

USC Stevens Center for Innovation for Innovation Procedure for Release of Patent Rights to Inventors

Applicability

Release of patent rights to inventors so that they may commercialize their invention independently of the university. When allowed under law, this procedure applies when, after assessment and review, USC determines that release of the patent rights is preferred to USC commercialization. This decision may occur before or after filing patents applications, either in the U.S. or foreign jurisdictions.

This procedure does not apply to government (U.S. or State) funded inventions. In those cases, USC is obligated to release its rights back to the government and, therefore, any transaction regarding ownership of the invention will be subject to the rights of the U.S. or state government, as applicable. Additionally, this policy may be subject to other limitations based on contractual restrictions related to foundation or corporate funding of the underlying research, for which sponsors often retain rights to intellectual property.

Assessment Process

The USC Stevens Center for Innovation is responsible for the timely assessment of the commercialization of every invention covered under USC's Intellectual Property Policy. Inventors (faculty, staff, and sometimes students) are in turn responsible for timely disclosure of their invention to the university, via the Sophia system, so that assessment may occur.

The Stevens Center is responsible for (see also <http://stevens.usc.edu/researchers/commercialization-process>):

- **Preliminary review**, within 30 days of disclosure, to determine whether to file a provisional patent application on the invention. This involves: a review of the invention disclosure; an interview with the inventors; and preliminary research regarding the market.
- **Intellectual property protection:** if the university decides to invest in patenting the invention, we will engage outside counsel to file a patent application. When appropriate, the university may utilize copyright, trade secret, or trademark rights to commercialize university inventions or works of authorship per USC's Intellectual Property Policy.
- **Business development:** Stevens will market the patent application to industry leaders (companies, entrepreneurs, and investors) who may be suitable partners to get feedback on the technology, through our contact list and through industry events, conferences, posting non-confidential marketing summaries on Flintbox, and through suggested contacts from inventors.
- **Licensing:** Business development activities may result in one or more potential partners conducting an in-depth examination of the technology and market opportunity. If a

prospect decides it wants to license a technology, it will present a plan for commercialization and negotiate business terms with USC Stevens. From there, USC Stevens prepares a formal agreement draft, negotiates, and ultimately executes the license.

Procedure for Release of Patent Rights

USC Stevens may initiate the release of rights to inventors, upon their expressed interest, when USC does not have a reasonable pathway to commercialization for the invention. This will generally occur subsequent to the preliminary review and prior to licensing discussions with a third party. As part of this process USC Stevens will review whether the invention is sufficiently defined and mature to be released, the commercialization potential of the invention, as well as the history of funding for the technology.

Subsequently, in accordance with the USC IP Policy, the Deans of the inventors' schools will be given ten (10) days to determine if they wish to fund the costs of commercialization. If the Deans decline to fund, USC Stevens Center for Innovation will execute the release to inventors. The form Patent Rights Release Agreement is attached. The process is described in more details in the attached attachment 'A-2'.

The release is subject to the rights of non-federal research sponsors, which may require written pre-approval. If the inventions are the subject of additional research within USC, then additional reviews and/or approvals may be required, including a review by the Conflict of Interest in Research Committee.

Terms of Release

The following is a list of a few important business terms in the Patent Rights Release Agreement:

- The release applies to existing patentable inventions that have already been disclosed to USC. It does not apply to any future inventions or undisclosed inventions.
- Patent prosecution files, if any, will be transferred to the inventor's counsel upon request, and the inventors will be responsible for all future costs.
- The university retains the right for itself and other non-profit and governmental institutions to use the released inventions for research, education and patient care or clinical purposes.
- The Patent Rights Release only pertains to the currently disclosed elements of the invention. Any future development of the invention will require a new disclosure to determine any USC interests in the new developments.

PATENT RIGHTS RELEASE AGREEMENT

This Patent Rights Release Agreement (“Agreement”) is effective as of _____ (“Effective Date”) between the University of Southern California (“USC”) and the Inventor(s) identified below when signed by all parties. In the event of a conflict between the Transaction-Specific Terms below and other terms of this Agreement, the Transaction-Specific Terms shall govern.

1. Transaction-Specific Terms and Definitions. Capitalized terms in quotation marks in the below grid mean and include the information provided in the grid for that term.

