



Guidance from the **Office of the Vice President for Research**
(www.research.vt.edu)

INTELLECTUAL PROPERTY:

Who Owns It?

You have developed an idea, made a discovery, written a new textbook, authored a poem, or perhaps created or modified a software program.

Now, the question is: What can you do with your creation? What rights do you have to the property and what right does the university have to your creation? **Whose idea is it, anyway?**

These may not be easy questions to answer. For example, even if your idea was created under a consulting agreement, the university may own it — as opposed to you or the company that has hired you. The university is guided by several federal and state statutes and has policies and a process to resolve ownership issues. A basic understanding of the general guidelines and procedures will help you avoid ownership pitfalls and allow authorized use of your creation.

What is intellectual property?

Your creative efforts may have resulted in intellectual property (IP). IP is usually defined broadly to include inventions, discoveries, copyrightable works, patentable works, know-how, trademarks, trade secrets, and creative or artistic works. Intellectual properties include research papers, books, software programs, new inventions, and journal articles. Copyright and patent laws provide for protection of IP.

COPYRIGHT: Copyrights give the copyright holder of creative literary or artistic productions the sole and exclusive privilege to copy, distribute, and use his/her works. Copyright covers works such as books, paintings, computer programs, and publications. Permission of the copyright holder must be obtained before copying and distributing copyrighted works. A work is copyrighted upon its creation—as soon as it is set in a fixed medium of expression. The creator can register his/her copyright, but registration is not needed to have a valid copyrighted work. A copyright holder can assign his/her copyright to others or license its use.

PATENTS: A United States patent is a grant made by the United States government, acting through the Patent and Trademark Office, to a patent holder, conferring the right to exclude others, for a limited time, from making, using, or selling the invention throughout the United States, its territories, and possessions. It is a printed document in which the invention is fully described and the scope of the invention defined. Patents for an invention can also be obtained in foreign countries.

What can be patented?

Patent rights are granted for inventions of new and useful processes, machines, manufactures, compositions of matter or any new and useful improvement thereof, or for certain plants. The invention must be “useful” (have a useful purpose and be operative), “new” (not in public use or sale, not described in a printed publication more than one year before the date of application), not abandoned or given away to the public, and “non-obvious.”

Generally, if a new result is accomplished, or if an old result is accomplished in a new and unobvious way, an inventive act capable of patent protection has probably occurred.

How is ownership determined?

EMPLOYMENT AGREEMENTS: Employment agreements usually require employees to assign to the company all ownership rights to any inventions they make during the course of their employment and to sign any documents necessary to obtain patents on the inventions. Copyrights are normally considered works for hire and belong to the employer.

All staff and faculty employees of Virginia Tech have an employment agreement with the Commonwealth of Virginia. As a university creator of IP, you may have ownership interests that you would normally not have if employed elsewhere. It may be determined that you own the IP. In that case, you would be free to utilize the IP as you choose, with the reservation that you allow the university free use of the IP for teaching, research, extension, and other educational purposes.

UNIVERSITY POLICY 13000: The Policy on Intellectual Properties (Policy 13000) establishes ownership criteria and provides a process to determine ownership of intellectual properties created by university employees or with university resources. State law requires all university employees, as a condition of employment, to be bound by this policy. The policy applies to all permanent

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and visiting faculty, research faculty, classified staff, wage employees, and students.

The policy does not “grant” ownership or determine final ownership. The Intellectual Properties Committee (IPC) determines final ownership after reviewing all the evidence surrounding the creation of the IP. If there is a dispute about who is an author or inventor, a special group of IPC members conducts an investigation and makes recommendations to the Provost.

The policy divides IP into two separate groups for purposes of determining ownership:

- Ownership is presumed to be with the creator for the traditional results of academic scholarship (i.e., textbooks, literary works, artistic creations, and artifacts). The IPC has included digital works of scholarship such as electronic textbooks or digital text supplements, or open source software not intended to generate royalties, in this category.

- Ownership is presumed to be with the university for novel results of research (i.e., products, processes, machines, software, biological technology, etc.).

These presumptions of ownership can either be supported or rebutted by evidence surrounding the creation of the IP.

When would you be the owner?

Virginia Tech owns any intellectual property that is created by Virginia Tech investigators under a sponsored research agreement. If the IP is not generated under a sponsored research agreement, you could be the owner if:

- You are the author; the work is a traditional result of academic scholarship; and there is not explicit evidence presented by the university that the university specifically commissioned the work, or

- You are the creator; you provide convincing and explicit evidence that significant university resources and/or facilities were not utilized in its creation.

