Intellectual Property Issues in Faculty Consulting & Employment Agreements

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December 7, 2012
Agenda

• Basics
• The Issue
• Practical Guidance
• Resources
Basics

• Faculty Member’s Relationship with UC:
  • Duties under UC Patent Policy
  • Duty under APM

• Faculty Member’s Relationship with Outside Entity:
  • Consulting Agreement
Basics: Faculty Member’s Relationship with UC

- UC Patent Policy
  - Duty to sign patent acknowledgment
  - Duty to disclose inventions
- APM 025
  - Duty to report consulting activities annually
  - Duty to obtain prior approval for Category I consulting activities
Basics: Faculty Member’s Relationship with UC

UC Patent Policy

II. PATENT RESPONSIBILITY AND ADMINISTRATION

A. Pursuant to Regents’ Board Order 1034, the President shall be responsible for and is responsible for the administration of his or her patents to the University of California in any way concerned. To that end, he or she shall be responsible for and is responsible for the administration of any policy and effective policies which may be appropriate under the circumstances. Such circumstances would include, but not be limited to, those situations where there are existing patents, or potential patents, by the University arising from gifts, grants, or by other agreements with outside organizations.

In the absence of overriding circumstances to the contrary, the President shall be responsible for and is responsible for the administration of any patents, or potential patents, by the University arising from gifts, grants, or by other agreements with outside organizations.

B. The President shall be responsible for and is responsible for the administration of any patents, or potential patents, by the University arising from gifts, grants, or by other agreements with outside organizations.

C. Subject to the requirements of the other section 1034 and any other agreements with outside organizations, the President shall be responsible for and is responsible for the administration of any patents, or potential patents, by the University arising from gifts, grants, or by other agreements with outside organizations.

D. Subject to the requirements of the other section 1034 and any other agreements with outside organizations, the President shall be responsible for and is responsible for the administration of any patents, or potential patents, by the University arising from gifts, grants, or by other agreements with outside organizations.

E. The President shall be responsible for and is responsible for the administration of any patents, or potential patents, by the University arising from gifts, grants, or by other agreements with outside organizations.

F. The President shall be responsible for and is responsible for the administration of any patents, or potential patents, by the University arising from gifts, grants, or by other agreements with outside organizations.
Basics: Faculty Member’s Relationship with UC

UC Patent Policy

II. A. An agreement to assign inventions and patents to the University, except those resulting from permissible consulting activities without use of University facilities, shall be mandatory for all employees, for persons not employed by the University but who use University research facilities, and for those who receive gift, grant, or contract funds through the University.

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Basics: Faculty Member’s Relationship with UC

- UC Patent Acknowledgment

I acknowledge my obligation to assign, and do hereby assign, inventions and patents that I conceive or develop 1) within the course and scope of my University employment while employed by University, 2) during the course of my utilization of any University research facilities, or 3) through any connection with my use of gift, grant, or contract research funds received through the University.

I further acknowledge my obligation to promptly report and fully disclose the conception and/or reduction to practice of potentially patentable inventions to the University authorized licensing office.
UC Patent Policy

II. B. Those individuals who have so agreed to assign inventions and patents shall promptly report and fully disclose the conception and/or reduction to practice of potentially patentable inventions to the Office of Technology Transfer or authorized licensing office.
Basics: Faculty Member’s Relationship with UC

• Duty to Disclose Inventions
Basics: Faculty Member’s Relationship with UC

- Conflict of Commitment and Outside Activities of Faculty Members (APM 025)
- Good Conversation Starter
Basics: Faculty Member’s Relationship with UC

- Duty to Obtain Prior Approval for Category I Consulting Activities (APM 025)

Consultant. **Attach consultant agreement, if applicable.** Name of Organization: _____.

Salaried Employee. **Attach employment agreement, if applicable.** Name of Organization: _____.

**Duty to Obtain Prior Approval for Category I Consulting Activities (APM 025)**

Consultant. **Attach consultant agreement, if applicable.** Name of Organization: _____.