A. “Inventors”	Name	USC School/Department	Home Address
B. “Invention Disclosure”	USC Tech ID	Invention Title	“USC Inventors”
C. Inventions solely owned by USC?	[Yes/No]. [If no, identify co-owners.]		
D. Patents filed prior to Effective Date?	[Yes/No]. If yes, Sections E and F below must be completed. Otherwise, skip to G.		
E. “Released Patents”			
Application No. Date of Filing	Title	USC Inventors	
F. Are rights for all countries being released?	[Yes/No]. [If no, list countries being released and include that list in the Assignment.]		
G. Research sponsors for Inventions	[list third party sponsors and identifying information for grant, gift or other funding]		
H. Special Provisions	[None or Describe]		
The following sections are to be completed by the Inventors			
I. Inventors Point of Contact (for information to/form USC)			
K. “Future Research”	Will the Inventors or any Inventor be conducting additional research within USC (either ongoing or contemplated future research) that uses the invention subject to this Agreement? [Yes/No]		
	If Yes, explain:		

2. Additional Definitions

“Inventions” means the inventions described in the specifications of the Released Patents or, if no patents have been filed, the inventions as disclosed in the Invention Disclosure, and does not include inventions, improvements, modifications, or other changes or additions made or disclosed to USC after the Effective Date.

“Released Patents” means (a) the United States and/or foreign patents and patent applications identified in Section 1; (b) all divisionals, continuations, and such claims of continuations-in-part as are entitled to claim priority to the aforesaid patents and/or patent applications, and all reissues, reexaminations, extensions of, and foreign counterparts; and (c) any patents that issue with respect to the aforesaid patent applications.

3. Release Terms

3.1 Representations and Warranties. The Inventors represent, warrant and covenant to USC:

(a) Invention and Future Research Fully Disclosed. The Invention has been fully disclosed in the Invention Disclosure and any ongoing or contemplated research being conducted by the Inventors or any Inventor within USC that may use the Released Patents has been disclosed in Section 1. The scope of the inventions covered by the Released Patents will not be broadened in prosecution of the Released Patents.

(b) No Assignment of Interests. No Inventor has assigned their interest in the Inventions to any person or entity other than USC, and no Inventor is aware of any third party with an interest in the Inventions (other than sponsors and co-owners identified in Section 1).

(c) No Representations or Warranties from USC. USC has not made any representation or warranty of any kind with respect to the Inventors, Inventions, or Released Patents, including without limitation, any representation or warranty regarding the validity, enforceability, or scope of any Released Patents, or that the practice of the Released Patents will be free from infringement of other patents or other intellectual property rights of USC or third parties; nothing in this Agreement shall be deemed to be such a representation or warranty.

In the event of any breach of Section 3.1, USC may rescind this Agreement, in which case the Inventors will immediately assign the Released Patents back to USC without payment of any consideration by USC.

3.2 Grant of License to USC. Inventors and each of them hereby grant USC a worldwide, fully paid-up, nonexclusive, royalty-free, irrevocable license to use and sublicense to any non-profit or governmental institution the Inventions and Released Patents for educational, research, and patient care and clinical activities.

4. USC Obligations

4.1 Release by USC. USC agrees to assign to the Inventors USC's interest in the Inventions and Released Patents, subject to the terms and conditions of this Agreement and, if a patent application has been filed prior to the Effective Date, to execute and deliver the Assignment in the form attached as Attachment A-1 hereto promptly after the Effective Date.

4.2 Transfer of Files. If a patent application has been filed, USC will promptly, upon request of the Inventors, instruct its prosecution counsel to transfer its patent files regarding Released Patents to Inventors' patent prosecution counsel.

5. Inventor Obligations

5.1 Continuing Prosecution of Released Patents. Inventors are responsible for directing all, if any, future patent prosecution and maintenance activities with respect to the Released Patents and the payment of all future expenses and fees relating to the prosecution, issuance and maintenance of the Released Patents.

5.2 Use of USC Facilities and Resources. Inventors' use of the facilities or the resources of USC for research, development, or commercialization of the released Inventions is subject to prior approval by USC and any conflicts management conditions required by USC.

5.3 Sponsor Compliance. Inventors agree to comply with all applicable reporting, royalty sharing and other requirements of industry or other third party sponsors of research that resulted in the Inventions.

