

# Intellectual Property 101

**Office of Intellectual Property  
Development and Commercialization**

**February 28, 2007**

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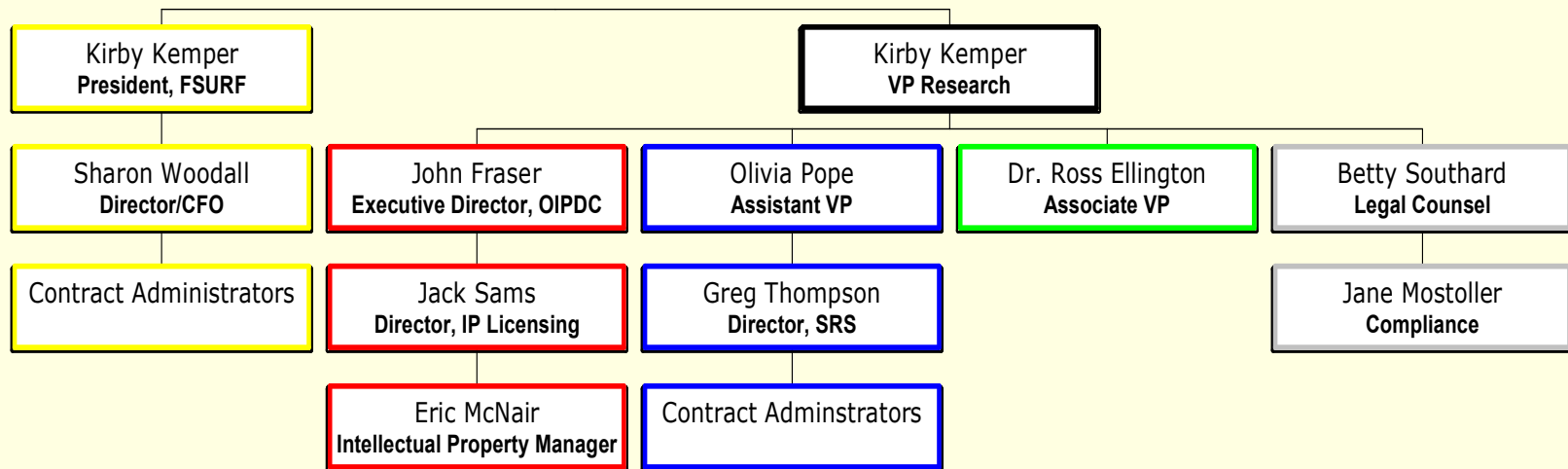
# Objectives

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## **After this session, you should:**

- Be aware of different kinds of IP
  - Patents, copyrights, trademarks ...
- Understand different expectations
  - Industry, government, university
- Understand your responsibilities
- Know how to get assistance

# We are part of the Office of the VP for Research



# What do we do?

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- **The FSU Office of Intellectual Property Development and Commercialization assists faculty, staff and students in moving their innovative research results into commercial use in public and private enterprises (aka technology transfer)**
- Work with SRS, SRAS, FSURF & Legal on IP & contract issues
- Work with FSU employees re: IP Issues
- Work with private and independent sectors for
  - Research and development support
  - Commercialization
- Administer IP Program
  - Exception: FSU Seals and Logos – handled by Seminole Boosters

# What is Technology Transfer?

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- The Association of University Technology Managers (AUTM) defines the process as:

**“...the formal transfer of new discoveries and innovations resulting from scientific research conducted at universities and nonprofit research institutions to the commercial sector for public benefit.”**

[www.autm.net/index\\_n4.html](http://www.autm.net/index_n4.html)

# University “Hit Parade”

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University of Illinois



Florida State University



Carnegie Mellon University



... That Other Florida University

# More University “Hit Parade”

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- Association of University Technology Managers (AUTM)

[www.autm.net/index\\_ie.html](http://www.autm.net/index_ie.html)

