

# IOWA STATE UNIVERSITY

## **Assignment of Intellectual Property Frequently Asked Questions**

As with other major research institutions, Iowa State University now includes an assignment of intellectual property in its hiring documents to assure the University can meet its obligations under the terms of sponsored research agreements and the Bayh-Dole Act. This document explains why we do this, and the scope of the assignment for faculty and staff.

### **How is the assignment of IP carried out?**

ISU uses a Letter of Intent (LOI) for appointments, renewals and changes in appointment. The assignment of IP is included in the template used for new appointments (hires) processed through the Electronic Letter of Intent (eLOI). (See the consent language, as it appears on the eLOI, below.)

*Appointee agrees to assign, and does hereby assign, intellectual property developed in the course of employment to Iowa State University when such intellectual property is owned by the University in accordance with University policies. Appointee further agrees to execute assignment documents necessary to secure intellectual property protection for University-owned intellectual property. University may direct that assignments be made to the Iowa State University Research Foundation. Appointee further understands that third parties may have intellectual property rights pursuant to a contract and grant, and agrees to assign, and does hereby assign, such intellectual property rights to Iowa State University so that it can comply with such commitments. Appointee agrees that University may assign its rights to such third parties and may direct appointee to sign appropriate documents in favor of third parties to comply with the terms of a grant or contract.*

### **Why is the assignment of IP included in the Electronic Letter of Intent?**

Faculty and staff are engaged in production of intellectual works which are owned by ISU in certain cases. (See below, “What is the Scope of the Assignment?”) Like other Universities, ISU follows the tradition that IP is owned by the University by policy if the University has made a substantial contribution to generation of the IP, such as providing facilities, equipment, personnel, compensation and/or use of pre-existing IP. In addition, ISU accepts both federal and non-federal funding which condition the support upon ownership provisions or upon the University’s handling intellectual property rights in a certain manner. ISU ownership and management of IP, often through the ISU Research Foundation (ISURF), allow us to meet these funding conditions.

### **What is the scope of the assignment?**

The assignment applies only to IP that is owned by ISU under its policies, or as required by a contract or sponsored research agreement. IP that is not covered by policy, contract or agreement remains the property of the employee.

### **What about copyrights—Does ISU claim faculty copyrights?**

ISU follows the tradition that faculty generally own copyrights to their intellectual work such as journal articles and [non-patentable software](#). Exceptions occur when there are agreements to the contrary, or where the University has made a substantial contribution to the work. Whenever the University enters into an agreement with a third party that gives them rights, ISU must retain rights of ownership, or be able to require the author to assign rights in accordance with the agreement.

### **What inventions (patentable works) are owned by the University by policy?**

The primary purpose of [ISU's Patent Policy](#) is serving the public's interest by advancing technology while complying with sponsor requirements, including Bayh-Dole. To this end, IP developed under sponsorship is owned or handled by the University as a condition of acceptance of sponsored funding.

### **What is ISU's Royalty Distribution Policy?**

For ISU-owned IP, under the [Royalty Distribution Policy](#), the ISURF distributes 1/3 of net royalties back to the inventors and 1/3 to the college/unit. ISU does this in recognition of inventors' intellectual contributions to newly-created IP, and to incentivize and support further research and technology transfer.

### **How does assignment relate to the Bayh-Dole Act?**

Under Bayh-Dole, recipients of federal awards are allowed to retain ownership upon the meeting of certain conditions. Assignment of IP to ISU assures it can meet the conditions imposed by the Bayh-Dole Act. In return for ownership, ISU must grant rights to practice to the federal government, must handle licensing in prescribed ways, must provide a portion of proceeds to the inventor, use other proceeds for research and education and report to the government on inventions. (See the [Council on Government Relation's Guide to Bayh-Dole](#).)

### **How does assignment relate to non-federal contracts?**

Private sponsored awards may include conditions such that IP be owned by the sponsor, or that the sponsor have certain rights, including the first right to negotiate for a license to IP arising from its financial support. In order to meet these requirements ISU must own the IP.

