

Intellectual Property (AD-500)

General Description

As a medical research organization, HHMI, in collaboration with its host institutions, is engaged in the direct active conduct of research in conjunction with hospitals. HHMI conducts its scientific research in the public interest, and its objective with respect to intellectual property arising from its research activities is the dissemination of such property for public use on a non-discriminatory basis. In furtherance of that objective, HHMI has adopted policies and procedures to govern the ownership, assignment, and dissemination of its intellectual property. It has also established a Committee on Intellectual Property (the "Committee") to meet regularly and to consider intellectual property issues as they arise. The Institute's policies and procedures relating to Institute intellectual property generally are set forth in this Intellectual Property Policy (the "Policy"). Additional Institute policies and procedures relating to scientific research collaborations, materials transfer agreements, consulting, and other issues are set forth elsewhere and are not included in this Policy.

Policy

1. Purpose

The primary purpose of the Institute is the promotion of human knowledge within the field of basic sciences and the effective application thereof for the benefit of mankind. To carry out this purpose, the Institute has established this Policy to promote disclosure of, and make available to the public on a nondiscriminatory basis, the results of Institute research, to define the rights of Institute personnel, and to provide for an equitable distribution of the rewards and responsibilities attendant upon inventions, discoveries, improvements and other intellectual property.

2. Coverage

3.

○ Subject Property

This Policy applies to any invention, discovery, improvement or other intellectual property, whether or not patentable or copyrightable, resulting from research performed by Institute laboratory employees, including Investigators, and funded in whole or in part by the Institute (each a "subject property"). All salaried or hourly full-time or part-time Institute laboratory employees, including Investigators ("Institute personnel"), shall be subject to this Policy. The share of royalties of

Institute personnel who develop a subject property as a result of their endeavors on behalf of the Institute ("inventors") shall be determined in accordance with this Policy.

Except as provided in paragraph IV.B, IV.C, or IV.D, below, subject property is the property of the Institute. All patent, copyright, and other rights in such subject property shall be assigned to the Institute.

- Employee Inventions

Any invention, discovery, improvement or other intellectual property that an Institute employee develops entirely on his or her own time without using the Institute's equipment, supplies, facilities, or trade secret information shall be the property of that individual and may be patented, copyrighted and otherwise exploited by that individual at his or her expense, except for those inventions, discoveries, improvements, or other intellectual property that (1) relate at the time of conception or reduction to practice to actual or demonstrably anticipated research of the Institute, or (2) result from any work performed by the employee for the Institute.

In any case where an employee claims ownership rights in any intellectual property under this paragraph II.B, it shall be the responsibility of the employee to demonstrate to the satisfaction of the Committee, or its designee, the ownership interests, if any, of the employee in such intellectual property.

- Right of Publication and Copyright

Although in furtherance of its scientific mission and for administrative purposes the Institute may require submission to it by Institute personnel of scholarly articles and other published material arising out of Institute research, the Institute generally does not claim the right of first publication or of statutory copyright with respect to any book, manuscript or other materials published in print or electronic form whose author is employed by the Institute. However, copyrightable material subject to a grant, contract, or agreement referred to in paragraph IV.B or IV.C, below, shall be governed by such grant, contract, or agreement. Further, computer software and technical manuals, whether or not copyrightable, shall be governed by any collaborative agreement referred to in paragraph IV.A, below, with the relevant host institution, and

license income relating to computer software or technical manuals shall be governed by the same rules as apply to other subject property arising at that host institution. In addition, Institute personnel shall follow any applicable host institution policies with respect to copyrightable material.

4. Committee on Intellectual Property

A Committee on Intellectual Property (the "Committee"), with membership determined by the President, will meet on a regular basis to discuss and determine Institute policies with respect to intellectual property matters. The Committee's current members include the President; the Vice President and Chief Scientific Officer; the Vice President and Director of Planning for Janelia Farm; the Vice President and General Counsel; members of the staff of the Science Department as designated by the Vice President and Chief Scientific Officer; and members of the staff of the Office of the General Counsel as designated by the Vice President and General Counsel. The matters to be discussed and determined by the Committee include those relating to inventions, discoveries, improvements and other intellectual property arising from research by Institute employees, research collaborations of Institute investigators, agreements for the transfer of materials or research equipment or tools in and out of Institute laboratories, consulting by Institute investigators and other scientific personnel for outside organizations, and any other matters involving or affecting Institute intellectual property rights. The Committee may, in its discretion, delegate its functions, or portions of its functions, to designated members or their departments.

