowledgment of such obligations from these inventors. The Council will establish recusal procedures for members who have a conflict of interest in a particular case.

## **22 Tangible Research Property (TRP)**

22.1 Tangible research property consists of materials or devices created as a result of research. TRP is defined as compositions derived by artificial or non-naturally occurring means, such as chemical and biological compositions, as well as devices or instruments constructed as part of a research endeavor, such as electronic equipment, and integrated circuits. Examples include cell lines, antibodies, DNA or RNA, chemical samples, plasmids, and prototypes. Whenever TRP is derived from conditions that apply either to patentable intellectual property inventions or to sponsored research or contractual obligations, the TRP ownership will be assigned to Marshall University.

22.2 The creator may assign the non-University owned TRP to Marshall University for commercialization purposes in return for a share of the license royalty. All TRP transfer agreements must be approved by the Vice President for Research. All TRP exchanges should be accompanied by agreements which correctly specify either University ownership or assignment and the conditions for use by the recipient. In no case will Marshall University warrant the product and Marshall University will be held harmless from all liability claims. It is the responsibility of the creator to assure proper development, control, storage and distribution of TRP. Distribution of University-owned or University assigned TRP to the research community is encouraged.

## **23 Administrative Procedures- Tangible Research Materials**

23.1 While potential commercial value should not inhibit the free exchange of University-owned tangible research materials for research purposes, Marshall University nonetheless recognizes that such materials may have substantial commercial value. In addition, tangible research materials received by inventors may be subject to contractual restrictions that severely limit the use and transfer of such materials, to the detriment of University researchers. Marshall University has therefore established the following procedures to allow the free exchange of tangible research materials, while at the same time respecting the ownership rights of Marshall University, protecting the rights of its researchers, and limiting the liability of Marshall University and its researchers.

## **24 Transfer of Tangible Research Material to Outside Researcher for Basic Research**

24.1 If a Marshall University creator desires to transfer materials to an outside researcher for use in internal basic research, and not for the development or sale of commercial products, the creator must use the appropriate Marshall University form of material transfer agreement ("MTA"), which will be provided by the Vice President for Research together with instructions for the use of each form. The various forms of MTA will establish rights and responsibilities regarding the materials among Marshall University and the outside researcher and his or her employer and will minimize future confusion and



controversy regarding the use and transfer of the materials and ownership of inventions or materials based on the supplied materials.

- 24.2 The Vice President for Research is authorized to approve and sign MTA's. If an inventor is involved in a project that requires frequent exchanges of material with an outside researcher, the Vice President for Research, in consultation with the Vice President for Executive Affairs and General Counsel's office, may develop a blanket MTA to cover all exchanges between the inventor and the outside researcher for a specific period.
- 24.3 If materials are developed by an inventor in the course of sponsored research, or are otherwise subject to contractual restrictions (e.g., materials transfer agreement or confidential disclosure agreement), the transfer of such materials to an outside researcher will be governed by the terms of the relevant agreement, if such terms differ from this policy.
- 24.4 These procedures also apply to students who leave Marshall University and desire to bring with them materials that they developed or discovered in the course of their work at Marshall University.

## **25 Transfer of Tangible Research Material for Commercial Use**

- 25.1 Materials may not be transferred to any outside researcher for any use other than internal basic research unless the outside researcher has obtained a license from Marshall University through the Vice President for Research under the procedures set forth in this policy. Materials with commercial uses should be disclosed to the Vice President for Research in the same manner as inventions and will be treated in the same manner as inventions.

## **26 Receiving Tangible Research Materials from Outside Researchers**

- 26.1 If a Marshall University inventor receives materials from an outside researcher at another organization (non-profit or commercial), the other organization or researcher may impose serious use and transfer restrictions on the materials and may claim an ownership interest in inventions, copyrightable works, or materials that arise in the course of research performed with such materials. For this reason, only the Vice President for Research is authorized to approve and sign agreements governing receipt of materials from other organizations. Inventors are required to consult with the Vice President for Research regarding the restrictions applicable to a particular material from an outside researcher before planning to use that material in their research. Inventors should be aware that, in some instances, these restrictions may be so onerous (e.g., no publications, assignment of inventions) that the Vice President for Research will require modification of the agreement before approval.
- 26.2 If materials are received by an inventor in the course of sponsored research, the transfer of such materials will be governed by the terms of the applicable sponsored research agreement, if such terms differ from this policy. If the restrictions would apply to research performed by students, the affected students must agree to such restrictions in writing.

