

# **SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY**

## **Policy Manual**

**SUBJECT:** Inventions, Patents, and Intellectual Property

**NUMBER:** Policy IX-02

---

### **POLICY**

All employees of the university have the responsibility to disclose the creation or discovery of inventions, unique works or manuscripts, or similar items of intellectual development that may lead to the formation of a property interest: the university President or his representative will exercise due diligence in evaluating and processing such potential intellectual property on behalf of the Board of Regents and South Dakota.

### **PROCEDURES**

1. Disclosure - The disclosure of the creation or discovery of an invention, unique work or manuscript, or a similar item that may lead to the formation of a property interest must be made in writing to the university President within 90 days of the creation or discovery of such potential property.
2. Acknowledgement of the Disclosure - The President will acknowledge the receipt of the disclosure within 30 days. This acknowledgement of the disclosure will include a preliminary evaluation of the potential property rights and interest of the university in the creation or discovery.
3. Evaluation of the Disclosure - The university President may obtain assistance in evaluating both the rights of the university in the creation or discovery and the potential for the development of the property interest.
4. Results of the Evaluation - Within 90 days of the receipt of the disclosure, the President will report the results of the evaluation of the rights of the State in a disclosed potential property interest, in writing, to include reasons supporting the President's conclusion, to the creator or discoverer with a copy to the Executive Director of the Board of Regents.
5. Property Rights - If the President determines that the university has reason to exercise rights to the disclosed potential property, the university reserves the following specific rights
  - A. The right to further evaluate the discovery, hereafter called the invention, for processing as a patent or trademark. The right shall revert to the creator

or discoverer, hereafter called the inventor, if not exercised by the university within a time period of six months from the receipt of the disclosure or a longer period of time mutually agreed between the President and the inventor.

- B. The right to receive the assignment of the title to the invention.
- C. The right to develop and otherwise process or assign the invention for licensing or sale.

If the President determines that the university has no right to the disclosed property or chooses not to exercise its rights as being in the best interest of the university, the President will release the further processing of the potential rights to the discovery to the inventor.

The university may choose to license the use of the invention, patent, or other intellectual property or to otherwise sell the rights of such property. The university will normally pursue the development of a non-exclusive royalty bearing license to all qualified licensees. However, the university may choose to pursue the development of an exclusive license if the President determines that such an exclusive license is in the best interest of the university to encourage the marketing use of the property.

When the institution retains title to an intellectual property and income is created, the creator will receive 50 percent of all net revenues realized by the institution from commercialization of the property. Net revenues will equal gross revenues reduced by taxes or other governmental fees, charges or assessments and commercially reasonable direct costs that the institution incurs to develop the property and to realize the property's commercial value. Where two or more employees contributed to the creation of the property, the creator's share of revenues will be divided among them equally, unless the employees agree upon a difference distribution among themselves and notify the institution in writing of their agreement.

Public Law 96-517 (The Patent and Trademark Amendments of 1980) provides for the retention by an educational institution of rights, title, and interest in inventions made under federal grants upon compliance with certain requirements. Included among those requirements is the existence of a formal agreement between an employee and the institution to disclose inventions deriving from research under such a grant. All employees who participate in externally funded research are expected to complete the Employee Agreement to Disclose Inventions (Attached.)

- 6. Appeal - The inventor, creator or discoverer of the disclosure or his/her designated representative, may appeal in writing, a decision of the President in the processing of the potential property rights of the disclosure. This appeal must be

made to the President within 14 calendar days of the receipt of the written determination of the decision made by the President.

\*Revised 9/2/94 to update title

\*Revised June 11, 1991

**EMPLOYEE AGREEMENT TO DISCLOSE INVENTIONS**

**SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY**

WHEREAS, I, the undersigned, expect from time to time, to seek and expect to receive external support for my research activities, and/or expect to participate in research activities for which external support is being sought or has been received by fellow employees; and

WHEREAS, The South Dakota School of Mines and Technology (hereinafter referred to as UNIVERSITY) desires to and is required to execute, on behalf of its employees, contractual agreements for sponsorship of research; and

WHEREAS, UNIVERSITY thereby incurs the responsibility of obligations under the terms and conditions of the research award, as well as the terms and conditions of the Board of Regents policies and the UNIVERSITY's own patent policy; and

WHEREAS, the terms and conditions of research awards made to UNIVERSITY by federal agencies incorporate a patent rights clause which provides that UNIVERSITY require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to the patent administrator each invention made under such award;

THEREFORE, in recognition of these responsibilities accepted on my behalf by UNIVERSITY, I agree to abide by the terms and conditions of the award for the research in which I participate. When these terms and conditions require that UNIVERSITY submit publications, or the content of other types of public releases of information such as oral presentations, to the sponsor for review, I agree to provide a copy of the planned publication or presentation to UNIVERSITY's patent administrator in order that UNIVERSITY can obtain the required clearances and releases to make the information public.

I further agree to disclose promptly to the president of the UNIVERSITY the nature and details of any inventions or discoveries conceived by me whether or not during working hours, while in the employ of the UNIVERSITY.

I further agree to be governed by all SDSM&T and Regental policies and, if applicable, any terms and conditions of the sponsor of the research in which I may participate with regard to publication of information and disposition of rights, title, and interest in any resulting inventions and will cooperate in the preparation of any materials necessary for a patent application.

---

(Name Typed or Printed)

(Signature)

(Date)