UNIVERSITY OF TEXAS AT EL PASO

INTELLECTUAL PROPERTY HANDBOOK

PURPOSE

This Handbook was prepared by the Office of Technology Transfer at The University of Texas at El Paso to provide faculty and administrators with a summary of the policies, laws, and procedures governing intellectual property matters at this institution. Our intention is to help all involved with R&D to protect the rights and interests of the inventor(s) and the University. Basic information about procedures and responsibilities—who needs to do what, when, and how—is included. This handbook is written in accordance with the University of Texas System Regent’s Rules and Regulations. A complete copy of the Regent’s Rules can be obtained at website: http://www.utsystem.edu/bor/rules/

DEFINITIONS

■ WHAT IS INTELLECTUAL PROPERTY?

Intellectual property is any invention, discovery, trade secret, technology, scientific or technological development, computer software, or other form of expression that is in a tangible form. Intellectual property can be protected by patent, trademark or copyright laws or it can be protected as a trade secret by not disclosing the "know how" to others. Most of the information in this handbook will deal with inventions and computer software and their protection. The University of Texas Board of Regents will not assert an interest in faculty produced textbooks, scholarly writing, art works, musical compositions and dramatic and non-dramatic literary works that are related to the faculty member’s professional field, unless such work is specifically commissioned by the System or a component institution of the System.

■ WHAT IS A PATENT?

A patent is a property right granted by the United States, which gives the holder the exclusive right to exclude others from the manufacture, use and sale of the invention in the United States for a period of 17 years. As property, it may be sold or assigned, pledged, mortgaged, licensed, willed, or donated, and be the subject of contracts and other agreements. When an inventor secures a patent, he or she has the opportunity to profit by the manufacture, sale or use of the invention in a protected market or by charging others for making or using it. Patents may also be obtained in other countries, and foreign patents are often important for commercial development.

■ WHAT IS A COPYRIGHT?

A copyright is a grant by the United States of exclusive rights over the writings of an author, and includes software. Copyright protects only the expression, not the idea. If the author wants the right to sue for infringement, claims to copyright must be registered in the Copyright Office. Software copyright protection requires submission of an invention disclosure form and subsequent review by the Intellectual Property Committee. To obtain a copyright for written material contact the Program Manager for Technology Transfer.

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WHAT IS A TRADEMARK?
A trademark differs from both patents and copyrights. It is a word, name or symbol adopted or used by an individual or corporation to distinguish its goods or services from others’ goods or services. When a mark is registered in the Texas Secretary of State's Office or the U.S. Patent and Trademark Office, the trademark owner obtains certain rights and benefits. Rights to a trademark are established by adoption and actual use, not by authorship as in copyrights, or by inventorship as in patents. For information on how to obtain a trademark, contact the Office of Technology Transfer.

WHAT IS PATENTABLE?
Patents in the United States and most foreign countries are granted for inventions of new and useful processes, machines, manufactured products, compositions-of-matter, or any new and useful improvement to an existing invention. The scope of patentable classes of inventions in the U.S. has been expanded to include life forms resulting from genetic engineering. When a U.S. patent application claiming a life form is filed in the Patent and Trademark Office, it is necessary that a sample of the biological material be made available to third parties only when and if the patent issues. Some things that cannot be patented in the U.S. include theories; ideas; plans of action; results; discoveries of laws of nature or scientific principles.

Under the United States standards of patentability, all patent applications are examined for (a) novelty, (b) utility, and (c) nonobviousness. With the assistance of the patent attorney, it is the inventor's responsibility to establish these elements to the satisfaction of the Patent and Trademark Office before the patent is allowed to issue.

NOVELTY means that the invention is new; that is, it has not been previously publicly used, sold, offered for sale or described in printed form. UTILITY means that the invention has a use and is not just a subject for additional research. In regard to the third requirement, the invention must be NONOBVIOUS at the time of invention to a person having ordinary skill in the art to which it pertains.

Therefore, an inventor should study his or her invention in relation to other available ways of doing the task or other available technology and decide whether the invention contains advantages that are not only unique but marketable as well.

WHO IS AN INVENTOR?
An inventor is a person who, alone or in combination with others, conceives a complete and operative manner of performing a process or making a machine, manufacture, or composition of matter, or improvement. Thus, in simpler terms, an inventor is a person who contributes to the conception or the mental development of the complete procedure by which the invention is achieved, to the degree that it may be reduced to practice by one skilled in the art.

Colleagues, students, technicians or machinists, even though they gather all of the essential data or construct a practical embodiment of an invention, are not inventors unless they make a conceptually inventive contribution. Such a contribution may be relatively minor, and it is not
necessary for someone to have conceived the main idea or even a major part of it to be a co-inventor. When working on the development of potentially patentable subject matter, it is important to maintain dated notebooks that will help determine who is an inventor. A patent attorney will make a legal determination of inventorship after a review of the facts, notebooks, and possibly personal interviews prior to filing the patent application.

