

INITIAL DRAFT PROPOSAL FOR

*Academic Inventors'*  
**BILL of RIGHTS**

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A COLLABORATIVE WORK-IN-PROGRESS

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The authors aspire to begin a national discussion and invite University Faculty, Graduate Students, Administrators, and Technology Transfer Professionals to collectively create a standard set of rules that will enable a solid foundation for trust and collaboration between academic inventors and university administrators to promote translation of university innovation for the benefit of the American public. Please help us create solutions. Submit ideas and comments at [www.ipadvocate.org](http://www.ipadvocate.org)

ACADEMIC UNIVERSITY TECHNOLOGY MANAGERS (AUTM)  
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# Academic Inventors' Bill of Rights

BY RENEE KASWAN – FOUNDER, IPADVOCATE.ORG

*The United States Constitution provides that, “The Congress shall have 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.” Our entire system of intellectual property protection in the United States is derived from this declaration. This unique provision of our Constitution provides that any institution must acquire intellectual property rights in the United States, through due compensation and consent of its creator, within a mutually accepted contract.*

*Notwithstanding this Constitutional guarantee, as faculty inventors we are too easily deprived of our intellectual property interests through contracts of adhesion, coercion, and egregious litigation initiated by overzealous university lawyers and administrators. Government must constantly ensure and re-correct imbalance of power, in this case to nourish and enrich the academic wellspring of innovation. In order to fulfill our commitment to translate our innovative contributions to public utility for the benefit of the public who funds them, our government must prevent divergence of our best scientific talent, energy, and time into destructive litigation by establishing enduring transparent contracts that incentivize research translation.*

*Research faculty lead our society by doing work that is masterful, creative, honest, accountable, and vital to the public welfare. While comparisons have been made between the university and corporate research environments, they are fundamentally different in their purpose and promise to society. The academic community is sustained by the premise of open, independent science and free expression of ideas, including the freedom to select, perform, and publish our ideas and our research. We seek the public's trust through their investment in our ideas, we comprehend the utilitarian promise of our unique accomplishments, and we plant and foster the seeds of innovation, whether through shared research, industry collaboration, new ventures, or licensing of patents.*

*Thus, a Bill of Rights for Inventors will secure the foundation of trust for a community with the common goal of promoting discovery, innovation, and utilization of public research. The following rights are necessary and proper to warrant trust and foster innovation at our institutions of higher learning:*

1. Faculty and students have the right to freedom of expression; therefore the right to teach and publish their research shall not be abridged by any Intellectual Property policy. The creator of any intellectual property shall retain the right to dedicate any work to the public domain. Universities shall ensure that technology commercialization activities (including the filing of patent applications) shall not unreasonably delay publication of research results.<sup>1</sup>
2. Inventors shall be entitled to timely disposition of their inventions and shall obtain access to inventions for which the university elects to discontinue commercialization efforts, without onerous restrictions or obligations to the university that would act as disincentives to commercialize. No university may require or reserve assignment of any invention without a fully resourced capability to undertake the diligent management of the invention.
3. The university shall not require assignment of intellectual property as a condition of employment or student enrollment.<sup>2</sup> The duty to assign intellectual property shall arise only through express agreement which must be made through the informed, written consent of the principle investigator (PI) as the agent for the research team<sup>3</sup>; any rights to intellectual property not allocated by such an express agreement are retained by their creator.
4. Inventors shall retain the right to select qualified, independent agents to promote their patentable inventions and their translation into public use.<sup>4</sup> Any agent managing the invention must represent the interests of the PI, sponsor, inventor(s), and university, until those interests are waived.<sup>5</sup> The PI/inventor and university each have the right to participate in license negotiations and approve or reject any exclusive license or amendment of license.
5. The university that undertakes the promotion of intellectual property assigned by an inventor must act as a good steward of taxpayer money and promote the best interest of the inventor and the public; however, the university shall be held harmless for any failure to procure or enforce the intellectual property caused by the inventor.
6. All inventors (including students and other subordinate persons) shall have equal right to institutional protection of their interests in their intellectual property, regardless of academic rank or position.
7. Universities must establish and publish transparent practices and procedures comprising their commercialization processes. Inventors shall be granted access to all records and communications associated with their inventions.
8. Inventors may consult with outside firms, provided this does not conflict with time commitments to the university or involve substantial unreimbursed use of university facilities. Intellectual property created under consulting agreements is retained by the outside firm or individual as specified by the consulting agreement.<sup>6</sup>
9. Any dispute over a conflict of interest shall be resolved by a faculty-run committee including representatives of faculty, administration, and students, reporting to the appropriate faculty-run governance body, such as a faculty senate (and not the Provost), consistent with the American Association of University Professors (AAUP) guidelines. Unless otherwise adjudicated, any intellectual property rights involved shall be retained by their creator.
10. Any changes to intellectual property or commercialization policies shall be approved by the appropriate faculty-run governance body, such as a faculty senate.