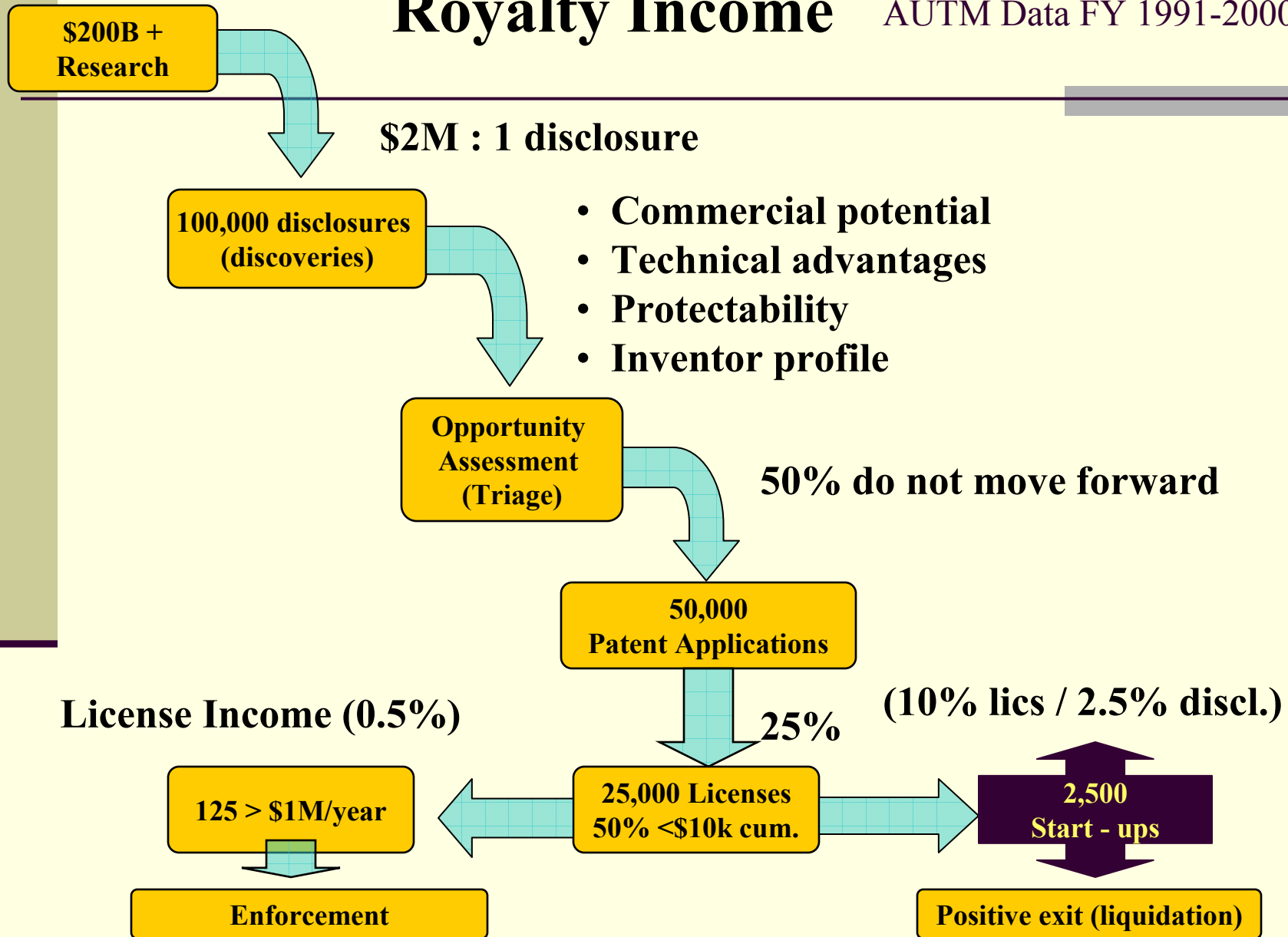


- The Better World Project

[www.betterworldproject.net/](http://www.betterworldproject.net/)

# Reality Check: Disclosures that Result in Royalty Income

AUTM Data FY 1991-2000





# Common IP Terms

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- Intellectual Property (IP)
  - Invention and Patents
  - Works and Copyrights
  - Trademark and Trade secret
- Disclosure
- Assignment
- Agreements
  - CDAs, MTAs, IIAs, RDAs
- Licenses and Royalties
- **More IP terms** defined at [www.techtransfer.fsu.edu/handbook.html#GLOSSARY](http://www.techtransfer.fsu.edu/handbook.html#GLOSSARY)

# Intellectual Property

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- **Intellectual Property (IP) comprises**
  - Inventions and their protection; e.g. patents
  - Works and their protection; e.g. copyright
  - Trade names, trademarks, service marks
  - Secrets and their protection
  - Know-how