Co-inventors will share equally in the royalties from commercialization of the invention, unless a previously written agreement to the contrary has been executed and provided to the University.

OWNERSHIP RIGHTS AND RESPONSIBILITIES

THE UNIVERSITY OF TEXAS SYSTEM POLICY

Intellectual property that is related to an individual's employment responsibility, or has resulted either from activities performed by an individual while employed by The University of Texas System, or supported by State funds, or while using The University of Texas System facilities under the supervision of U.T. personnel, or while the inventor is a undergraduate student, candidate for a master's or doctoral degree belongs to The University of Texas at El Paso (Rules and Regulations of The University of Texas System). These Rules and Regulations govern all U.T. El Paso employees, including predoctoral and postdoctoral fellows.

The University's right to intellectual property is not dependent on the source of funding for research. Intellectual property that results from research supported by a grant or contract with a federal agency or with a profit or non-profit entity, or by a private gift or grant to The University of Texas most often will also belong to the University. The Intellectual Property Policy requires assignment of the intellectual property by the inventor to the Board of Regents or other appropriate entity. This provision is necessary since the assignment legally designates the owner of the intellectual property. Without a properly executed assignment, title to the property would be in question.

PROCEDURES FOR PROTECTING INTELLECTUAL PROPERTY

Whenever intellectual property is created by someone with the support of the University it is necessary for the inventor to disclose his or her intellectual property to the Program Manager for Intellectual Property (PMTT). This disclosure is made by completing and submitting to the PMTT one copy of the "Invention Disclosure Form, which can be downloaded from this website. The PMTT will forward the disclosure to the Intellectual Property Committee (IPC), which operates in confidence, reviews the intellectual property in order to determine the University's interest and rights in the creative effort. The scientific merit and commercial applicability also are considered in this determination.

RESPONSIBILITIES

Five individuals or groups of individuals have major responsibilities in securing a patent to protect intellectual property:

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1. The Inventor must submit an "Invention Disclosure" for to the Office of Technology Transfer for review. The disclosure will be forwarded as part of the review process to the Intellectual Property Committee at U.T. El Paso. In the event that the University elects to file for a patent, the Inventor must assign the intellectual property to the Board of Regents and cooperate with the appointed patent lawyer in preparing the application and related documents. Further, the Inventor must keep good records of work related to inventions and avoid premature public disclosure by publication, sale, offering for sale or public use. Avoid all conversations with any outside third party without a Confidentiality Agreement in place. See the Program Manager for Technology Transfer about getting a Confidentiality Agreement.

2. The Intellectual Property Committee (IPC) will review the intellectual property to determine the University's interest and rights in the creative effort. Following this review, the IPC will make a recommendation to the President that the University either pursue or not pursue its interests.

3. The Vice President for Research and Sponsored Projects forwards the recommendation with comments to the President who makes the final determination regarding the recommendation of the IPC. The final decision regarding the disclosed invention is forwarded to the Program Manager for Technology Transfer.

4. The Program Manager for Technology Transfer (PMTT) coordinates the protection and commercialization of the technology or processes the paperwork for release of the invention to the inventor. The PMTT is the point of contact with the University's lawyers and the Office of General Council and is responsible for the processing of Invention Disclosure, the filing of protection and the licensing of the technology.

RECORD KEEPING

U.S. patent practice places a premium on witnessed records when two or more parties claim the same invention. The date the idea occurred (the "conception") and the date it was put into practical form ("reduced to practice") are vital. Equally important in the "eyes" of the Patent Office is the "diligence" shown by contending inventors. They must prove that they regularly pursued work on the invention, documenting their efforts on a day-to-day basis.

The importance of keeping detailed and accurate laboratory notebooks cannot be overemphasized. It is good practice to use bound notebooks for records, making entries on a daily basis. When an idea is conceived, a record should promptly be made in the form of a sketch or drawing or written description. One should sign and date the entry at the time it is made, and have it witnessed by someone who has read the material and is capable of understanding it, yet has had nothing to do with producing it.

As research is performed to develop the idea, the inventor should record each step in the development of the invention in the same manner. He or she should also keep correspondence about the invention, sales slips of materials used while working on the invention and any models or drawings.

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DISCLOSURE AND EVALUATION OF INVENTIONS

Under world patent laws, the appropriateness of the time an invention is reported to the institution and/or placed in the public domain substantially affects the scope, quality, and strategy of worldwide patent protection. **Publication of articles, abstracts, posters and/or oral presentation to industry or at scientific meetings may result in loss of U.S. and foreign patent rights.** The loss of foreign patent rights depends on the extent the information disclosed allows someone to reproduce the invention or discovery.