6. Controlling Law; Jurisdiction and Venue

This Agreement will be construed in accordance with the laws of the State of California, without regard to its conflict of laws rules. Any claim will be brought and the parties submit to jurisdiction of the California or Federal court in Los Angeles, California, in which the party bringing the action files.

7. Limitation of Liability

IN NO EVENT WILL USC BE LIABLE TO INVENTORS OR ANY INVENTOR FOR ANY INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES OF ANY KIND, LOST GOODWILL, LOST PROFITS, LOST BUSINESS AND/OR ANY INDIRECT ECONOMIC DAMAGES WHATSOEVER, REGARDLESS OF WHETHER SUCH DAMAGES ARISE FROM CLAIMS BASED UPON CONTRACT, NEGLIGENCE, TORT (INCLUDING STRICT LIABILITY OR OTHER LEGAL THEORY), A BREACH OF ANY WARRANTY OR TERM OF THIS AGREEMENT, AND REGARDLESS OF WHETHER USC WAS ADVISED OR HAD REASON TO KNOW OF THE POSSIBILITY OF INCURRING SUCH DAMAGES IN ADVANCE.

8. Entire Agreement

This Agreement is the entire agreement between the parties concerning the subject matter addressed in this Agreement and no amendment, modification, or extension will be binding unless in writing executed by all parties. No rights are granted to Inventors other than as expressly granted in this Agreement.

University of Southern California

Randolph Hall,
Vice President of Research

Date: _____

Inventors

[Inventor name]

Date: _____

[Inventor name]

Date: _____

ATTACHMENT A-1

ASSIGNMENT

WHEREAS, the University of Southern California, having a place of business at _____ (hereinafter referred to as "University"), is an assignee of U.S Patent Application No. " _____ ", entitled _____ (the "Released Patent Application"); and

WHEREAS, _____, an individual whose address is _____, and _____, an individual whose address is _____, (hereinafter referred to as "Inventors"), desire to own University's entire right, title, and interest in and to the Released Patent Application;

NOW THEREFORE, be it known that, for good and valuable consideration, receipt of which is hereby acknowledged, University hereby sells, assigns, transfers and sets over to each of the Inventors, their lawful successors and assigns, University's entire right, title, and interest in and to the Released Patent Application. University hereby authorizes and requests the Commissioner of Patents and Trademarks of the United States to issue all Letters Patent for this Released Patent Application to Inventors, their successors and assigns, in accordance with the terms of this Assignment. The assignment made hereby is subject to Inventors complying fully with the provisions of the Patent Rights Release Agreement executed by University and Inventors concurrently with this Assignment.

AND, UNIVERSITY HEREBY further represents, warrants and covenants that University has the full right to convey the interest assigned by this assignment, University will take all action and execute all documents necessary to perfect the interest assigned hereby, and University has not executed and will not execute any agreement in conflict with this Assignment.

IN TESTIMONY WHEREOF, each party has caused its authorized representative to execute this Assignment.

UNIVERSITY OF SOUTHERN CALIFORNIA

Inventors

By _____
Randolph Hall,
Vice President for Research

By _____
[Insert Name]

Date _____

Date _____

By _____
[Insert name]

Date _____

Attachment A-2

Stevens Review Process

Stevens will review and assess invention disclosures according to its normal processes. Ninety (90) days before a deadline which will terminate rights in a patentable invention such as the lapse of a provisional application or the expiration of the allowed time to respond to an office action, Stevens will inform all inventors in writing of its decision to discontinue prosecution of the intellectual property. Within one (1) week of this written notice, Stevens will meet with all inventors to determine if there is interest in taking on the patent prosecution costs and provide an estimate for the nearest filing required to maintain patent protection. Upon inventor request, if it is legally permitted to do so, Stevens will initiate this process for release and assignment of inventions articulated in this document.

If Stevens determines there is insufficient data upon which to make a decision in regard to patent protection, Stevens will collaborate with the inventors on timing of filing or refiling existing applications in order to maintain priority until such time as sufficient data can be obtained to properly assess the commercial potential of the technology.

If multiple inventors desire the technology and no agreement between inventors can be reached within thirty (30) days, Stevens will extend patent protection and negotiate non-exclusive licenses to each inventor with the obligation of reimbursing costs for the ongoing prosecution of related intellectual property being allocated equally.