# Invention

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- **Anything made by people if it is novel, useful, not obvious**
  - Examples: Taxol<sup>®</sup>, Gatorade<sup>®</sup>
- **Can be protected by patent**
  - Or published, or kept secret, or forgotten
- **Patent owner can prevent others from**
  - Making, using selling, importing an infringing product or service
- **FSU Protection process includes**
  - Disclosure, provisional application, patent application, examination, patent issuance, enforcement

# Inventions Protected by Patents

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- **A property right granted by a sovereign nation that gives the holder the exclusive right to exclude others, without permission, from the manufacture, use and sale of an invention for a period of years**
- Commercialization accomplished by:
  - owner exercising rights
  - permitting others to exercise rights under license agreement
- Types of patents:
  - **Utility** - composition of matter, method, or article of manufacture...fundamental type of patent
  - **Design** – protect appearance of something
  - **Plant** – protect invented or discovered plants

# Examples of Famous Patents

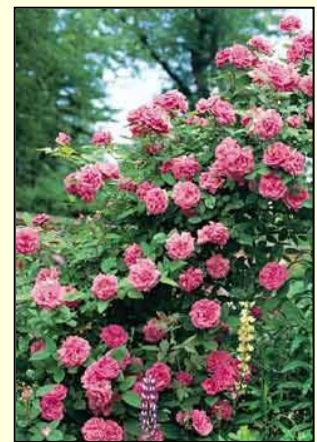
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***Statue of  
Liberty -1879***  
*(Design #11,023)*



***Traffic Light - 1923***  
*(#1,475,024)*

***Climbing rose - 1930***  
*(Plant patent #1)*



# Patents at FSU

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## Hurricane prediction



## Cancer drugs



More at [www.techtransfer.fsu.edu/fsupatents.html](http://www.techtransfer.fsu.edu/fsupatents.html)

# Works

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- **Original expression fixed in tangible form**
  - Literary, musical, pictorial, graphic, sculptural, audio/visual
  - Can be protected by copyright
  - Examples: web pages, logos, photos
  - Copyright exists immediately
  - Can be registered with US Copyright Office – but not necessary.

# Works Protected by Copyright ©

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- **A form of protection provided to the authors of “original works of authorship” including literary, dramatic, musical, artistic, and certain other intellectual works, both published and unpublished**
- **The 1976 Copyright Act**
  - gives owner of a copyright exclusive right to:
    - reproduce work
    - prepare derivative works
    - to distribute copies/phonorecords of work
    - to perform/display work publicly
  - **The copyright protects the form of expression rather than the subject matter of the work**



# Copyrights: Examples of FSU Works

- **Neck Ties**

[www.techtransfer.fsu.edu/davidson.html](http://www.techtransfer.fsu.edu/davidson.html)



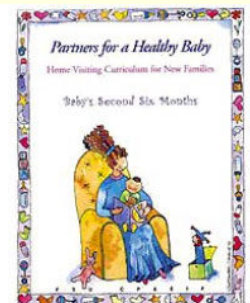
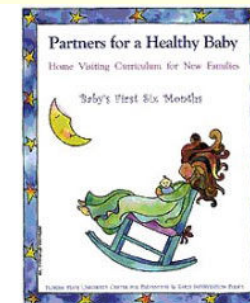
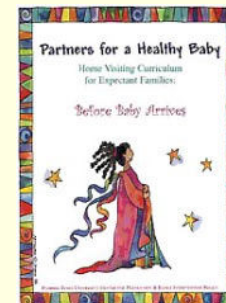
- **Training Manuals**

[www.cpeip.fsu.edu/Months7to12.pdf](http://www.cpeip.fsu.edu/Months7to12.pdf)



- **Science, Tobacco and You**

<http://scienceu.magnet.fsu.edu>



# Trademark

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- **A word, phrase, symbol or design, or a combination of words, phrases, symbols or designs, that identifies and distinguishes the source of the goods of one party from those of others**
- “Service marks” do the same for services
- 43 different classes (e.g., audio recordings; entertainment services; paper goods; jewelry; clothing)