**Disclosure of an invention or discovery by publication or presentation to the public or industry before submitting an invention disclosure to the institution is contrary to University of Texas System Intellectual Property Policy.** To minimize the possibility of barring patent applications in the U.S. and foreign countries, inventors are encouraged to consider the following guidelines for publication and/or presentation.

1. Avoid revealing details in writing or speaking that may allow a person to reproduce your results.

2. Avoid speculation of future discoveries in presentations and publications.

3. In contract or grant applications, reveal as little as possible about patentable products, and clearly label as Confidential any sections describing such products so as to avoid premature public disclosure under the Freedom of Information Laws if federal grants are funded.

4. If you wish to discuss your patentable work with a potential research collaborator or licensor a Confidential Disclosure Agreement should be executed beforehand. Contact the Office of Technology Transfer for assistance with this agreement.

5. Publication or presentation of your discoveries in detail will cause you to forego patent protection in most foreign countries, but a U.S. patent application may still be filed within a year.

6. **Ideally, a U.S. patent should be on file prior to any publication or public presentation.**

**SUBMISSION AND EVALUATION OF AN INVENTION DISCLOSURE**

Report of an invention to the institution should occur when an inventor believes he or she has a discovery, creation, and/or invention (software is considered intellectual property). This is done by the submission of an "Invention Disclosure" to the Office of Technology Transfer for review by the Intellectual Property Committee (IPC). The process is as follows:

1. Obtain a copy of the Invention Disclosure from ORSP website [http://orsp.utep.edu/TTIP](http://orsp.utep.edu/TTIP)

2. Complete and return the Invention Disclosure form to the Office of Technology Transfer for presentation at the next scheduled IPC meeting. Provide as much detail as you can about the invention, related technology, and the potential for licensing or other commercialization. The UTEP Library can provide assistance with searches of existing patents.

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3. The IPC will evaluate the invention disclosure to determine the University's interest in and rights to the invention. You will be asked to make a brief presentation to the IPC, or the Chairman of the IPC may contact you to request additional information.

4. The IPC will make a recommendation to:
   
a) hold for more research data,
b) request a preliminary patent search or proceed to filing,
c) release some or all of the rights to the inventor.

5. If a patent search is requested, an outside patent law firm conducts a patent search and prepares a patentability opinion that is sent to the inventor and the IPC.

6. Based on the results of the search, the patentability opinion, and subsequent information supplied by the Inventor, the IPC will recommend to the President to file or not to file for a patent on behalf of the University.

7. If the decision is made to file, services of a patent law firm will be arranged by Office of Technology Transfer, and a patent application will be prepared by a patent attorney, with the assistance of the inventor.

8. A decision NOT to file may result in:
   
a) hold of the invention disclosure, with the University retaining rights in anticipation of more data, or
b) return of some or all of the rights to the inventor.

In reaching its decisions, the Intellectual Property committee relies heavily on the inventor's expertise and judgments concerning novelty and marketability.

THE PATENT APPLICATION AND SUBSEQUENT STEPS

When a decision is made to file a patent application, the Program Manager for Technology Transfer engages an outside patent law firm. The matter is assigned to one of the firm's patent lawyers who corresponds directly thereafter with the inventor and the PMTT about steps taken with the Patent and Trademark Office (PTO) and additional information needed.

Using the information in the disclosure form and additional information and assistance from the inventor as needed, the patent lawyer will prepare a patent application. The application will contain a written description of the invention and of the manner and process of making and using it in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and will set forth the best mode contemplated by the inventor at the time of filing the application of carrying out the invention. The application must conclude with one or more claims particularly pointing out and
distinctly claiming the subject matter which the applicant regards as the invention.

Applications filed in the PTO are assigned to the examining group having charge of the areas of technology related to the invention. An examination of the application consists of a study of the application for compliance with the legal requirements and a search through U.S. patents, prior foreign patents and available literature, to see if the invention is new.

A decision of patentability is reached by the PTO examiner in light of the study and the results of the search. The applicant is notified in writing of the examiner's decision by an "Office Action" (OA) which is mailed to the attorney or agent. The reasons for any objection or requirement are stated in the Office Action. It is not uncommon for some or all of the claims to be rejected in the first Office Action by the PTO examiner.

The applicant (through the patent attorney) must then request reconsideration in writing and respond to every ground of objection or requirement within the required time for response. The response by the applicant to the first Office Action will be considered and the applicant will be notified if claims are accepted or rejected. Other objections or requirements may also be made in a second Office Action.

The second PTO Office Action usually will be final. If there is a final rejection of all claims, the applicant's response is limited to a small number of options which may include an appeal.

If the application is found to be allowable, a notice of allowance will be sent, and the patent will issue a few months later.