The Committee, or its designee, will:

1. Report to the President on the implementation of Institute intellectual property policies and recommend such new or different policies or guidelines as may be appropriate;
2. Report to the President on inventions, discoveries, improvements and other intellectual property arising from research by Institute employees;
3. As requested, and with the assistance of such outside experts as it deems advisable, evaluate inventions, discoveries, improvements and other intellectual property arising from research by Institute employees for patentability or copyright

protection as well as for scientific merit and practical application;

4. As necessary, ensure that there are appropriate procedures in place for determining, as promptly as practicable, the patent, copyright, and related rights or equities held by the Institute, the inventor, and any other person or organization which may have an interest therein, and negotiate and enter into agreements with respect to such rights and equities;
5. As necessary, review and negotiate licenses and related agreements with other parties concerning the patent, copyright, and related intellectual property rights held by the Institute;
6. Monitor the disbursement of costs and the collection of income and fees with respect to intellectual property and, when applicable pursuant to paragraph V.D, below, the distribution thereof to those entitled thereto;
7. Cause to be executed by all Institute laboratory employees, including Investigators, an agreement in the form of the Statement of Procedure on Ownership and Assignment of Intellectual Property attached hereto as Attachment AD-510, or in such other form as may be approved by the Committee from time to time, to assign rights in inventions, discoveries, improvements and other intellectual property to the Institute; and
8. Determine all matters relating to applications for patents and copyrights and the prosecution thereof.

All decisions and other actions of the Committee pursuant to this policy are final unless modified by the President.

5. Agreements Affecting Rights to Intellectual Property
 - o Agreements with Host Institutions

Whenever the policies stated in paragraph I, above, would be furthered thereby, the Institute may enter into an agreement pursuant to a collaboration with a host institution to assign (directly or indirectly) its rights in subject property to the host

institution and to apply that institution's policies and procedures respecting dissemination of subject property, provided, however, that all such agreements shall provide that:

1. It is the mutual objective of the host institution and the Institute to disseminate subject property for public use and benefit on a nondiscriminatory basis (it is intended that this include dissemination through exclusive licensing where necessary and appropriate);
2. The Institute shall have a royalty-free, non-exclusive, irrevocable license, without right to sublicense, to use any subject property in its research and for other non-commercial purposes;
3. The Institute shall have the right to require periodic reporting on the utilization or efforts at obtaining utilization of any subject property;
4. The Institute and the host institution shall share patent and copyright costs and royalties;
5. The Institute shall have the right to require licensing or distribution where, in the judgment of the Institute, effective steps to achieve practical application of a subject property have not been taken within a reasonable time or such licensing or distribution is necessary to meet the needs of public health or safety;
6. The host institution may license or sub-license any subject property to third parties, but any such license or sub-license shall be subject to the rights of the Institute hereunder and shall not relieve the host institution from its obligations to the Institute;
7. The Institute shall have the right to review and approve licenses and sub-licenses of any subject property to third parties for compliance with Institute policies; and
8. If the host institution declines, or fails within a reasonable period of time, to obtain patent or copyright protection with respect to any subject property covered by such agreement, the Institute shall have the right to obtain such protection, and all rights and obligations with respect

to such subject property shall be determined in accordance with this Policy but without regard to the terms of such agreement.

Institute personnel working at an Institute site at a host institution shall also be bound by the terms of any such collaborative agreement between the Institute and that host institution.

