




JUNTA DE SÍNDICOS
UNIVERSIDAD DE PUERTO RICO

DEPARTAMENTO DE ESTADO

Núm. Reglamento: 6617

Fecha Radicación: 16 de mayo de 2003

Aprobado: Ferdinand Mercado
Secretario de Estado

Por: 
Gisele Romero García
Secretaria Auxiliar de Servicios

CERTIFICACIÓN NÚMERO 132
2002-2003

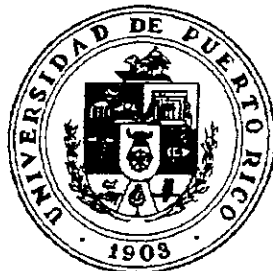
Yo, Luis M. Villaronga Secretario *Pro Tempore* de la Junta de Síndicos de la Universidad de Puerto Rico, CERTIFICO QUE:

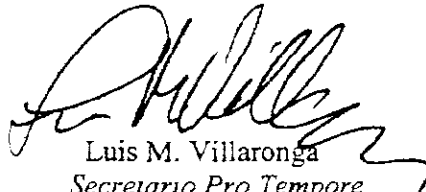
La Junta de Síndicos, en su reunión ordinaria del 29 de marzo de 2003, previa recomendación del Presidente de la Universidad de Puerto Rico, y de su Comité de Ley y Reglamento, acordó:

Aprobar una nueva Política Institucional sobre Patentes, Invenciones y su Comercialización, según dispuesto en el documento anejo que forma parte integral de esta certificación.

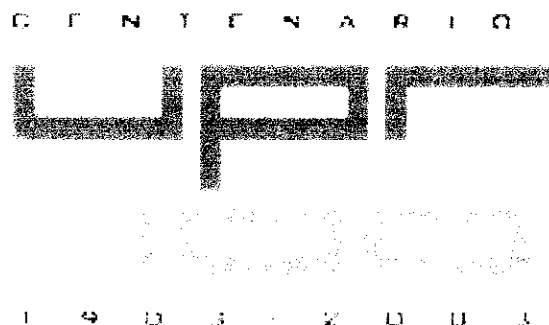
Esta política entrará en vigor treinta (30) días después de su radicación en el Departamento de Estado y a partir de esa fecha quedará derogada la Certificación Núm. 18 (1991-92) y quedará sin efecto cualesquiera otras políticas o normas sobre patentes o invenciones que puedan existir o estar en vigor en la Universidad de Puerto Rico, que estén en contravención con lo aquí dispuesto.

Y PARA QUE ASÍ CONSTE, expido la presente Certificación, en San Juan, Puerto Rico, hoy 11 de abril de 2003.




Luis M. Villaronga
Secretario *Pro Tempore*

INSTITUTIONAL POLICY ON PATENTS, INVENTIONS AND THEIR COMMERCIALIZATION



Certification Number 132 (2002-2003) of April 11, 2003
Submitted with Number 6617 to the Department of State on May 16, 2003

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. DEFINITIONS	1
III. OBJECTIVES.....	3
IV. SCOPE	3
V. INVENTION OWNERSHIP	4
VI. DUTY TO DISCLOSE DISCOVERIES AND INVENTIONS	6
VII. DISTRIBUTION OF INCOME	7
VIII. ADMINISTRATIVE RESPONSIBILITIES	9
IX. RESOLUTION OF DISPUTES	11
X. MANAGEMENT OF CONFLICT OF INTEREST	11
XI. TECHNOLOGY ADVISORY COMMITTEE	12
XII. AMENDMENTS	13
XIII. EFFECTIVE DATE	13

I. INTRODUCTION

The University of Puerto Rico is an institution of the Commonwealth of Puerto Rico. Teaching, research and public service are the main functions of the University. The contributions of its employees, faculty and students are not only related to activities associated with the university but also with activities involving interactions with industry, businesses, government and other academic institutions. Historically, research has been directed toward the development of new knowledge. However, university research currently is being focused on technology and its uses for the benefit of the humanity. This knowledge or technology can have a commercial value and, consequently, must be treated as an asset that can be used, preserved or applied in such a way as to generate income for the inventor and the University. This reality has stimulated an increase in collaborations among academic, government and private sectors. The University of Puerto Rico supports these efforts of collaboration and mutual benefit. Establishing ownership, patenting, licensing and protection rights to such inventions is consistent with the mission and objectives of the University.

This policy provides the authority for the solicitation, evaluation and commercialization of inventions by faculty, staff members, students, and others that may be employed or engaged in work at the University of Puerto Rico. Furthermore, this policy establishes and governs a program for recognizing, disclosing, evaluating, patenting and commercializing such inventions.