### **Why do I need to assign upon hire?**

Assignment upon appointment avoids problems other institutions have had with conflicting agreements that come about from faculty consulting agreements, material transfer arrangements and non-disclosure agreements with other parties. Our faculty and staff are active with various collaborators, public and private, as well as with industry. Sometimes those third parties will ask ISU employees to sign agreements that could be in conflict with their obligations to ISU or in conflict with ISU's obligations to sponsors. Assignment upon appointment rather than sometime later avoids the possibility of a researcher's assigning intellectual property rights by executing a non-disclosure agreement or consulting agreement that contains competing assignment language. This circumstance could result in the University being unable to meet its obligations under Bayh-Dole, losing its rights to an invention, and the researcher losing his or her rights to royalties.

### **Assignment on the "Gold Sheet"**

The cover sheet the University uses is called the "Gold Sheet." The University will continue assignment language on the Gold Sheet as a reminder of intellectual property requirements. (See [Faculty Handbook](#) Sec. 8.3.6.5) This practice will continue because not all employees hired in the past will have LOI's with assignments. It also serves as a reminder of the PI's obligations.

### **Is ISU's approach unusual?**

No. As the result of a [case involving a major research university](#), most research institutions have followed a similar approach, or are in process of changing their procedures.

### **Is there any benefit to me in assigning IP?**

Having a sound approach to IP assignment assures that IP can be licensed to third parties without conflicts. Without having assignments on file, one member of a research team could resist assignment and thereby make the IP unmarketable. Most often such a circumstance means a loss of royalty income to all inventors or authors. IP that is owned by the University and is marketable is handled by ISURF. ISURF patents, markets, enforces and distributes royalties to ISU inventions and some copyright works (generally, software). ISURF takes on the up-front cost of patenting, marketing and managing the IP.

**I want to continue the work I was doing for my former Institution. Is there anything I should be concerned about?**

The assignment only applies to IP developed at ISU, so your assignment to ISU does not affect prior IP. If you are an inventor at your former institution, and a patent has not been filed, you should disclose to your department chair, and to the Office of Intellectual Property and Technology Transfer (OIPTT). Doing so can help assure that arrangements can be made with your prior institution to avoid conflicting obligations. This is especially important if your work was supported by an outside sponsor at your prior institution. OIPTT can advise on how to deal with your obligations to ISU as opposed to your prior institution.

**What steps have been taken to study the issue and determine how best to implement IP Assignment?**

Discussions with deans and department chairs began in AY14, and numerous discussions have occurred with Faculty Senate leadership and P&S Council leadership throughout AY14 and AY15. The following timeline depicts many of the discussions that have taken place in order to develop the best approach and plan for implementation of IP assignment.

September 18, 2013	Paul Tanaka discusses IP Assignment with deans and vice presidents
October 30, 2013	Associate Provost discusses IP Assignment with academic associate deans
February 19, 2014	Associate Provost and Tanaka discussion with Faculty Senate President and President-Elect
March 7, 2014	Tanaka discusses IP Assignment with Department Chairs Cabinet
August 2014	FAQ document developed
September 4, 2014	Associate Provost discussion with Faculty Senate President and President-Elect
October 7, 2014	Tanaka discusses with Faculty Senate Executive Board meeting
December 18, 2014	Tanaka discusses P&S Council Executive Board meeting
February 11, 2015	SVPP Office emails FS President about IP Assignment on ELOI (anticipated system implementation of March 2015); President replies he will share with FS Exec Board
June 5, 2015	SVPP Office emails FS President about IP Assignment on ELOI (system implementation date of June 2015); President replies he will share with FS Exec Board
October 20, 2015	Paul Tanaka attends Faculty Senate meeting
October 23, 2015	Paul Tanaka attends FS RPA Council

**What is the timeline for implementation? How will the assignment of IP be done in the future?**

- As stated previously, we are currently capturing assignment of IP for all new faculty and P&S hires via the Electronic Letter of Intent (eLOI).
- The goal is to implement assignment of IP for current faculty, staff, post docs and graduate assistants in Spring 2016.