Salaried Employee. **Attach employment agreement, if applicable.** Name of Organization: _____.
Basics: Faculty Member’s Relationship with Outside Entity

• Consulting Agreement provisions:
  • Time commitment
  • Disclosing to outside entity
  • Execute outside entity’s patent agreement
  • Non-disclosure agreement (promise not to disclose outside entity’s information)
  • Grant faculty member’s rights in inventions to outside entity
The Issue

Faculty Member’s Duties to UC

Faculty Member’s Duties to Outside Entity
Practical Consequences

• Outside entity – not faculty member – might own and control inventions
• Faculty member is personally making agreement with outside entity, which might create personal liability for faculty member
• Faculty member might be violating UC policies
Practical Guidance: Where To Start

• OTA Guidance

GUIDE TO CONSULTING FOR FACULTY AND OTHER ACADEMIC EMPLOYEES

MAY CONSULT WITH OUTSIDE ENTITIES?

Yes, UCI encourages faculty to participate in outside activities that contribute to their profession, to the community, and to UCI's public service mission. Agreement with the university community is important to the academic enterprise and to the university's public service mission. However, consulting may be accomplished within the framework of University policy, including those pertaining to limitations on outside consulting, compensation, and intellectual property CDs and use of University resources.

HOW OFTEN MAY I CONSULT?
Full-time faculty members may consult up to 5-10 days a year depending on the type of appointment. A part-time faculty member may consult full-time during the summer months in which there is no other salary compensation from the University (such as work on sponsored projects). For more information, please refer to ASMC Section 25 at www.sadl.us/academic_salary_manual.pdf

WHAT IS A CONSULTING AGREEMENT?

Consultants should have an agreement in place that clearly defines the nature, scope, and financial terms of the consulting activity. This is a personal agreement between the consultant and the entity for which the consultant is personally responsible and in which UCI is not a party. It is the responsibility of consultants to ensure that the agreement is consistent with their University employment obligations and with the requirements to disclose and assign inventions to the University. If there is no agreement, the services of a qualified in-house University attorney should be sought for formal legal advice.

USE OTA HELP ME WITH CONSULTING AGREEMENTS?

Yes, although there is no requirement that consultants submit these agreements to OTA for review or approval, OTA will review these agreements as a courtesy to the faculty member for consistency with University policy. The nature, level, does not constitute legal or other advice on the contractual terms. Advice. The services of a qualified attorney should be sought for formal legal advice.

WHAT ARE MY INTELLECTUAL PROPERTY OBLIGATIONS WHILE CONSULTING?

There are two separate elements associated with IP and consulting: the ownership of inventions and covenants of non-disclosure. Policies regarding IP are located under the Patent Acknowledgment that any employee agrees with UCI to disclose to the Office of Technology Alliances (OTA) ALL inventions, including those made in the course of consulting professional activity and to assign to the University those inventions that fall within the scope of UCI's employment or University resources were used in developing the invention. Consultation with the University will consist of the following conditions:

- The invention is conceived or developed with the use of gift grant or contract funds administered by the University, or work or the use of University facilities or other resources.
- The consultation or development of the invention does not relieve the University of its obligations of the University to a third party (such as, for example, under the licensing obligations contained in the terms of an NTSA or research agreement).
- The invention or development of the invention is within the inventor's scope of University employment.
- The University recognizes that the faculty is entitled to consideration when consulting with some commercial business entities. When requested, OTA can sign a confidentiality agreement with the company conveying disclosure of the user invention.

Practical Guidance

- Faculty member should consult “early & often” with:
  - Chair
  - Dean’s Office
  - Vice Provost for Academic Personnel
  - Academic Personnel Office
  - OTA (especially OTA brochure)
  - Outside Entity
Practical Guidance

• Faculty member should:
  • Report consulting activity annually
  • If compensated Category I activity, faculty member needs prior approval (attach consulting agreement)
  • Disclose inventions
  • Not sign any document that obligates faculty member to breach his/her duties to UC
Practical Guidance

• Faculty member should (continued):
  • Read proposed Consulting Agreement carefully
  • Make sure he or she understands it
  • Ask outside entity to clarify
  • Ask OTA for help understanding
Resources

- UC Patent Policy
- UC Patent Acknowledgment (UPAY 585)
- UC APM 025 (Conflict of Commitment and Outside Activities of Faculty Members)
- APM 670 (Health Sciences Compensation Plan)
- UCI OTA Consulting Brochure
- UCI OTA “UCI Is Open For Business (Faculty Perspective)”
- UCI OTA Record of Invention (ROI) Form – to disclose inventions
- UCI APP 1-15
- Prior Approval Form – to request prior approval for Category I consulting activity

IP Issues in Faculty Consulting & Employment Agreements
Discussion

• Your experiences
• Your questions
Intellectual Property Issues in Faculty Consulting & Employment Agreements

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