The University of Puerto Rico intends to protect and promote applications for patentable and commercializable inventions in accordance with the laws of the Commonwealth of Puerto Rico and the intent of the United States Patent Act (Title 35 US Code), as amended, including the Bayh-Dole Act of 1980, with regard to inventions made under the sponsorship of the United States Government.

This Policy does not apply to intellectual property rights related to copyrightable material.

II. DEFINITIONS

- A. "University" means the University of Puerto Rico including all its campuses, units, programs and projects ascribed to any of them.
- B. "President" means the President of the University of Puerto Rico.
- C. "Employees" means all full time or part time employees, including faculty, students, administrative and professional personnel, support personnel, faculty and visiting researchers, research assistants, scientists and visiting professors, or any person whose services are paid for by the University.

- D. “Invention” means any discovery, invention, process, manufactured article, design, model, technical development, biological material, varieties, cultures of any organism, or a portion, modification, transference or extension of any of the previously mentioned and other related processes.
- E. “Inventor” means the member or members of the university community who have done the research or made the discovery.
- F. “Gross income” means all income derived from the commercialization of the patent whether by direct production, sale, licensing, dividends or any other form of income.
- G. “Net income” means the remainder of the gross income after deduction of all expenses related to the obtainment, maintenance and protection of the patent, legal expenses and any other expense related to these efforts.
- H. “University funds” or “funds administered by the University” means any funds that the University administers regardless of their source: federal government, local government, private or any other kind, and whose purpose is to support research or scholarly activities.
- I. “Installations” means to any kind of movable or immovable property.
- J. “License” means the permission of the owner of the patent or invention to use the same.
- K. “Significant financial interest” means any monetary value including but not limited to salary or any other payment or compensation for services (e.g. consulting fees or honoraria), interests derived from investments, and any income derived from intellectual property rights. This term does not include income from lectures, conferences, or teaching agreements sponsored by public or non-profit entities.
- L. “Indirect investment or indirect financial interest” means that an employee or student has an indirect financial investment or indirect financial interest if his/her spouse or dependent child has economic interests in an entity or might share directly or indirectly in ten percent or more of its profits.
- M. “Patent” means a property right granted by the United States Patent and Trademark Office (USPTO), or similar international offices, that permits the owner to exclude others from making, using, selling, or offering a patented invention for sale during the effective term of the patent.

- N. “Commercialization” means the identification of companies or users that might be interested in using the invention or patent or technology or related processes in exchange for an exclusive or non-exclusive license, equity, or any other type of agreement.

III. OBJECTIVES

The Institutional Policy on Patents, Inventions and their Commercialization has the following objectives:

- A. To serve the public interest by providing a process through the product of University research is made available to the public through patent disclosures, issuance of licenses, and commercialization of inventions;
- B. To encourage research and development of ideas and inventions by assisting inventors in obtaining patents, by allowing them to participate in the economic benefits of income that may result from the commercialization of patents, and by establishing a system that supports and encourages research;
- C. To protect the interests of the University, its employees and students, with respect to patentable inventions developed through the University; and
- D. Offer services to the community, private sector and other entities through the dissemination of information about the policy and procedures, in addition to education, training, evaluation and assistance in the obtainment of patents, issuance of licenses and commercialization. All of these will be done through agreements between the parties and the University will charge for its services. The person or entity designated by the President will be responsible for offering these services, as well as establishing the fees.

III. SCOPE

This Policy applies to all employees of and independent contractors with the University, both full-time and part-time, including faculty, professionals, scientists, personnel (hereinafter referred to as employees), students of the University of Puerto Rico and visitors, visiting professors and scientists. This Policy includes, in addition, any other person that uses University facilities to carry out research and develop projects, or to those persons that choose to make their inventions available to the University for further development or perfection.

A. Conditions of Employment and Enrollment

This policy, as amended from time to time, shall be deemed part of the conditions of employment of every employee of the University, and of the

offering of services under contract to the University, including students who are employees, and of the conditions of enrollment and attendance of every student at the University.

B. Copyrights excluded

This policy does not apply to intellectual property rights related to copyrightable material.

V. INVENTION OWNERSHIP

A. Inventions developed in the course of employment or studies

The University owns those inventions that are developed:

1. in the work environment of the employee, in the normal activities inherent in teaching and academic research, in the course of studies or employment, or
2. while using University funds, facilities, or other University resources

Any employee that has an interest in developing an invention that might be attached to the dispositions in part V. A, should present a declaration of intent to this effect before starting to develop the project and should submit the same to the person or entity responsible for the administration of the patent policy, as designated by the President of the University of Puerto Rico . The employee that does not comply with this requirement may be subject to administrative sanctions established by the person or entity designated by the President to administer this Policy, that may include, among others, exclusion from participating in the development of the invention, or in the research or other sanctions, depending on the seriousness of the consequences of the failure to comply.