# Academic Inventors' Bill of Rights

BY ALAN BENTLEY – DIRECTOR OF COMMERCIALIZATION, CLEVELAND CLINIC

*We hold these truths to be self-evident, that all faculty are created equal, that they are endowed by their Institutions of High Education with certain unalienable Rights, that among these are transparency of process, a voice in disposition of intellectual property, and the pursuit of fair dealing. That to secure these rights, Universities are instituted among researchers, deriving their just powers from the consent of the faculty... (adapted from Declaration of Independence)*

*Most technology commercialization professional understand the importance of building strong partnerships with our faculty innovators. Though we understand that service to faculty is a primary mission, it is sometimes easy to forget that faculty inventors may not see it the same way. What one may see as a straight forward stepwise commercialization process, another may see as a series of obstacles to overcome to achieve commercialization.*

*Part of the reason the productivity of our industry has been called into question of late - and new models such as the 'inventor free agent' concept have achieved some traction - has been the result of isolated system failures in working with faculty inventors. The creation of a standardized "Inventors' Bill of Rights" that all academic institutions can adopt would be a powerful message to our faculty that they are indeed an integral part of the commercialization process, service to faculty is indeed an integral part of the process, and commercialization is indeed a true partnership.*

1. Faculty and students have the right to freedom of expression, and the right to teach and publish their research shall not be abridged by Intellectual Property Policy. Universities shall ensure that technology commercialization activities (including the filing of patent applications) shall not unreasonably delay publication of research results.<sup>7</sup>
2. Inventors shall be entitled to timely disposition of their inventions, and to obtain access to inventions for which the university elects to discontinue commercialization effort, without onerous restrictions or obligations to the university that would act as disincentives to commercialize.<sup>8</sup>
3. All rights to intellectual property which are not made in the course of an Inventor's employment as a university researcher (including under federal, state or foundation grants, or research contracts), or otherwise made using significant university resources, shall be retained by the Inventor.<sup>9</sup>
4. Inventors shall be fully informed of commercialization efforts, including negotiations, and shall have the right to approve any exclusive license or amendment reasonably anticipated to affect such inventors' interests prior to execution.<sup>10</sup>
5. The University that undertakes the promotion of intellectual property assigned by an Inventor must act as a good steward of taxpayer money, and use best efforts to promote the interests of all stakeholders (namely the Institution, Inventors, and the Public).
6. All Inventors (including students and other subordinate positions) shall have equal right to Institutional protection of their interests in their Intellectual Property regardless of academic rank or position.
7. Universities must establish and publish transparent practices and procedures comprising their commercialization processes. Inventors may be made privy to all records and communications associated with their inventions.
8. Inventors may consult with outside firms (subject to management of conflict of commitment and interest issues) apart from obligations to the university, to the extent such consultation does not involve substantial unreimbursed use of university facilities.
9. Inventors have a right to appeal disputes related to implementation of IP policy, or to activity related to commercialization efforts, preferably to a standing IP committee comprised of faculty and administration personnel authorized to arbitrate such disputes.<sup>11</sup>
10. Any changes to intellectual property or commercialization policies shall be approved by the appropriate faculty run governance body, such as a Faculty Senate.

