

CHRMC Intellectual Property Core

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TYPES OF INTELLECTUAL PROPERTY

Intellectual properties are divided into two categories: technical works and creative works. 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, and compositions; computer software; and university collections. 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, and other types of scholarly or creative writings; films; video and audio recordings; and instructional materials, such as textbooks and multimedia programs. All computer software is included in technical works except that which is clearly developed for entertainment or for instructional purposes, e.g., electronic textbooks and textbook supplements, classroom and self-study tutorials.

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. 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.

MANAGEMENT OF INTELLECTUAL PROPERTY

The business aspects of commercializing intellectual properties and the management of copyright issues are the responsibility of the IP Core. This unit reports administratively to the Chief, Research Operations and has the responsibility of working closely with faculty, employees, and administrators in

managing intellectual properties within the hospital, including their development, protection, acquisition, and commercialization.

The IP Core also works closely with the Intellectual Property Committee, to effect the appropriate academic and financial returns for the inventor(s) and the hospital, while properly protecting the interests of all parties. This management includes educating personnel, soliciting and reviewing disclosures, obtaining intellectual property protection, licensing and marketing the properties, monitoring licensee performance, and collecting and distributing revenues.

Faculty may consult for commercial entities, and the hospital solicits industry-sponsored research contracts and collaborates closely with companies when transferring a technology or creative work to the private sector; however, the hospital does not generally engage in product manufacturing, company support functions, customer service, technology maintenance, or work for hire for the private sector. In general, it is not appropriate for academic units to produce, market, or sell products or to establish organizations or companies to do so. Instead, the IP Core has the responsibility to license or sell the technology or work; or they may sell hospital-developed products to end users when sales and support do not interfere with the normal activities of hospital personnel, and when the sale is consistent with the research and education mission of the hospital.

CHRMIC INTELLECTUAL PROPERTY COMMITTEE

The CHRMIC Intellectual Property Committee will advise and coordinate activities with the IP Core and review all disclosures to make recommendations. The IP Committee has responsibility for resolving conflicts of interest that involve intellectual properties or any commercial involvement or consulting arrangements. The IP Committee is also responsible for dispute resolution.

The IP Committee is chaired by CHRMIC's General Counsel and includes at-large members of the faculty and Research Support Services. The Committee may also empanel advisory subcommittees composed of faculty members and/or administrative personnel with particular background or experience to assist in investigating and resolving conflicts.

CHRMIC Intellectual Property Committee Members:

Jeffery Sconyers, Chair
James B. Hendricks, Ph.D.
Erik Lausund
Bonnie Ramsey, M.D.
Craig Rubens, M.D., Ph.D.
Robert Sawin, M.D.

F. Bruder Stapleton, M.D.
Kelly Wallsce

OWNERSHIP

Pursuant to law and hospital policy and without an express agreement specifying otherwise, any work (whether a technical work or a creative work) prepared by faculty, staff, students, trainees or volunteers at CHRMC or partially or wholly paid with funds from CHRMC is owned by CHRMC.

The hospital retains ownership rights to all technical works. When hospital resources are used in the production of creative works, the hospital will retain its ownership position, and income from the project will be shared with the developers.

Consulting and Intellectual Properties

Faculty and staff who plan to engage in off-campus consulting, research, or product development within the scope of their professional expertise, and in which hospital personnel or a third party may claim an ownership interest, must communicate the scope of such off-campus endeavors to the IP Core and obtain written approval prior to commencing the endeavors. If faculty are to be engaged as consultants or otherwise employed by a company that is either anticipating or has executed a license agreement with the hospital, or the proposed work is not independent of the hospital's endeavors, the consulting or other agreement shall be submitted to the IP Core for review prior to its execution.

The hospital does not assert ownership to works produced by those involved with consulting except in cases where use of hospital resources occurs to support the consulting activity. In such cases there should be prior negotiation between the consultant and the IP Core to determine disposition of the intellectual property. Generally, activities are more properly carried out as sponsored projects when there is use of hospital resources.

Student and Trainee Ownership of Intellectual Properties

Students and Trainees who independently develop intellectual property arising out of their participation in programs of study at a university that involves hospital resources will be treated in the same manner as faculty and staff.

Release of Ownership

The hospital may, at its sole discretion, determine to release to the developer(s) its ownership rights to any intellectual property upon such conditions as the

hospital deems beneficial and fair to all parties. Upon the recommendation of Intellectual Property Committee, the transfer of rights must be approved and secured by an assignment agreement.

