



**An IP Policy for the GU8  
including the establishment of the  
GU8 Research Foundation**

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and*

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## **1. Purpose of this Policy**

The GU8 IP policy is designed to facilitate commercialization of technology developed through bi-lateral and multi-lateral cooperation between the member institutions. It provides a framework and a set of agreed upon procedures for supplementing existing member institution protocols and materials. It also provides a mechanism for member institutions to: (1) establish a GU8 Research Foundation; (2) develop templates for such legally binding agreements as they may desire to establish licenses, equity investments, etc. in technology owned by more than one member institution and arising out of research within the purview of the Joint Research Committee; and, (3) aggregate technologies into portfolios to be cooperatively marketed via direct transactions, the GU8 website, and auction.

The policy reflects the cooperative and consensual nature of GU8 activities and seeks to supplement rather than supplant the technology transfer and commercialization activities of our member universities.

## **2. Invention and the Allocation of Percentages in Inventions**

An invention will be deemed to occur when any new and unique advance is made which may have practical use by humanity. Just what constitutes new, unique, and practical shall be left to the discretion of the inventor(s) and their respective member universities.

In order to be subject to this policy, the invention must be recorded in an inventor's notebook or other such documentary form as is acceptable to at least one of the collaborating member universities.

In the absence of any other agreement to the contrary, the allocation of percentages of inventorship shall be made as close as possible to the act of invention and shall be set by consensus of the inventors if possible. If such agreement is not possible, the senior technology transfer official for each member institution representing the inventors shall make the allocation via consensus. If they cannot agree, the matter shall be referred to the Joint Research Committee which shall make the determination via a process agreed to by the collaborating member universities.

### **3. Ownership of Rights in Inventions**

In the absence of any other agreement to the contrary, the ownership of rights in inventions falling under this policy shall be determined by the member universities representing each inventor in accordance with the policies of that university. Member universities shall address ownership of only that aggregated percentage that is the sum of all percentages allocated to inventors from that institution.

In the remainder of this policy, we shall refer to the owners of an invention as the participating member universities, with the understanding that the university may actually own, be an agent for the inventors, or some combination of these two.

### **4. Determination of the Lead Institution for Commercialization**

In the absence of any other agreement to the contrary, that participating member university with the largest percentage of inventorship shall be designated the lead institution for commercialization for a period of two years.

During this period, the lead institution shall arrange for timely review of the invention, and if appropriate, its patenting or securing other intellectual property protection in such jurisdictions as it sees fit. In making these determinations, the lead institution will consult with the other participating member universities.

Should the lead institution decline to pursue actively, or continue pursuing actively, intellectual property protection or commercialization of an invention falling within this policy within the two year period, the participating member universities may designate another participating member institution as lead through a majority vote of those involved or through any other agreed upon procedure. In the even such a change in lead institution occurs, any prior lead institution is only entitled to remuneration of intellectual property protection related to out-of-pocket expenses.

After the two year period, if an agreement with an approved revenue formula, as defined in Section 5, is producing the revenues anticipated, the lead institution shall have the right to continue as lead institution for another two year period with approval of all other universities holding ownership interests, such approval to not be unreasonably withheld. Should approval be

withheld, the participating member universities shall determine who shall be lead institution under the procedures of Clause 12, below.

## 5. Negotiation of, and Approval of, Agreements

Prior to entering into negotiations with any potential commercialization partner, the lead institution shall give all participating member universities with ownership interests no less than 30 days notice of the intent to negotiate.

Any participating member university may object to the negotiation so long as they state their reason in writing to all universities with ownership interests. Any participating member university objecting within the notification period may, within 45 days from receipt of notice, request the Joint Research Committee hold a vote as to whether negotiations should proceed. On receipt of such a request the Chair of the Joint Research Committee will call for a vote from all participating member university within 10 days of the request. A two-thirds or larger majority in favor of negotiating with the potential commercialization partner shall be necessary to enter into negotiations with that partner.