# Trademark Protection <sup>TM</sup> <sup>SM</sup> <sup>®</sup>

**Trademark Law governed by the Lanham Act (1946) –  
15 U.S.C. § 1051 et seq.**

- Trademark - Big Mac <sup>®</sup>

Tradenname - McDonald's Corporation

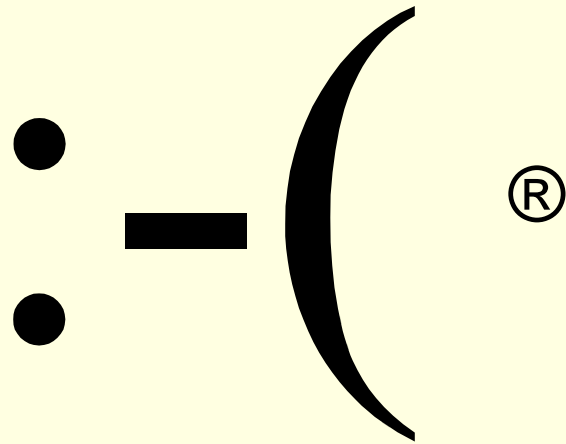
- Established and maintained by use
- May be registered in USPTO
- Must be policed



# Registered Trademark

# 2347676

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[www.despair.com/frownies.html](http://www.despair.com/frownies.html)

# Trade Secrets and Know-How

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- **Secrecy is a common form of commercial protection and companies sometimes forego patents**
- University receives and protects secrets **ONLY** under specific written agreements (CDA, NDA)
  - We have a standard format, w/o liability
  - Only covers marked documents and materials
  - Others typically ask for unacceptable remedies
- Know-how is “walk away” knowledge
  - May be the subject of a contract
  - Otherwise unprotectable



# Famous Trade Secrets

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- Formula for **Coca-Cola**
- **KFC's** secret blend of herbs and spices
- What makes **WD-40** work?
- What's in **Chanel #5**?

# Disclosure

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## ■ **Invention Disclosure**

- A statement indicating the character of an invention, and naming its inventors
- Being the author of a paper that contains the description of an invention does not make you an inventor

## ■ **Work Disclosure**

- A description of a copyrightable work, its origins and its authorship
  - There may be many more authors than you first suppose
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- FSU Disclosures: [www.techtransfer.fsu.edu/disclosures.html](http://www.techtransfer.fsu.edu/disclosures.html)

# Assignment

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- **Transfer of the ownership of an invention or a work**
  - Usually from employee to FSURF
  - Includes affirmative claim of originality by author/inventor
  - Required of employees if requested



# Agreements

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- **Confidential disclosure agreement**
  - (CDA) binds both parties
- **Nondisclosure agreement**
  - (NDA) binds only one party bound
- **Material Transfer Agreement**
  - (MTA) I'll let you use my "stuff" if...
- **Inter-institutional agreement (IIA)**
  - Universities divide costs, revenue, and control
- **Royalty Distribution Agreement (RDA)**
  - Splits earnings among authors and university

# Licenses and Royalties

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## ■ License

- agreement allowing another party to use intellectual property in a way that infringes the owners rights.
- May be exclusive or non-exclusive.



## ■ Royalty

- a form of payment for rights granted in a license.
- Usually a fraction of sales revenue.



# Importance of “IP Rights”

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- **FSU works to protect faculty intellectual property rights for future educational and research use**
- **When things can go wrong:**
  - Professor now paying for a research tool he developed.
  - Grad students assigned rights to parts of dissertations prior to graduation – could have prevented degree award
  - Third party posted faculty research report on web – potentially jeopardized publication in journal and graduate student’s thesis project

# Tech Transfer Conducts The IP Business at FSU

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## ■ **Example: Weather Predict, Inc. (Startup)**

- Follow on from 1997 \$1M 5yr-grant
- Research Agreement \$300K
  - Option to license @10K/mo.
- Option Exercised
  - \$980K additional research grant
  - Minimum royalty \$100K/yr after 3<sup>rd</sup> yr
- Primarily copyright, but patent included
  - \$425K royalties paid to authors to date
  - \$1M F&A + royalties paid to FSURF



# Success has its challenges

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- New Opportunities
  - New players
  - Poor communication
- Undetected license violations
  - May be unintended
- Adverse Publicity
  - Someone has an agenda
  - The truth is irrelevant
- Expensive Recovery



# Topics

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- Establishing Ownership
  - Federal and State Law
- Policy and Process
- Benefits
- Managing the Process
  - Interactions
  - Review, Respond, Resolve
  - Common Issues
  - Risks
  - Resources

# Bayh-Dole Act (1980)

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- **Establishes ownership of inventions made under Federal funding**
- Before 1980, inventions made under federal funding were owned by government
  - Most were published
  - If patented, rarely licensed out by government
- 37 CFR 401 implements Bayh-Dole Act (1980)
  - Universities may claim ownership
  - Must then prosecute patent, share royalties with inventors, and contribute to research
- Absent federal funds, inventor(s) own; but...