Hospital Use of Technologies and Properties Created by Faculty, Staff, Students, Trainees and Volunteers

Individuals who have received and retained title (copyright or patent) to an intellectual property, shall, as a condition of employment and/or such use, grant to the hospital a royalty-free, paid-up license to use the property for internal, noncommercial purposes.

ADMINISTRATIVE PROCESSES

Disclosure

An inventor must report innovations and discoveries that may be or lead to inventions, and any potential inventions, to the Intellectual Property Core using the CHRMC Disclosure Form. The inventor is encouraged to contact the IP Core for advice on the format required for reporting inventions and special requirements of any agencies sponsoring the research. It is very important to report well in advance of any planned publication involving the innovation, discovery or invention. Early disclosure allows timely filing of any needed patent application to protect the invention. Inventors should take time to prepare a thorough disclosure in order to clarify the inventive conception, assist in evaluating its technical and commercial possibilities, permit a preliminary determination of novelty, and substantially reduce the time and cost of patent application.

Evaluation of Disclosures

After preparation of the disclosure, the IP Core will conduct an evaluation to assess the technical, legal and marketing potentials of the invention. Evaluation will involve consultation with the inventor, patent counsel, any private funding organization and prospective licensees under appropriate confidentiality agreements. The results of this evaluation, along with staff recommendations, will be reported to the Intellectual Property Committee, charged with making a final decision on pursuing patent protection.

DISTRIBUTIONS

All discoveries, inventions or developments for which CHRMC receives proceeds, CHRMC shall deduct all expenses (costs, fees or charges levied by any party working with CHRMC to administer the patent) incurred pertinent to the technology and not recovered previously. The remaining net proceeds shall be distributed as set forth below:

Cumulative Net Lifetime Proceeds	Inventor	Inventor's Department	CHRMC Royalty Fund
First \$10,000	100%	0%	0%
\$10,001 - \$40,000	50%	25%	25%
Above \$40,000	30%	20%	50%

For the purposes of this distribution schedule, the following definitions shall apply:

Inventor: An individual or individuals who has (have) made a contribution to the conception and/or reduction to practice of an invention, discovery or development and who is (are) identified as such on the licensed patent, patent application or unpatented technology. In the case of a patent or patent application, this contribution must be applicable to at least one claim. In cases of joint inventorship, it is not necessary that each inventor make the same type or amount of contribution to the invention and it is not necessary that each inventor make some contribution of each claim.

Inventors Department: For faculty, the academic department within an affiliated University, School or College in which the faculty member holds a primary appointment. For any employee or volunteer of CHRMC with no academic affiliation, the Inventor's Department share shall be credited in its entirety to the CHRMC Royalty Fund.

CHRMC Royalty Fund: The CHRMC Royalty Fund is maintained at Children's Hospital & Regional Medical Center, having its place of business at 4800 Sand Point Way, NE, Seattle, Washington 98105-0371. Use of this fund shall be at the discretion of the Research Executive Committee, with approval authority of the CHRMC President & CEO.

Cumulative Net Lifetime Proceeds: Gross revenues or other payments received by CHRMC from a licensed technology minus applicable patent filing fees, other legal fees associated with the technology, fees for patentability and marketability searches, fees arising out of litigation, legal advice or any other fees or costs directly attributable to the invention being licensed. Indirect costs, overhead or

other CHRMC costs usually associated with operation of CHRMC and not directly attributable to the invention shall not be deducted from gross revenues.

PUBLICATION AND DISCLOSURE

Safeguarding Confidentiality

The inventors disclosure and patent application are handled in strict confidence. Inventors are encouraged not to discuss their inventions with anyone, including a prospective licensee, until the potential licensee signs a confidential disclosure agreement to protect against unfair appropriation of the invention. Once a patent is issued, the need for confidentiality about the details of the invention no longer exists because the patent becomes public information.

Public Disclosure

Public disclosure of an invention prior to filing a patent application can make it impossible to obtain a valid patent. Public disclosure can result from publication of a journal article, placement of a graduate student thesis in the library, a detailed presentation at a meeting, or release of technical information to someone not bound by a nondisclosure or confidentiality agreement. In general, grant applications do not constitute public disclosures, but circumstances may dictate a different condition.

In the U.S., a patent must be filed within one year of a public disclosure. In most cases, foreign rights will be forfeited at the point of publication unless a U.S. application is pending. As a result, best practice is to file a patent application before any public disclosure occurs.