

XII. PATENTS, LICENSING AND INTELLECTUAL PROPERTY

A. General Policy

- i. Yeshiva University encourages and supports research and the publication and use of results. YU recognizes that research conducted by its faculty, technical staff and students may lead to inventions and discoveries by inventor(s) (hereinafter referred to as "Inventor"), which should be patented or licensed for one or more of the following reasons:
 - a. To serve the public interest;
 - b. To comply with the requirements of sponsored research grants, fellowship awards and contracts for research;
 - c. To promote the development of useful drugs, processes and devices which would not be developed without patent protection;
 - d. To encourage invention and insure rewards for the Inventor as herein provided; and
 - e. To support facilities and the research and education programs of YU by means of a share of income derived from the commercial licensing of inventions and patents.

- ii. The Yeshiva University Patent Policy is intended to be consistent with these principles and purposes and not to fetter scientific endeavor or inhibit pursuit of further related research.

- iii. Whenever used in this Patent Policy, the provisions relating to patents and patent royalties shall, whether specifically mentioned or not, also apply to the commercial licensing and the royalties obtained from it for inventions which are not patented but which have commercial value or special technology or special art.

B. Disclosure of Invention to Yeshiva University

- i. Faculty, staff, students and visiting faculty are required to report all inventions to the Provost and/or the Committee on Patents that have resulted from research supported entirely or partly by YU resources as soon as possible after conception or first actual reduction to practice. Such reports, submitted using the Yeshiva University Invention Disclosure Form, shall be made descriptive enough for the invention to be understood and evaluated for possible filing of a patent application or the development of a commercial licensing agreement.
- ii. In the case of supported research, the Committee on Patents must be advised of any invention disclosure requirements of the granting or sponsoring agency.
- iii. It will be the responsibility of the Provost, with the advice of the Committee on Patents and/or the Office of Biotechnology, to determine if YU is interested in pursuing a patent for any invention disclosure. Sections C. through J. will detail what will apply until YU declines to patent.

C. Ownership of Patents and Intellectual Property

- i. Patent rights, copyrights, computer programs, software, databases, testing procedures, tangible research materials and all other intellectual property, whether patentable or not (hereinafter collectively referred to as "Intellectual Property"), resulting from research carried on by faculty members, technical staff members or students and supported entirely or partly by Yeshiva University resources shall be assigned to and owned by Yeshiva University. YU shall pay to the Inventor a fixed proportion of the financial returns from the licensing or exploitation of such Intellectual Property in accordance with the provisions of Section F. below.
- ii. Intellectual Property resulting from research carried on by a student in fulfillment of course requirements or other requirements for a degree or in connection with a formal training program, including the preparation of a thesis or dissertation, shall be construed as using YU resources and shall be subject to the provisions of Section C. i. above.

- iii. Ownership of Intellectual Property resulting from research performed by a visiting faculty member and supported entirely or partly by YU resources shall be determined on a case-by-case basis.
- iv. Intellectual Property resulting from inventions and discoveries made by members of the faculty, the technical staff or students in connection with government-sponsored research contracts, grants, fellowships or other such arrangements, shall be controlled by the terms of those arrangements. Faculty or staff members accepting government-sponsored research shall execute such agreements as will enable YU to meet its obligations to the sponsoring agencies.
- v. If Intellectual Property results from such research grants or contracts from non-government sources, such Intellectual Property shall be subject to the terms of Section C. i. above, unless the terms of the grant or contract pertaining to the above research are in conflict with Section C. i., in which case the terms of the grant or contract shall govern.
- vi. Copyrightable works that are not within the scope of employment and are not created using YU resources, such as scholarly works and books, shall be owned by the author.

D. Management of Patents

Yeshiva University shall have the responsibility for the management of patent applications and patents. All determinations and actions concerning the management of patent applications and patents shall remain with YU.

E. Licenses

Licenses for commercial development of Intellectual Property shall be sought to ensure that useful inventions can be made available, under reasonable terms, in products or services beneficial to the public. In cases involving substantial developmental expenditures by a licensee, or for other special reasons, an exclusive license may be given, subject to the terms of any applicable grant or contract. All such licensing agreements shall be negotiated by Albert Einstein College of Medicine's Office of Biotechnology and approved and executed by an appropriate officer of Einstein.

F. Distribution of Income

Income will refer to all consideration (e.g. monetary, non-monetary and equity) derived by Yeshiva University from Intellectual Property.

- i. If income is received from the licensing of Intellectual Property by YU to a third party, YU will pay and reward the Inventor within 90 days of its receipt of such income in accordance with the provisions below.
- ii. YU will first deduct all direct assignable expenses incurred in connection with the filing, prosecution and maintenance of any relevant patents and the negotiation of the contract for the licensing of the Intellectual Property (including but not limited to specialized attorney's fees). These expenses shall be determined by YU's sole but reasonable discretion. After deduction of direct assignable expenses, fifteen percent (15%) of the remaining income will be allocated to the Office of Biotechnology to defray the operating costs of the Office. The remaining net income will be distributed in the following manner:
 - a. One-third will be allocated to the Inventor or his/her estate and/or heirs. All payments due to an Inventor under this policy will be transmitted via a separate payment outside of the payroll system. Fringe benefits will therefore not be applicable to such payments. These payments will be reported annually to the individual and to the Internal Revenue Service on Form 1099 or on such other forms as may be required periodically by the Internal Revenue Service. In the event that an Inventor leaves Yeshiva University, the Inventor shall be responsible for providing forwarding addresses to YU.
 - b. One-third will be allocated to a research account maintained by Yeshiva University on behalf of any Inventor with a primary appointment to YU for support of the Inventor's academic/research pursuits. Such income will be considered incremental funding for the Inventor. In the event that an Inventor leaves YU, the research account will revert to YU, and the status of the income in the account and any future income will be determined by the Provost. The Inventor's research allocation as described above, and

the indirect costs to be assessed on this portion of the distribution for each license are as follows:

