

**Virginia Polytechnic Institute and State University
Intellectual Property Committee Meeting
November 16, 2011, 12:00-1:00 p.m.
325 Burruss Conference Room**

FULL COMMITTEE

The Intellectual Property Committee met November 16, 2011.

The following members were present: Bill Knocke (Chair), Robert Broadwater, Robert Harvey, Kay Heidbreder, John Jelesko, Barbara Lockee, Joe Merola, Ken Miller, Steve Sheetz, Steve Tatum. Shelly Key recorded the minutes.

Invited guest members present: Steve Capaldo, Stephen Edwards, Mike Miller, Kristen Mittelman, and Vicky Ratcliffe.

Those members/guests not in attendance: Robert Walters, Cindy Wilkinson. Cindy has left Virginia Tech to accept a new position at Stanford University. Bill will contact the Commission on Administrative and Professional Faculty Affairs to find someone to fulfill the remainder of Cindy's term with the Committee.

Call to Order

Bill Knocke called the meeting to order at 12:05 p.m.

Approval of Minutes

On a motion made by Joe Merola, and seconded by Steve Sheetz, the minutes for the September 21, 2011 meeting were unanimously approved.

New Business – Subcommittee reports

Policy 13000 Subcommittee:

Joe Merola (Chair) distributed a handout (attached) outlining interim recommendations of the subcommittee. The main issues defined by the committee are:

1) Language of Policy section 2.4 A Ownership of IPs

The first group is the traditional results of academic scholarship, textbooks, literary works, artistic creations and artifacts and the committee is not recommending changes to this group.

The language of the second group (novel results of research such as products, processes, machines, software, biological technology, etc.) originally stated that the strong presumption of ownership is to the university. To clean up that language, the proposed draft includes the

following language: ... *“as a condition of employment or other involvement in research and/or related activities using University resources, the ownership is to the university with the originator having a right to share in the benefits derived therefrom in accordance with university and VTIP sharing guidelines.”*

2) Knowledge of Policy

A specific acknowledgement of Policy 13000 should be required in terms of employment offer agreements, volunteer agreements or for those working on a research project. Recommended wording of this acknowledgement is included in the attached handout. The committee discussed modifying the statement “I will not enter into any agreement creating intellectual property obligations in conflict with this agreement or University policy.” It was suggested that the language should include the modifier to say if the employee finds themselves in this situation, then this is the approach to take. There needs to be a process for getting that approval that the policy directs the individual to.

3) Students/other non-paid individuals involved in IP generation

4) Tax liabilities incurred upon revenue distribution

It was agreed that all inventors are responsible for their own tax situation and that neither the University or VTIP can or should have a role in providing advice related to tax liabilities.

5) \$10,000 threshold for use of university resources

Steve Capaldo reported that SCHEV’s advice to universities is that we can set our own limits on student research. Ken Miller pointed out that another issue to consider is for conflict of interest with NIH. NIH is lowering thresholds—going from \$10,000 down to \$5,000 in equity interest—and becoming much more conservative.

Joe Merola stated that the philosophy of the subcommittee is to really understand basically the spirit of setting any number rather than picking a number. He further stated that we should have a statement of policy that is more general.

Education Subcommittee:

Barbara Lockee (Chair) reported that the education subcommittee has had good conversations on how to educate faculty on Policy 13000 and the IP disclosure process.

Dr. Lockee distributed a proposal (attached) to develop an educational module for faculty to develop some online instruction. Dr. Lockee is a professor of Instructional Technologies and works in the Center for Instructional Technology Solutions. The Center has doctoral students and faculty who typically work on projects like this—creating online educational modules across a variety of areas of interest. Over the next month, the effort will be on developing and refining the project scope as outlined on the attached proposal and then to finalize the features that the module will have. The student (working with Dr. Lockee) will then design the instructional materials and turn them into a technology-based tutorial by mid-spring. At that point it will be reviewed and pilot tested; the proposed project completion is by the middle of the summer in 2012.

Vicky Ratcliffe, Manager of Research Education and Development in the Office of Research, presented examples she compiled from other schools that could be emulated in the educational materials that we develop. The majority of sites have text information explaining what IP is and their policies and procedures; however, a few had some multimedia type of materials. Vicky reported that the best tutorial she found was on the University of Minnesota (Twin Cities) site.

Dr. Knocke stated that this particular activity is envisioned to be a key component of what we would look to the future to be and what the faculty would hopefully define as a user-friendly and informationally-robust web page on IP. In addition to having these kinds of training materials there, anything that VTIP or others are doing that is IP related would be kept there and kept current.

Next Meeting Date

The IP committee will not meet on the next regularly scheduled meeting date of December 21, 2011. The next meeting will be held January 18, 2012. Dr. Knocke asked that the Policy 1300 subcommittee be closer to closure on policy revisions by the time of that meeting, coming back to the overall committee with any remaining key items. He further added that it would be good if the policy, to the extent possible, could address the various issues that relate to software and its development.

Adjournment

There being no further new business, the meeting adjourned at 1:05 p.m.