UNIVERSITY RESOURCES AND FACILITIES: As a guideline, significant use of university resources should be considered use of university resources and/or facilities exceeding \$10,000. University resources and/or facilities may include, but are not limited to, any of the following: use of equipment, lab or office space, university time of originator and/or personnel under his/her control, funds supplied by the university and/or funds originating from sponsored research projects and/or donations to the university/affiliated companies, etc. Library facilities are made available to the public and their use is not considered in valuing university resources and/or facilities.

FACULTY LEAVE: Faculty members may be granted approved leave. For example, a study-research leave may be approved for a faculty member to conduct research and/or advanced study. Any consulting activities on this leave must be consonant with university policy. As a university employee, any IP created during your leave will still be covered by Policy 13000.

CONSULTING ARRANGEMENTS/OUTSIDE EMPLOYMENT: As a faculty member, you may be able to engage in consulting activities and outside employment under certain conditions. Two of these conditions are that (1) written approval in advance is obtained from your department head or chair, and (2) university resources and facilities are not involved except as allowed under section 2.16.5 of the Faculty Handbook for compensated use of specialized facilities or equipment. If significant resources of the university are required, an agreement between the employer and the university should be utilized.

Remember that ownership of IP is determined, in part, by whether you utilize university facilities and resources. Thus, if you ignore the restrictions on consulting and utilize university facilities/resources, you may have muddied the waters for yourself and your employer/consultant company in regard to ownership. Remember that university facilities and resources include lab or office space as well as your university time and time of any personnel under your control. These are items that must be considered in determining ownership of your IP. One of the more difficult questions may be who owns IP that you create under a consulting agreement or outside employment.

IP COMMITTEE PRACTICES ON OWNERSHIP: IP created under approved consulting, unpaid sabbaticals, and unpaid summer

activities (provided such activities do not use significant university resources) should be disclosed to the university. The IP will not be presumed university-owned if the author/inventor has complied with all other university policies and procedures concerning leave and consulting. For paid sabbaticals and unauthorized leave/consulting, presumption is for university ownership of IP developed by faculty.

How can you avoid ownership problems?

- Comply with all university policies and procedures concerning leave and consulting. Remember that you are required to obtain prior approval of your consultant agreement or outside employment.

- Do not use any university resources or facilities in performing the work.

- Disclose the IP and make sure you indicate conditions under which the IP was created (i.e., sponsored research, approved consulting agreement, unpaid leave, paid leave, etc.). For paid sabbaticals and unauthorized leave/consulting, provide evidence to the IPC that no university resources or facilities were used in generating the IP. Whether the university owns the IP will be determined on a case-by-case basis based upon the information available to the IPC.

- Have the IPC make a determination of ownership. This will eliminate any future questions about ownership.

Who manages intellectual property owned by the university?

The university assigns all its intellectual property to Virginia Tech Intellectual Properties, Inc. (VTIP). VTIP is a separate nonprofit corporation that protects, licenses, and manages the university's IP.

DUTY TO DISCLOSE: You are to disclose any IP that may have potential for commercial utilization in which the university has an interest, whether it is done under a sponsored research agreement, a consulting agreement, without any sponsor, or at home. The policy requires you to err on the side of submitting a disclosure when doubt as to its commercial potential exists in your mind. Generally, results of traditional scholarship are not disclosed. However, if the author/inventor is not sure of the nature of their work, disclosure is advised. Software in the form of code and other formats intended for licensing and royalty income should be submitted for evaluation. In most, but not all, of these instances the licensed software may be considered novel results of research which must be individually evaluated.

A disclosure form must be completed and submitted to VTIP. It will be reviewed by the IPC for ownership determination. You will be allowed to present any evidence that you wish to have considered by the IPC in its ownership deliberations.

DUTY TO ASSIGN TITLE: Should it be determined that the university owns the IP you created, you are required to assign your ownership rights to the university. You are obligated to assist the university in obtaining patents, registering copyrights, and signing appropriate legal assignment documents upon request.

REVENUE SHARING: Even if you are required to assign your ownership interest to the university, you may be entitled to share in revenues generated by the successful commercialization of the IP. The university has a very generous revenue sharing plan that allows inventors to receive 50% of the net revenues from commercialization of their IP. In addition, 10% of the net revenues will go to the inventor's primary unit (e.g., department, center, etc.).

Ownership Questions? Contact the IPC Chairman (the Associate Vice President for Research Programs) at 540/231-5188.

Need Assistance in Completing the Disclosure Forms? Forms are available on the VTIP web site at www.vtip.org. General questions on completing the form should be addressed to VTIP at 540/951-9374.