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1. "This is essential to Academic Freedom to Research. Sponsor agreements can insert confidentiality requirements but only with the PI's express consent, and these requirements must be made public to protect the public's interests." - Renee

2. "This would require a fundamental university policy change - which is what the Bill of Rights is meant to avoid through its implementation." - Alan

3. "Requiring the university to negotiate a separate inventor IP agreement for every sponsored research agreement adds a great deal of time and effort on top of negotiations with industry." - Alan

4. "I cannot imagine universities agreeing to implement this Right, but implementation of the other Rights should obviate the need for this one." - Alan

5. "The use of an independent agent does not replace any royalty sharing agreement between the inventor and institution. Any modification of benefits and responsibilities must be mutually acceptable." - Renee

6. "Adopted from Carnegie Mellon IP Policy." - Renee

7. "Bayh-Dole does not require faculty to patent their work, faculty retain the choice to devote their federally funded work to the public domain. Non-exclusivity is prioritized in B-D. The Inventor, and not the University is most capable of determining when their work best serves the public through exclusivity." - Renee

8. "I agree so long as everyone is in agreement as to what contractual obligations exist, this should be clarified in the grant proposal or Memorandum of Agreement." - Renee

9. "We fundamentally disagree on this one. The public, not the University, funds academic research and is the rightful beneficiary. Faculty are not mere corporate employees, they were not 'hired to invent' only to 'perform and publish research'." - Renee

10. "When the University controls and benefits from innovation deployment, it creates a conflict of interests. Therefore, if the University takes control it must accept its responsibility as Trustee, Agent and Fiduciary of the public and Inventor's dependent beneficiary interests. The University or independent agent must protect the beneficiaries' interests above their own. It is unreasonable to expect Faculty to engage voluntarily in a trust relationship as dependent beneficiary unless the University participates as the legal trustee." - Renee

11. "Dispute resolution must be arm's length from the Administration. If ultimate authority goes to the Provost, it is still a dictatorship, not a democratic process." - Renee