B. Inventions Developed in the Course of Independent Work

Inventions resulting from research or other work conducted by employees:

1. in their free time,
2. outside their field of employment, and
3. without the use of University funds, facilities, or other University resources

will be the individual property of the employee and will not be subject to this Policy unless the owner assigns the property to the University through an agreement between the parties.

All employees that are interested in sheltering their invention under the dispositions of part V.B. should file a declaration of their intention to develop the invention as an independent work before beginning the development and should submit the same to the appropriate authority as designated by the President of the University of Puerto Rico (See Section VIII)

C. Inventions Resulting from Work sponsored by a Third Party

1. Inventions that arise from activities or research work sponsored by a third party (including government or private grants, sponsorships of specific inventions, consulting agreements, or others) will be considered property of the University under subsection V.A. above, unless the terms of the contract, grant or other agreement with the sponsor modify these provisions.
2. All persons interested in beginning third party agreements should include terms by which full or partial ownership will be granted to the University or, when appropriate, will specify the procedures to be followed for evaluation and transfer of ownership from the sponsor to the University. These efforts should be done in coordination with the person or entity designated by the President of the University (See Section VIII).
3. All persons interested in beginning a project sponsored by a third party will submit the proposed contract with said sponsor to the appropriate campus authority and to the person or entity designated by the President to administer this Policy, for review purposes. These authorities: (a) will determine if the proposed agreement is consistent with the mission of the University, and the particular campus and with the purposes of this Policy, (b) will provide the necessary assistance to incorporate satisfactory terms in said agreement, and (c) will make recommendations to the official responsible for the approval of proposals prior to submission.

D. Collaborative Research

1. Occasionally, University facilities are used to carry out research and other activities in collaboration with personnel of other organizations or institutions. When the use of the facilities and resources of the University are essential for the development of the invention, the University will claim an equitable ownership interest in such inventions.

2. Employees who plan to engage in collaborative research or activities must submit the proposed collaborative agreement to the representative of each campus representative and to the person or entity designated by the President to administer this Policy. These agreements shall include provisions that ensure protection of the rights of the University and its employees over inventions that result from the activities or research.

E. Laboratory Notebooks and other documents

Laboratory notebooks and any other document related to the research activities or the development of an invention will be property of the University, regardless of the method used. The University will also own all records necessary to document an invention and support any patent application.

F. Release of University Ownership Rights

1. If after evaluating an invention, the University does not wish to pursue the steps to patent or commercialize an invention and the inventor wishes to do so on his/her own, the University's interests will be assigned to the inventor, subject to the approval of the President of the University of Puerto Rico. Such assignment must be in writing and contain the provision that, should the invention be patented, the license issued will be royalty-free for governmental purposes of the Commonwealth of Puerto Rico.
2. The assignment of ownership to the inventor will not extend to improvements or additions to the original invention that may ultimately be made by the University, its employees, or other persons contracted by the University, which are subject to the ownership criteria expressed in parts A, B, C and D of this Section V.

VI. DUTY TO DISCLOSE DISCOVERIES AND INVENTIONS

- A. All individuals who make discoveries and inventions under this policy should disclose them immediately to the person or entity responsible for administering the patent policy, as designated by the President of the University, in a period no more than thirty (30) calendar days. This duty arises as soon as the individual has reason to believe, based on his/her own knowledge or on information supplied by others, that the discovery or invention can be patented and commercialized. The information will be disclosed on a form prepared for this purpose. The inventor that fails to comply with this provision may be subject to administrative sanctions, which

might include exclusion from participating in the research, depending on the seriousness of the consequences of the failure to comply. .

- B. Any person that makes the discovery or that is responsible for the invention must fully cooperate with the University, offering and providing all the necessary information that may be required to achieve the objective, be it to patent or to commercialize.
- C. Lack of certainty as to whether the invention can be patented does not waive the requirement to disclose.
- D. The disclosure will be considered confidential and will not be subject to public release. Failure to comply with this provision will be subject to sanctions with corresponding disciplinary measures, in accord with University regulations and applicable laws.
- E. Individuals will execute such disclosures, declarations, assignments, or other documents as may be necessary in the course of the evaluation of the invention and the obtainment or protection of patent rights, to ensure that title to such inventions be held by the University when this policy indicates that the University should hold said title.