# IP Ownership under Florida Law and FSU Policy

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- **State Law** (FS 1004.23) provides universities
  - Right to claim ownership of employees' inventions and other Works in the name of the University
  - An Obligation to establish Policy for external use and revenue sharing
- **FSU IP Policy** is contained in the Faculty Handbook, section 6.19
- Policy amendments approved by the Faculty Senate





# Copyright with Federal Funding

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- **No equivalent to patent-specific Bayh-Dole Act**
- FAR 52.227-14, with Alt iv should be included in all federally funded contracts and subcontracts
  - Provides that University may copyright, government may use works for government purposes
- Agencies may request universities to grant unlimited rights to the government (DFARS)
  - Unlimited rights allow Agency to use AND license third Parties. Avoid by making positive assertions in proposal
- Federal govt can't copyright its own materials, but Agencies may acquire copyright from contractors  
Ex. JSEP

# FSU patent and copyright policy

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- **All inventions must be disclosed**
  - Source of funding is critical
  - Inventor must assign to FSU if requested to do so
- **University sponsored works**
  - Must be disclosed, University may waive ownership or require assignment
  - Author will only receive established pay
- **University personnel granted personal ownership of other print and non-print works**
- **FSU IP Handbook**

[www.techtransfer.fsu.edu/handbook.html](http://www.techtransfer.fsu.edu/handbook.html)

# IP Protection Process

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- **Starts with Disclosure**

- Identifies inventors, authors, sponsors
- Provides for waiver of university claims
- Basis for subsequent agreements

- Form provided on Research website

- [www.techtransfer.fsu.edu/disclosures.html](http://www.techtransfer.fsu.edu/disclosures.html)
- Fill out on line, print, sign and submit
- Attach copy of work (or placeholder)

# Process (continued)

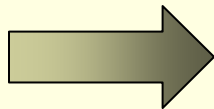
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## ■ **Invention**

- Review for acceptance
- Provisional patent application
- Begin marketing
- License ASAP!
- RDA, IIA
- Patent application and prosecution

## ■ **Work**

- Accept/waive
- Begin marketing
- License ASAP!
- RDA, IIA
- Register copyright



# Benefits

👍 **Primary:** Attracts investments to move University Innovations into Public Use

💰 **Secondary:** Revenue to Contributors



■ Shared Amount = Net Income

■ gross costs – (patent, legal and production costs)

■ <u>Beneficiary</u>	<u>Copyright %</u>	<u>Patent %</u>
■ Inventors/authors	50%	40%
■ Their Academic Units	25%	30%
■ FSURF	25%	30%

■ Most of Academic and FSURF share returns to University research programs

# Administering the IP Business

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- SRS and FSURF manage
  - Research Proposals
  - Grants
- Refer to OIPDC when new IP terms are tendered
- IP terms may also occur in
  - Material Transfer Agreements
  - Confidential Disclosure Agreements
  - Inter-institutional agreements
- OIPDC Handles
  - Disclosures
  - Patent Applications
    - **Office Action(s)**
  - Inter-Institutional Agreements with IP
  - Assignments
  - Royalty Distribution Agreements
  - Term Sheets
  - License Agreements
    - **Options**
  - IP Federal Reporting

# We can help

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- Review Unusual Proposals
  - We don't see them routinely
- Business considerations
  - Work for hire, SBIR, Startup ...
- Negotiate new terms and conditions
- Negotiate IP licenses and options
- Track Bayh-Dole compliance



# More Help

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- [www.techtransfer.fsu.edu](http://www.techtransfer.fsu.edu)
- [www.techtransfer.fsu.edu/workshops/needle.ppt](http://www.techtransfer.fsu.edu/workshops/needle.ppt)
- [www.techtransfer.fsu.edu/workshops/copyrightlawbasics.ppt](http://www.techtransfer.fsu.edu/workshops/copyrightlawbasics.ppt)
- [www.techtransfer.fsu.edu/ipresource.html](http://www.techtransfer.fsu.edu/ipresource.html)
- Also:
  - Campus-wide IP seminars (Fall & Spring)
  - Dept/program presentations
  - Individual consultation



# John Fraser

## Executive Director, OIPDC

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# Jack Sams

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# Eric McNair

## Intellectual Property Manager

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- Bayh-Dole compliance
- Licensee compliance
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