Prior to signing any agreement, a copy of the agreement shall be provided to all participating universities with ownership interests no less than 30 days prior to signing. A separate Executive Summary shall be provided containing:

- the Rights to be Transferred and their Exclusivity;
- their Duration;
- the Field(s) of Use and Jurisdictions Authorized;
- Revenue Formula (upfront fees, running royalties, equity calculations, fair market value for in-kind, etc. plus any provisions for sublicensing, converting debt or stock, etc.);
- Any Liability Exposure;
- Any Warrantees or Guarantees offered; and
- any other significant terms

Any participating member university may object to the agreement so long as they state their reason in writing to all universities with ownership interests. Any participating member university objecting within the notification period may, within 45 days from receipt of notice, request the Joint Research Committee hold a vote as to whether signing of an **agreement** should proceed. On receipt of such a request the Chair of the Joint Research Committee will call for a vote from all owning parties within 10 days of the request. A simple majority in favor will be sufficient to authorize signing the agreement with the potential commercialization partner.

**Only the lead institution has the right to sign agreements and the terms and conditions of an agreement signed in accordance with the provisions of this policy shall be binding on all the participating member institutions.**

## **6. Allocation of Costs and Revenues**

Revenues shall include currency, in-kind contributions with fair market values, equity in companies, or any other good, service, or item received in whole or partial consideration for transfer of any or all rights in an invention.

In the absence of any other agreement to the contrary, the following costs shall be deducted from any revenues received from inventions falling under this policy prior to the distribution of any revenues to the participating universities:

- all direct, documented expenses for preparation of documentation to secure intellectual property rights, filing fees, and outside expenses for counsel, marketing/deal-making and auditing; and,
- documented expenditures of the lead institution for salary and indirect costs of employees involved in managing, marketing, and collecting and redistributing revenues or, in the absence of such documentation, 0.5 percent of the revenues.

After these expenses have been deducted, any remaining revenues will be distributed no less than annually to the participating member universities in accordance with their percentage of invention.

## **7. Establishment of a GU8 Intellectual Property Subcommittee**

By a simple majority vote, the members of the GU8 Joint Research Committee may establish a GU8 Intellectual Property Subcommittee, in which case the duties of the Committee and the Chairman of the Joint Research Committee may be delegated to the Subcommittee so long as it is comprised of qualified representatives of at least 4 member institutions sitting on the Joint Research Committee and the Chair is a fifth Subcommittee member who also is a member of the Joint Research Committee.

## **8. Establishment of the GU8 Research Foundation and Retaining Professional Staff for its Operations**

Upon approval of the GU8 Council of Presidents, the Joint Research Committee may incorporate a free standing non-profit entity called the GU8 Research Foundation, whose Board of Directors shall be the members of the GU8 Joint Research Committee or their designates. While any Joint Research Committee member may sit on the Board, only those who, in person or through a representative, attended the immediately prior two meetings of the Joint Research Committee may vote on GU8 Research Foundation matters. The Chair of the Joint Research Committee, or his or her designate, shall sit as Chair of the GU8 Research Foundation.

The foundation shall be authorized to raise monies from governments, international organizations, companies, foundations, and non-governmental organizations and expend such funds to:

- fund the conduct of research, educational programs, and conferences, workshops and other meetings, and any such other activities that are in furtherance of the GU8 mission as defined and approved by the GU8 Council of Presidents, and
- support the protection and commercialization of GU8 inventions subject to this policy or of synergistic inventions made by GU8 member universities.

By a two-thirds vote of the GU8 Research Foundation or its Intellectual Property Subcommittee, should one exist, is authorized to retain professional staff to support it in the conduct of its work.

At the discretion of the GU8 Research Foundation or its Intellectual Property Subcommittee such staff may be offered to member institutions to conduct any and /or all activities associated with the intellectual property protection or commercialization of inventions subject to this policy, the use of the GU8 Research Foundation as a lead institution for commercialization to be determined by the participating member universities in their sole discretion under Clause 4, above.