## **27 Proceeds From Inventions and Discoveries**

- 27.1 All royalties and other income arising from intellectual Property owned by Marshall University, including proceeds from inventions and discoveries and non-equity income derived from the licensing of such intellectual property, shall be administered and distributed by the Vice President for Research on behalf of Marshall University in accordance with this Section 27. In administering and making the distributions, the office of the Vice President for Research and the Marshall University Research Corporation (MURC) will first be reimbursed for any out-of-pocket expenses incurred in obtaining and maintaining patent or copyright protection for a specific item of intellectual property, and in evaluating and marketing such intellectual property.
- 27.2 The remaining amount will be distributed as follows:

- 27.3.1 40% will be paid to the creator(s),
  - 27.3.2 30% to the creator's college or school or program
  - 27.3.3 15% to the Marshall University Research Corporation
  - 27.3.4 15% to the Office of the Vice President for Research
- 27.4 In the case of multiple inventors or creators of commercialized intellectual property, their shares will be distributed as they unanimously agree or, in the absence of agreement, in equal portions. If multiple colleges/schools or programs are involved, their shares will be distributed in the same manner as the distributions to the inventors or creators within such colleges/schools or programs, unless agreed to otherwise in writing by the colleges/schools or programs. In the event of multiple claims by entities as the creator's "college or school or program", the President shall make the final determination of distribution amounts to those entities.
- 27.5 Distributions to creators will be made quarterly when the accumulated total exceeds \$1,000, or annually if less than \$1,000.

## 28 Acceptance of Equity

- 28.1 Marshall University through the Marshall University Research Corporation may accept an equity interest in a company, provided that before Marshall University agrees to accept equity, it must receive the written approval of the Vice President for Research and the Vice President of Executive Affairs and General Counsel. In making this determination, the Council on Research and Commercialization may be consulted. An inventor must choose either of the following approaches when negotiations commence between Marshall University and the company, but the choice is final once selected. If a transaction is completed before the inventor makes a choice of these approaches, the approach in paragraph 28.3 shall apply.
- 28.2 Inventors may elect to receive thirty percent (30%) of the equity that Marshall University would otherwise receive in connection with the commercialization of intellectual property, in which case the inventor agrees not to receive any other equity interest from the company. The inventor may waive this restriction in his or her discretion. Marshall University will not receive or hold this equity on behalf of an inventor, but will instruct the company to issue the equity directly to the inventor. Inventors must sign any documents required by the company (e.g., stock or ownership restriction agreements) and must agree to comply with any restrictions placed on the stock or ownership interest by the company. If the company refuses to issue the stock or ownership interest directly to the inventor, or if the inventor does not sign the necessary documentation, Marshall University will instruct the company to issue the equity directly to Marshall University. In such event, the inventor may still receive equity independent of Marshall University.
- 28.3 Inventors may elect to receive equity directly from the company independent of Marshall University, in which case the inventor agrees not to receive any share of equity that Marshall University may receive in that transaction. Inventors selecting this approach may negotiate with the company to receive equity by means of, for example, a consulting agreement or founders stock.

## 29 Distribution of Equity Revenue Derived from Commercialization

- 29.1 Marshall University will not receive and hold equity on behalf of an inventor until liquidation. Instead, an inventor may receive equity directly from a company. When the equity received by Marshall University in connection with the commercialization of intellectual property is liquidated, the proceeds shall be distributed as follows:
- 29.1.1 First, to the extent the Vice President for Research and the Marshall University Research Corporation is not fully reimbursed for out-of-pocket expenses pertaining to the intellectual property from non-equity revenue, they will be reimbursed for any remaining out-of-pocket

expenses incurred in obtaining and maintaining patent or copyright protection for a specific item of intellectual property and in evaluating and marketing such intellectual property.

29.1.2 The remaining proceeds from equity liquidation will be distributed as follows:

29.1.2.1 20% to the Office of the Vice President for Research to fund patents and operations

29.1.2.2 40% to the school, college or program that provided the resources for development of the intellectual property, to fund research and scholarship. The president of the University will determine appropriate distribution amounts if multiple schools, colleges, or programs are involved.

29.1.2.3 40% to Marshall University to fund research and scholarship.

### **30 Conflicts of Interest**

30.1 Any conflicts of interest arising from commercial development of the invention (e.g. an inventor having equity ownership in a company in which the Intellectual Property is assigned) will be applicable to the Marshall University Conflict of Interest Policy.

### **31 Use of Name and Logo**

31.1 Use of Marshall University's name and logo in any commercial setting requires prior written approval from Marshall. Requests for such approval should be submitted in writing to the University officer responsible for logo licensing, and a decision will be made in conjunction with the Office of the General Counsel.

### **32 Interpretation of Policy Exceptions**

32.1 The Vice President for Research shall administer this Policy in regular consultation with the Council on Research and Commercialization. The President shall have authority to interpret this Policy and, upon recommendation of the Council on Research and Commercialization and in consultation with the Vice President for Executive Affairs and General Counsel, may grant exceptions to the Policy in appropriate cases.

### **33 Applicability of Policy**

33.1 The Policy herein declared may be changed or discontinued at any time by appropriately taken action of the Marshall University Board of Governors.

### **34 Reports**

34.1 The Vice President for Research shall file with the President, Provost, Faculty Senate, and Staff Council an annual report on disclosures and materials transfer agreements. The report shall present summary statistics and shall maintain the confidentiality of inventor disclosures.