VII. DISTRIBUTION OF INCOME

- A. The University of Puerto Rico will receive all the gross income arising from patents and their commercialization, through the Office of the President, and the President will determine the form, manner processes that are best for its administration and distribution, including creation of revolving accounts for these ends , accounting of the revenues and expenditures related to the obtainment, maintenance and protection of the patent, related legal expenses, expenditures related to the patenting, licensing or commercialization processes, determination of the gross income and of the net income to be distributed, its distribution to the corresponding parties and the formalization of agreements or contracts for these ends.
- B.
 - 1. When the University registers the a patent in its name, licenses and commercializes the invention, the net income arising from that license or commercialization will be distributed as follows:
 - a. a part will be paid to the inventor,
 - b. another part to his/her campus,

- c. up to a third part to a special fund that will be used by the person or entity designated by the President to administer this Policy, to finance the cost of the operations related to the functions established in the same, including the promotion, presentation and commercialization of other inventions, and
- d. the remainder, if any, will be used for other institutional purposes

Periodically, the President of the University, after consulting with the System's Technology Advisory Committee, will fix the percentage share of the net income that will correspond to each person or entity that has the right to participate in the same, taking into consideration that such income shall be utilized to direct and encourage the research and scholarly academic activity, and giving preferential consideration to the field of research from which the invention arose. The President will publish widely the established percentages.

- 2. The distribution of the net income that corresponds to the campus shall be used to encourage research and scholarly academic activity, as determined by the Chancellor.
- 3. A portion of the share that corresponds to each particular campus might be assigned to the laboratory or work area of the inventor in order to foster research, as determined by the Chancellor, after consulting the inventor.
- 4. In the event that there is more than one inventor on the patent, the share corresponding to them will be distributed among them as determined among themselves and agreed upon in a written document signed before a Notary Public. If no written document is presented in a reasonable time, it will be understood that the division will be in equal parts to all inventors and the University will pay under these terms.

In the event that more than one campus is represented by the inventors, the share corresponding to each campus will be distributed as agreed by the President and the Chancellors of the campuses involved.

- C. The net proceeds from an invention assigned to the University or subject to a special agreement shall be distributed in accordance with the terms of the agreement.

D. Transfer of the Inventor's Share

The inventor may transfer to third parties or heirs, the share that corresponds to him/her according to this policy, as long as the transfer complies with the provisions of applicable laws. The inventor will present to the person or entity responsible for administering the patent policy, as designated by the President of the University, notification of the transfer that has been made and any other written instruction. The University will not incur responsibility for payments effected according to the last notification received from the inventor.

VIII. ADMINISTRATIVE RESPONSIBILITIES

A. Responsibilities of the President

1. Implementation and administration: The President shall be responsible for the general implementation and administration of this policy. The President may delegate his authority to any other person or persons so they may carry out the responsibilities related to the implementation of this policy, in whole or in part.
2. Licensing and commercialization: The President, in coordination with the designated person or entity, may put in place a program for the sale or licensing of inventions or discoveries, so as to promote the commercialization of inventions and provide maximum investment benefit for the University as well as the inventor.

Further Guidelines for the President

1. The President may appoint a person or entity that will be responsible for supervising and administering for the entire university system. That person or entity, in consultation with the System-Wide Technology Advisory Committee, (see Section XI) and the individual designated on each particular campus, will prepare an annual plan for the approval of the President prior to its implementation, that encompasses the following:
 - a) Dissemination of information about the policy and procedures
 - b) Education and training
 - c) Evaluation

- d) Patenting
 - e) Licensing and commercialization
 - f) Coordination of community services
2. The person or entity designated by the President shall report, as required, but at least annually, on patent disclosures, issuance of licenses commercialization, and other activities, so that the President can evaluate the effectiveness of the system-wide program. The report shall include a financial report.
 3. In implementing the program, the person or entity designated by the President may utilize full or part-time University employees and students, independent attorneys, contractors, companies or independent organizations.
 4. The management of funds and the fiscal administration at the system-wide level, Funding and fiscal management of the system-wide program, including providing technical assistance and training to the individual campuses, will be the responsibility of the person or entity designated by the President and will be subject to existing University regulations.
 5. The University reserves the right to discontinue efforts to obtain protection of an invention at any time during the process. The President will make this decision after receiving a recommendation from his/her designated person or entity, who shall have carried out a detailed and in depth study of the situation, and taking into consideration the recommendations of the Technology Advisory Committee.

B. Responsibilities of the Chancellors

The Chancellors will be responsible for administrative matters relating to this policy on the corresponding campuses. Each Chancellor may delegate his/her authority to any person or persons so they may carry out these responsibilities, in whole or in part.