## **9. Development of Templates for Forms, Legal Agreements, and the Like**

Any GU8 member university may request the GU8 Research Foundation develop templates for use in security or commercializing intellectual property falling under this policy. Upon receipt of such a request, the GU8 Research Foundation or its Intellectual Property Subcommittee, if any, shall determine if such a template would be helpful for meeting GU8 objectives. If at least a simple majority of the Committee believes it would be, the Chair of the GU8 Research Foundation or its Intellectual Property Subcommittee will arrange for its production and distribution to GU8 member institutions..

## **10. Development of Portfolios and Their Commercialization**

Any GU8 member university may request the GU8 Research Foundation establish an Intellectual Property Licensing Portfolio in a particular research area or in the area of a particular Joint Research Task Force. Upon receipt of such a request, the Chair will inform all GU8 member institutions of the development of such a licensing portfolio and issue a request for intellectual property to include in the portfolio. Any intellectual property subject to this policy or otherwise belonging to a GU8 member institution may be submitted for inclusion. A technology shall not be included in a portfolio unless all the member universities with an ownership percentage in that intellectual property agree to its inclusion.

If the GU8 Research Foundation has retained qualified staff under Section 8, it may elect to develop and commercialize a portfolio itself through its own staff. Otherwise the GU8 Research Foundation shall supervise the election of a lead institution from those institutions contributing property to the portfolio, using the procedures established in Section 4. The commercialization lead shall organize the portfolio in order to maximize its revenue generation potential and seek to actively market individual technologies and/or subsets of the portfolio.

Once a year, at least 10 months after the establishment of a portfolio, the commercialization lead shall contact relevant companies, foundations, and other potential licensees and arrange for, or conduct, an auction of unlicensed property in the portfolio.

The GU8 Research Foundation staff, if it exists, or a lead institution selected by the Joint Research Committee if there is no staff, shall develop recommendations for one or more new portfolios whenever a new research initiative is under consideration by the Joint Research Committee. These recommendations, and the justification for them, shall be used to inform the discussion of the downstream impact and commercial significance of initiatives being considered.

Portfolio approval and management will be under the oversight of the Intellectual Property Subcommittee.

## 11. Allocation of Revenues Generated through Licensing of GU8 Foundation Portfolios

All proceeds from commercialization of inventions within a GU8 Portfolio shall be allocated annually in the order below:

- 1) Reimbursement for all direct, documented expenses for preparation of documentation to secure intellectual property rights, filing fees, and outside expenses for counsel, marketing/deal-making and auditing
- 2) Payment of the lead institution in accordance with this formula:
  - a) Where the lead institution for commercialization is a participating member university, reimbursement for documented expenditures of the lead institution for salary and indirect costs of employees involved in managing, marketing, and collecting and redistributing revenues or, in the absence of such documentation, 0.5 percent of the revenues, or,
  - b) Where the lead institution for commercialization is the GU8 Research Foundation, allocation of 10% of all remaining revenues to the GU8 Research Foundation for payment of staff and use in the furtherance of its mission
- 3) Distribution of all remaining revenues to the participating member universities.

## 12. Objections to the Applicability of this Policy or Its Procedures

Any member university with an ownership interest may object to the applicability of the provisions in this policy within 30 days of disclosure of the invention. If such an objection is made, the member universities with ownership interests shall develop their own procedures for negotiation of, and approval of, agreements. If (1) no agreement can be reached within 45 days and if (2) a supermajority consisting of both at least (a) two-thirds of the participating member institutions with ownership interests and (b) the participating member institutions with two-thirds of the inventor percentages so request, the Joint Research Committee may authorize them to proceed under the procedures laid out herein.

### **13. Approval of this Policy and Its Procedures and Appeals**

This Policy and any procedures under it must be approved by the GU8 Council of Presidents prior to implementation.

Any GU8 member institution at any time may appeal to the Council of Presidents to set aside or change any decision or activity under this policy which it deems may be detrimental to its interest. The Council of Presidents shall resolve any such dispute under whatever procedures it deems fit, including referring affected parties to binding arbitration.