- United States Government Financing
The Institute does not accept funding from the United States Government, but each host institution may apply for United States Government grant funding for research that may be carried out by Institute investigators in their capacity as faculty members. Ownership of subject property developed as a direct or indirect result of the research activity of Institute personnel from a program of research financed in part by the United States Government shall be determined consistently with the terms of the applicable Government grant or contract. Institute personnel shall also be bound by the terms of any such grant or contract. In cases where the Government claims no ownership of patent or copyright rights, or waives its rights, the Institute's Policy, as set forth herein and in its collaborative agreement with the host institution shall control.
- Non-Government Outside Funding
The Institute does not accept funding from other organizations, and in particular does not permit its Investigators or other laboratory personnel to accept (including indirectly through the host institution) funding from for-profit companies other than as a gift. Each host institution may, however, apply to other not-for-profit organizations for grant funding for research that may be carried out by Institute investigators in their capacity as faculty members. In addition, individuals funded by other not-for-profit organizations may from time to time work in Institute laboratories. Ownership of subject property developed as a direct or indirect result of the research activity of Institute personnel from a program of research financed in part by a not-for-profit entity other than the Institute or the United States Government shall be determined consistently with the terms of any agreement binding on the Institute and applicable to such program of research. Institute personnel shall also abide by the terms of

any such agreement. If no such agreement is in force, this Policy shall control.

- Other Agreements

Where the Institute has entered into an agreement with the United States Government or another organization as a condition of receiving research materials, as a condition of using technology proprietary to others, or in connection with a research collaboration, Institute personnel shall abide by the terms of such agreement, including terms related to discoveries and inventions, reporting of research results, and confidentiality of third-party information

6. Reporting and Management of Subject Property

- Reporting

Subject property arising at a host institution with which the Institute has entered into a collaborative agreement described in paragraph IV.A, above, must be disclosed to the appropriate office of that host institution. By agreement, host institutions are required to provide the Institute with a copy of disclosures of subject property. Institute personnel are required to disclose to the host institution and the Institute any additional information regarding subject property as may be requested, and to sign assignments and other documents as requested by the Institute.

Where no collaborative agreement described in paragraph IV.A., above, is in force, Institute personnel shall promptly make a written disclosure to the Committee or to any party designated by the Committee of any subject property (except books, manuscripts or other published material with respect to which the Institute does not claim the right of first publication or statutory copyright pursuant to paragraph II.C, above). Institute personnel, in addition, shall promptly disclose to the Committee or to any party designated by the Committee such other information, and shall take such other action, as the Committee or a party designated by the Committee may from time to time reasonably request in furtherance of this Policy.

- Agreements

All Institute laboratory employees, including Investigators, will be required to sign an agreement in the form of Attachment AD-510, hereto, or such other form as may be approved by

the Committee from time to time, providing for the assignment of all rights in subject property to the Institute and otherwise incorporating the terms of this Policy; but failure to sign shall not affect the applicability of this Policy nor relieve any Institute personnel from the obligations imposed by it. Adherence to this Policy and any agreements contemplated hereby, as amended from time to time, is a condition of initial and continuing employment of all Institute personnel.

- Dissemination of Subject Property

In cases in which the Institute has entered into a collaborative agreement described in paragraph IV.A, above, the host institution provides the Institute with the written disclosure referred to in paragraph V.A, above, after which the host institution is responsible for administering the dissemination of the subject property in accordance with the terms of the host institution's collaborative agreement with the Institute. The inventor will be notified by the Institute of any exercise by the Institute of its right to obtain patent or copyright protection with respect to any subject property should the host institution decline or fail within a reasonable period of time to obtain such protection. If the host institution, the Institute, and any other organizations with rights in the subject property decide not to pursue commercialization of the subject property, the inventor may be given a written release subject the rights of the Institute and to applicable host institution policies.

Where no collaborative agreement described in paragraph IV.A, above, is in force, the inventor will be notified (1) of any arrangement between the Institute and any other person or entity as to the ownership of the subject property, (2) whether the Institute plans to file a patent or copyright application, and (3) of the Institute's intentions with respect to the distribution of any net royalties. If no application is filed by the Institute or its assignee, and neither the Institute nor its assignee has chosen to dedicate to the public a subject property in which it asserts property rights, the inventor may be given a written release.