Further Guidelines for the Chancellors

Each Chancellor may appoint a representative who will be the liaison with the person or entity designated by the President to administer this policy. This representative will be responsible for facilitating the development of the program geared toward satisfying the purposes of this institutional p

olicy on inventions and patents. This representative, in consultation with the person or entity designated by the President, will prepare and implement a programmatic plan for the campus, which may encompass the following:

1. Dissemination of information about policy and procedures to ensure that the relevant policy procedures are brought to the attention of employees and students of the campus and other affected parties; to provide such other information as may be requested of them; and to resolve any controversy that may arise in the course of their implementation.
2. Education and training of employees, students, and other persons regarding the policy and procedures necessary to protect not only the rights of these individually, but also those of the University in discoveries, innovations, and inventions.
3. Responsibility: The campus representative will inform the Chancellor, at least annually, on the activities related to the patents on that particular campus, so that the Chancellor can evaluate the effectiveness of the program in achieving the established purposes of this policy. There will be continuous communication between the person or entity designated by the President and the Campus representative.
4. Management of funds and fiscal administration: Management of the funds that correspond to the campus and fiscal administration of each campus' program will be the responsibility of the Campus, and will be subject to existing University regulations.

IX. RESOLUTION OF DISPUTES

In the event that a disagreement exists about ownership of inventions or any other provisions of this policy, the controversy will be submitted for consideration by the President, who will make a final determination on the matter. The President's determination is binding on all parties.

X. MANAGEMENT OF CONFLICT OF INTEREST

The inventors or persons that are working on a research project must notify the person or entity designated by the President of any conflict of interest or appearance of conflict, that might result from any relationship that involves remuneration or economic

benefit (directly or indirectly) for them or any of their relatives. Each employee must comply with the Institutional Policy on the Identification and Management of Conflict of Interest in Research in the University of Puerto Rico.

In the event that the University of Puerto Rico is negotiating a contract related to any of its research, inventions, patents, technology transfer or other related process, with persons, private firms, natural or legal, in which any employee or student or any of their relatives have any financial interest, direct or indirect, that employee or student must inform the Chancellor of that campus and the person or entity designated by the President, before that contract is signed by the University.

In situations in which a conflict of interest, or appearance of same, is present the situation must be brought immediately to the attention of the person or entity designated by the President, to submit the case for the consideration of the President, who will determine how to proceed, according to applicable law.

XI. TECHNOLOGY ADVISORY COMMITTEE (TAC)

The President will appoint a System-Wide Technology Advisory Committee.

A. Composition

1. The President will appoint six (6) regular University employees actively engaged in research in scientific and technical disciplines (one representative from each of the Campuses of Mayagüez, Río Piedras and Medical Sciences, and three representatives from the remaining units) on the recommendation of the respective chancellors. In addition, the President will appoint two representatives of the public interest. These eight members will be appointed for staggered terms of three (3) years. The Director of the Legal Affairs Office of the Central Administration and the person or officer of the entity designated by the President to be in charge of the implementation and administration of this Policy will be non-voting, ex-officio members of the Committee. The Vice-President for Research and Technology will be a regular voting member of the committee and will be the President of the Committee.

B. Functions

1. The Committee will advise the person or officer of the entity designated by the President on specific cases about which guidance is sought.
2. The Committee will address needs and problems brought to their attention by the person or officer of the entity designated by the President.
3. The Committee will review situations in which problems arise over the implementation of this policy or the execution of the program for patenting, licensing and commercialization, and will make recommendations to person or officer of the entity designated by the President as to how to improve the processes, including, if necessary, amendments to the Institutional Policy.
4. The Committee may evaluate those inventions that are brought to its attention.
5. The Committee will meet at least once each semester, receive current summaries of activities from the person or officer of the entity designated by the President, advise on the implementation of the University patent program concerning investments, issuance of licenses and commercialization, and will submit a report to the President, at least annually, about its conclusions and recommendations.

XII. AMENDMENTS

- A. The provisions of this policy may be amended from time-to-time. This will not affect rights to inventions or payments already established.
- B. Amendments to this policy will be subject to the approval of the Board of Trustees, on the recommendation of the President of the University of Puerto Rico.

XIII. EFFECTIVE DATE

This policy will become effective thirty days after its registration at the State Department and from that date forward, Certification Number 18 (1991-92) will be null,

and any other policies or rules on patents or inventions that may exist or be in effect within the University of Puerto Rico that are in conflict with the provisions in this policy, will no longer be in effect.

NOTE: This is a translation, which has attempted to be as faithful as possible to the original, approved policy. However the original, Spanish language version takes precedence if questions arise concerning interpretation of language in the translated version.