**THE CONTINUATION-IN-PART APPLICATION**

Filing a Disclosure and applying for a patent should not be delayed because research is ongoing. If the requirements for a patent are met, an application should be filed regardless of ongoing research. Improvements and modifications to the invention may be claimed in subsequent continuation-in-part (CIP) applications. Additional subject matter may be added to continuation-in-part applications, as may additional inventors.

**CONFIDENTIALITY AND DISCLOSURE**

In the U.S. Patent and Trademark Office, all patent applications are maintained in the strictest of secrecy until the patent is issued. This includes the patent application serial number and filing date. These and other dates may be important if any question arises as to who is the first inventor. This information should not be carelessly revealed. It is also vitally important not to disclose any information concerning intellectual property to industry or any outside party without first obtaining a Confidential Disclosure Agreement.

A Confidential Disclosure Agreement needs to be signed by the recipient of the confidential material BEFORE the material is disclosed. Copies of the Confidential Disclosure Agreement form

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may be obtained from the Office of Technology Transfer.

After the patent is issued, it is safe to reveal to others everything that is actually described or illustrated in the patent. These details are no longer secret, since they are published in the printed copies of the patent. Caution should be taken, however, in connection with later inventions or improvements related to the patent.

INDUSTRY/FEDERAL FUNDING

If your research is supported by an outside grant or contract (industry or federally sponsored research, clinical studies, etc.) and/or used materials received from industry or other institutions, the contractual agreement probably contains provisions for disclosure of both patentable and unpatentable inventions and discoveries. These provisions are often referenced under "Intellectual Property," "Research Results," or "Reporting Requirements." The provisions define your patent obligations, and those of the University, to the research sponsor.

It is important that you read and understand the patent provisions of your research agreement and that you keep in mind that no faculty member can negotiate or commit the University to intellectual property ownership provisions. The negotiation of such contracts and any differences between the research contract provisions and U.T. policy regarding intellectual property will have to be resolved by the Office of Research and Sponsored Projects. Generally, the University retains its rights to all patentable or unpatentable inventions in all grants and contracts in which research is funded.

U.S. law provides that the University has the option to take title to inventions made under most federally funded research. If your invention was made under a government supported research agreement, the government will most often grant title to the University, while retaining a royalty-free, nonexclusive license for its use, as well as requiring periodic progress reports on the University's commercialization efforts.

ROYALTY/EQUITY

A royalty is a payment made to the legal owner (i.e., the University) of the patent for each article or process sold under the patent. A royalty is typically specified in a license agreement, where the owner conveys to a company or individual the right to operate under the patent in exchange for royalty payments based on a negotiated percentage of sales or other distribution of the patented item or use of a patented process. There are no direct financial benefits flowing from the mere ownership of a patent unless it is used in a licensing arrangement or in a situation involving the direct manufacture and sale of a product or process.

Within the university setting, the financial benefits typically accrue only in those cases where the patent is licensed by the university (licensor) to an individual or corporation (licensee) for use in a manufacturing/marketing effort. In a research situation the university retains rights to the invention and grants a company an option to license the technology arising from the funded research.

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When the technology is part of the formation of a new company, consideration for the license may include an equity interest (company ownership) as well as royalty. All contractual negotiations and documentation representing The University of Texas at El Paso are handled by the Program Manager for Technology Transfer.

**U.T. EL PASO ROYALTY DIVISION**

Within the requirements of The University of Texas System Intellectual Property Policy, and after certain costs of licensing and patenting are recaptured (outside patenting costs), The University of Texas at El Paso divides the remainder of royalty income as follows:

- 50% - Inventor(s)
- 15% - College
- 10% - Department
- 25% - Office of Sponsored Projects, to enhance the development of University research and technology transfer
FLOW CHART OF AN INVENTION DISCLOSURE

1. IDEA CONCEIVED

2. NOTES & PHOTOGRAPHS TAKEN DRAWINGS MADE

3. PAPERWORK IS DATE, SIGNED, WITNESSED OR NOTARIZED, INCLUDING COLLECTION OF RECEIPTS & PURCHASE ORDERS SHOWING WORK IN PROGRESS

4. INVENTION DISCLOSURE FORM COMPLETED & SIGNED BY INVENTOR(S) & SENT TO OFFICE OF TECHNOLOGY TRANSFER

THE IPC MEETS AND MAKES RECOMMENDATION TO PRESIDENT TO EITHER PURSUE PATENT

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SEARCH & LEGAL OPINION OR TO
RELINQUISH ALL OR SOME RIGHTS
BACK TO THE INVENTOR
Handle Patentable Ideas With Care!

- Keep accurate records on your work and have them witnessed by a colleague.

- Avoid public disclosure before a patent application is filed.

- Avoid selling your idea in any form before a patent application is filed.

- When in doubt, contact the Office of Technology Transfer.