## SELECTED LAWSUITS INVOLVING UNIVERSITY INVENTORS:

1. *U.S. v. Dubilier (1933)* – Precedent-setting case that established employers only have rights in an employee invention if the employee was specifically ‘hired to invent’ not just hired to perform research.
2. *Simmons v. Caltech (1936)* – Caltech did not disburse royalties on graduate student Simmons’ invention to his research laboratory as promised, then fired Simmons for objecting. Court eventually awarded all the royalties to the student inventor.
3. *Speck v. North Carolina Dairy Foundation (1981)* – University of North Carolina withholds inventor’s share of royalties on lactobacillus milk. Court affirms UNC position, inventor gets nothing.
4. *Yale v. Fenn (1983)* – Yale declined to pursue or patent Mass Spectrometer then sues Noble Laureate Fenn when lawyers advise Yale they missed an opportunity to profit on his invention. Case is still in appeal although Fenn is senile and infirm.
5. *State of Florida v. Taborsky (1989)* – University of South Florida prosecutes student researcher on criminal charges of stealing his lab books. Student spends 6 years in jail and chain gang, refuses gubernatorial pardon offered contingent on assigning his patents to USF.
6. *University PA v. Kligman (1990)* – University of Pennsylvania sues faculty inventor for patents on Retin A which he had assigned to J&J. Settled confidentially out of court.
7. *Platzer v. Sloan Kettering (1992)* – Sloan Kettering pays inventors only 1% of its Amgen license income for Colony Stimulating Factor. Inventor claims the Bayh Dole Act guarantees inventors a minimum of 15%, court upholds SK.
8. *Singer v. Regents of the University of California (1993)* – UC Berkeley and UC SF withhold royalties to faculty inventors by converting license income on MRI invention into a research grant. Initially court sides with UC, but appeal and jury trial rule for inventors.
9. *University of Illinois v. Andreessen (1994)* – University of Illinois sued their graduate students for trademark infringement in an attempt to capture royalties on original graphics based web browser, developed by graduate students using open source code. Prolonged conflict bankrupts Netscape and allows Microsoft Explorer to capture browser market.
10. *Rutgers vs AAUP American Federation of Teachers (1996)* – Rutgers unilaterally changed its IP policy to the detriment of faculty inventors. Court ruled royalty rates must be negotiated with faculty but allowed Rutgers to unilaterally change all other IP terms retroactively.
11. *University of West Virginia v. VanVoorhies (1997)* – University of West Virginia successfully sued former graduate student as ‘personnel’ in its IP Policy and claimed ownership of an invention he conceived as a student.
12. *Shaw v. Regents of the University of California (1997)* – University of California insisted faculty inventor sign new IP agreement with reduced royalties on strawberry hybrids. State supreme court upheld original contract.
13. *Chou v. University of Chicago (2001)* – University of Chicago claimed student researchers’ invention despite her refusal to assign it. Court ruled she accepted IP Policy contract through adhesion when she accepted part time employment.
14. *Madey v. Duke (2002)* – Duke University recruits laser technology and inventor to establish world class laser laboratory, then fires inventor but continues to use his patented laser without license or compensation. Court rules against Duke’s defense of research exemption to patent infringement.
15. *Ohio State University v. Okuley and Dupont (2003)* – Washington State University sides with corporate sponsor Dupont over IP rights in research which failed at WSU then succeeded via different methods while Okuley was a visiting student at OSU. IP policies at WSU and OSU were in conflict, settled out of court.
16. *Kaswan v. University of Georgia and Allergan (2003)* – Licensee Allergan induced UGA to monetize Restasis secretly, and converted over \$220M in licensed royalties back to itself. UGA pre-emptively sued inventor preventing her from disrupting monetization event and withheld her share of royalty income. UGA and Allergan won PSJ, then postponed appeal exhausting inventor’s resources. Settlement pending.
17. *Jennings vs University of Georgia (2003)* – University unilaterally and retroactively changed IP Policy on royalty rates for seeds which reduced royalties due to sod grass inventor. GA legislators intervened to pass legislation on Jennings behalf, case settled.
18. *Genentech et al v. Columbia (2003)* - Columbia earned \$790M in revenues on a method to introduce DNA into bacteria to synthesize proteins, then attempted to extend the income stream with a submarine patent which led to considerable expense and controversy.
19. *University of Pittsburgh v. Townsend (2004)* – Pet Scan Inventor was recruited to Pittsburgh to test and develop his patent pending invention, which was assigned to the sponsor prior to accepting employment with Pitt. When the PetScan earned WW acclaim, Pitt sued Townsend and his sponsor for fraud and multiple other frivolous claims, wasting precious development time and resources, and causing Townsend to relocate to Singapore. The court rebuked Pitt in 2008.
20. *Purdue v. Badylak (2005)* – Sponsor Cook-Biotech sponsored skin regeneration research at Purdue then insisted Purdue University fire and sue two professors and Harvard U. for their research collaboration on bladder regeneration - halting life-saving work for several years before losing court battle.
21. *Stanford v. Roche (2005)* – Stanford sues Roche for AIDs test IP originally assigned to Roche in a sponsored grant. Court rules Bayh Dole Act did not award automatic patent assignment to Universities. AUTM files Amicus brief in appeal.
22. *Stern v. Columbia (2005)* – Graduate student researcher sues Columbia to be added to breakthrough glaucoma drug Xalatan patent. Court cannot substantiate his co-inventor status because faculty supervisor destroyed his notebooks.
23. *University of Missouri v. Suppes (2008)* – University of Missouri refused to patent or pursue faculty green energy inventions, then sued for patent assignment after his start up corporation patented and developed them. Case still open.
24. *U of Western Australia v. Gray (2008)* – Court rules that an academic is more than a mere employee of a university, he/she is a member employed to research with no duty to invent. Gray used microspheres to deliver cancer drugs.