- Division of Royalties Arising from Intellectual Property

In cases where the Institute has entered into a collaborative agreement described in paragraph IV.A, above, the inventor's

share shall be determined under the host institution's policies. In cases where the distribution of royalties is not governed by a collaborative agreement described in paragraph IV.A, above, or by a grant or contract described in paragraph IV.B or IV.C, above, the Institute will normally distribute to the inventor a percentage of the net royalties derived by the Institute from a subject property determined in accordance with the following schedule:

First	\$100,000	50%
Second	\$100,000	40%
Third	\$100,000	30%
Over	\$300,000	25%

Net royalties are gross royalties and fees, less the costs of patenting, copyrighting, protecting and preserving patent and copyright rights, maintaining patents and copyrights, the licensing of patent, copyright and related property rights, legal fees and disbursements pertaining thereto, and such other costs, taxes, or expenditures as may be necessary or required by law.

Where there are two or more inventors, each inventor shall share equally in the inventor's share of royalties, unless all inventors agree in writing to a different distribution. Distributions of the inventor's share will be made at least annually from the amount received during the calendar year.

The Institute ordinarily will grant royalty-free licenses of its intellectual property for purposes of research and education, except where prohibited by contract.

- Publication of Material Relating to Subject Property and Scholarly Investigation

The Institute supports prompt publication of scientific results in accordance with academic standards. Where a collaborative agreement described in paragraph IV.A, above, is in force, Institute personnel at the host institution shall follow any applicable policies of the host institution relating to publication and disclosure of information concerning subject property. In addition, where a grant, contract, or agreement referred to in paragraph IV.B or IV.C, above, is in force, Institute personnel shall follow the procedures and policies provided for

thereunder, if any, respecting publication and disclosure of information concerning subject property. Where an agreement referred to in paragraph IV.D, above, is in force, Institute personnel shall comply with the terms of such agreement.

Where no collaborative agreement referred to in paragraph IV.A, above, or grant, contract, or agreement referred to in paragraph IV.B or IV.C, above, is in force, in order for the Institute to have time to consider the filing for, and to file for, patents and copyrights, disclosure of any information concerning any subject property shall be subject to the following requirements.

1. Inventors employed by the Institute shall disclose the subject property to the Committee in accordance with paragraph V.A, above, at the following address:

Committee on Intellectual Property
c/o Vice President and General Counsel
Howard Hughes Medical Institute
4000 Jones Bridge Road
Chevy Chase, MD 20815-6789

2. Inventors employed by the Institute, and other Institute employees with knowledge of the subject property, shall not, without Committee approval, disclose information in writing concerning the subject property to others until at least the 60th day following the time of disclosure of the subject property to the Committee, except that a manuscript disclosing the subject property may be submitted for publication during the aforesaid 60-day period provided that the authors agree to further delay publication for no longer than the balance of the aforesaid 60-day period or make any reasonable alterations requested by the Institute if the Institute determines that a patentable or copyrightable interest exists and that a delay in publication or alteration of the text is necessary to protect that interest.
3. Inventors employed by the Institute, and other Institute employees with knowledge of the subject property, shall not, without Committee approval, disclose information orally concerning the subject property to others until at least the 30th day following the time of disclosure of the

subject property to the Committee, except that an inventor may make disclosure in an oral presentation at a scientific gathering if he or she has discussed the substance of the planned oral presentation with the Committee's designee at least ten days before the planned presentation.

The Committee will make appropriate efforts in each case to reduce delays in publication and disclosure to a minimum.

7. Administration of Policy on Intellectual Property

- Interpretation of Policy
Questions of interpretation concerning this Policy shall be submitted to the Committee exclusively.
- Appeals
Any inventor or other interested Institute personnel who disagree with any finding or determination of the Committee may appeal in writing to the President by submitting a written statement of the grounds for the appeal. The decision of the President in all cases shall be final.
- Termination or Revision of Policy
This Policy may be changed or discontinued at any time by action of the Institute. Such changes or discontinuance shall not affect rights accrued prior to the date of such action. Rights with respect to a subject property shall begin to accrue when the subject property is first conceived.
- Effective Date
This Policy is effective February 6, 2002, and supersedes any previous policies and guidelines regarding intellectual property to the extent that they are inconsistent with this Policy.

Date: 02/06/02
Issued by: Office of the President