Respectfully Submitted,

Shelly Key
Administrative Support to the IP Committee

Interim recommendations of IPC Subcommittee on Policy 13000

Issue 1. Language of Policy section 2.4 A Ownership of IPs

Policy 13000 Current Language: In the second group, the strong presumption of ownership is to the university (with the originator having a right to share in the benefits derived therefrom). Thus unless there is convincing and explicit evidence that the IP was developed without the use of university resources and/or facilities (which may include but is not limited to any of the following: use of equipment, lab or office space, university time of originator and/or personnel under his/her control, funds supplied by the university and/or funds originating from sponsored research projects and/or donations to university/affiliated companies, etc.), ownership of the IP rests with the university and the originator(s) are obliged to sign the appropriate legal assignment documents upon request.

Policy 13000 Proposed Draft: In the second group, as a condition of employment or other involvement in research and/or related activities using University Resources, the ownership is to the university (with the originator having a right to share in the benefits derived therefrom in accord with university and VTIP sharing guidelines). Thus unless there is convincing and explicit evidence that the IP was developed without the use of university resources and/or facilities (which may include but is not limited to any of the following: use of equipment, lab or office space, university time of originator and/or personnel under his/her control, funds supplied by the university and/or funds originating from sponsored research projects and/or donations to university/affiliated companies, etc.), ownership of the IP rests with the university and the originator(s) do hereby assign ownership, right, title, and interest in any IP, discovery, or invention the university.

University resource is defined as research and related activities by any person a) which are related in any way to duties or responsibilities for which he has been compensated either by or through the University or b) for which facilities owned, operated, or controlled by the University are used.

Issue 2. Knowledge of Policy

A specific acknowledgment of Policy 13000 should be required in terms of offer or other circumstances to be discussed.

Intellectual Property Agreement and Assignment

As a condition of employment or other involvement in research and/or related activities using University facilities and resources ("University Activities"), I acknowledge my acceptance of Virginia Tech Policy No. 13000, Policy on Intellectual Property and do hereby assign to Virginia Polytechnic Institute and State University all of my ownership, right, title, and interest in any discovery or invention that is the product of my University Activities, including without limitation any patent and other intellectual property rights, whether before or hereinafter accrued, arising under U.S. or any other law. I further agree to fulfill in the future my obligations of disclosure and cooperation in the

intellectual property protection of any such discovery or invention that is the product of University Activities. I am now under no consulting or other obligations to any third party, organizations, or corporation in respect to rights in intellectual property which are, or could be reasonably construed to be, in conflict with this agreement. I will not enter into any agreement creating intellectual property obligations in conflict with this agreement or University policy.

Issue 3. Students/other non-paid individuals involved in IP generation

Recommendation: In consultation with Tomalei Vest, University Director of Undergraduate Research, this was deemed to be more of an issue where education is required. She has offered that her office could coordinate that education. In addition, the new wording of parts of the policy is clearer on University resources.

Issue 4. Tax liabilities incurred upon revenue distribution

Findings: a) Any redirection of royalty distribution to a university account must not be controlled by inventor(s) nor have any understanding that it will be used for the benefit of the inventor(s). Thus, this route of avoiding tax liabilities can be used so long as inventor(s) recognize they are relinquishing any rights to these funds. b) There is no provision in IRS regulations that would allow VTIP to carry out any tax withholding on royalty payments.

Recommendation: VTIP should provide inventor(s) information and forms (or directions to get forms) for payment of estimated taxes. This will help inventor(s) avoid any penalties for too little withholding in the event of a large royalty payout.

Issue 5. \$10,000 threshold for use of university resources

Stephen Capaldo looked into SCHEV's policies and found that SCHEV did not pursue their policy revisions in this (and all other IP regards) and so this falls completely on the university to develop policy. No specific recommendation at this time but some fruitful discussions as well as research into other universities' policies.

**Center for Instructional Technology Solutions
in Industry and Education**

Project Title: Intellectual Property Educational Module Development

Instructional Need: A recent university-wide survey demonstrated a need for increased faculty knowledge about the university's disclosure process, as well as policies regarding ownership of intellectual property.

Solution: An asynchronous web-based tutorial will be developed to address this need. The tutorial will be developed by a graduate student in the Instructional Design and Technology program, working under the auspices of the Center for Instructional Technology Solutions in Industry and Education (CITSIE). Barbara Lockee will serve as the liaison between the IP Education Sub-Committee and the CITSIE, coordinating project management with the student and reporting regularly to the subcommittee. The module will be developed for the Office of the Vice President of Research and the final deliverable will become an on-going offering of the OVPR training suite.

Project Scope: Barbara Lockee will work with the IP Education Sub-Committee and Vickie Ratcliffe, Manager of Research Education and Development, to determine the necessary scope of the educational module. Specific information about the IP disclosure process is the primary focus of the module. Content related to ownership of IP will also be developed, with specific issues to be defined by the Sub-Committee.

Timeline: The module development process can begin immediately, as the graduate student to be hired is currently available. The module prototype will be completed and initially reviewed by May 15, 2012, pilot tested during the summer of 2012. Implementation is targeted for the beginning of the Fall 2012 semester. The following dates will serve as project milestones:

November 2011-December 2011: Needs assessment completed.

February 1, 2012: Instructional design plan completed.

March 15, 2012: Web-based tutorial prototype completed.

March 15-April 15, 2012: Expert review conducted.

April 15-May 15, 2012: Revisions to prototype completed.

May 15-June 15, 2012: Module to be pilot tested with small group of faculty.

July 15, 2012: Final revisions completed.