1. The first \$30,000 of cumulative income will be free of indirect costs.
 2. The second \$30,000 will be subject to indirect costs at one-half the prevailing institutional rate.
 3. Cumulative income in excess of \$60,000 will be subject to indirect costs at the prevailing institutional rate.
- c. One-third will be allocated to the unrestricted funds of Yeshiva University to be used by the University in the pursuit of its education, research and clinical missions.
- iii. Exception to the method of income distribution described above will be made in the case of Intellectual Property resulting from sponsored research if the terms of the agreement between Yeshiva University and the sponsor do not permit such a distribution. In that event, the terms of the agreement with the sponsor will govern. This exception will apply to funding from both governmental and non-governmental sources.
 - iv. If there is more than one Inventor of Intellectual Property, the Inventors shall meet and decide among themselves their respective shares of any income to be distributed to the Inventors pursuant to Section F. ii. above. The Inventors shall then inform the Office of Biotechnology of their agreement in a written statement signed by all of the Inventors. In the case of a dispute among the Inventors regarding their respective shares, it shall be resolved by the Provost. Mechanisms of dispute resolution may include, but are not limited to, mediation, arbitration or other services performed by the Committee on Patents. Any recommendations or decisions made as a result of mediation, arbitration or by the Committee on Patents will be subject to review and approval by the Provost and his decision shall be final. All expenses incurred by YU in connection with resolving the dispute will be deducted as an additional direct assignable expense prior to income distribution. No income shall be distributed to the Inventors until an agreement on the Inventors respective shares is submitted to the Office of Biotechnology or until any dispute between the Inventors regarding their respective shares is resolved.

- v. Any equity that Yeshiva University receives as consideration under a license agreement will be held and managed by YU. YU shall liquidate such equity by sale in the public market upon the first available liquidity event. Once the equity is liquidated, the proceeds will be distributed as cash according to the method in Section F. ii. above. It is not the intent of Einstein to hold equity for the purposes of maximizing profits.

G. Publication

The right to publish the results of sponsored research where Intellectual Property may be involved shall be subject to the following conditions:

- i. YU shall not bar or prohibit publication of disclosures and inventions on which patent applications have been filed.
- ii. As soon as it is possible to do so, an Inventor has the obligation to file an Invention Disclosure Statement with YU. This statement must be submitted simultaneously or prior to the submission of a paper for publication and will disclose the Intellectual Property. In all events, the Inventor shall disclose his invention to YU a minimum of 90 days in advance of any printed or oral public disclosure so that an application for a patent may be prepared and filed prior to any such public disclosure.
- iii. YU will, if requested or required by agreement, supply a sponsor with a copy of the proposed publication prior to publication.

H. Committee on Patents

The Dean of the Albert Einstein College of Medicine will appoint a Committee on Patents and such other committees as are deemed appropriate to implement YU's patent and licensing agreement policies. Among the responsibilities of the Committee(s) will be the following:

- i. To recommend to the Dean of AECOM and/or the Provost of Yeshiva University which Intellectual Property should be processed in accordance with the applicable sections of this Policy on Patents and Licensing Agreements, including Section J. Recommendations shall be made by the Committee(s) within 90 days after Intellectual Property is brought to the Committee(s) notice.
- ii. To determine, when necessary, whether Intellectual Property developed by a member of the faculty, technical staff or student resulted from research supported in whole or in part by YU resources or whether such Intellectual Property was unrelated to YU activities and resources.
- iii. To make general recommendations regarding proposals to patent Intellectual Property as it relates to YU's mission.
- iv. To act in an advisory capacity to the Provost with regard to patents assigned to YU or in which YU has a claim or interest.
- v. To assist the Provost in resolving disputes arising from patent and licensing matters, including any disputes arising under Section F., in accordance with this Policy on Patents and Licensing Agreements.

I. Agreement with Yeshiva University

A form of agreement with Yeshiva University shall be signed and entered into by all faculty, students and research staff acknowledging that they have received and read a copy of this Official Policy on Patents and Licensing Agreements and agree to abide thereby. Such personnel will agree further to disclose in writing promptly to YU any Intellectual Property made by such personnel and to assign to YU the entire right, title and interest in and thereto as required and defined in this Policy on Patents and Licensing Agreements.

J. Where Yeshiva University Declines to Patent

- i. Upon disclosure of Intellectual Property to YU, it will be the responsibility of the Provost to determine if YU will decline to pursue a patent. The Provost shall notify the Inventor in writing of this decision within 90 days of disclosure. If the Provost declines pursuit of a patent, the option to pursue a patent reverts to the Inventor.
- ii. If at any time during the patent application process YU decides to discontinue pursuit of the application, the Provost shall notify the Inventor in writing within 15 days of this decision. The option to pursue a patent shall then revert to the Inventor. All information held by YU that is pertinent to the patent application will be made available to the Inventor.
- iii. If YU decides to decline or discontinue pursuit of a patent on any Intellectual Property, YU shall retain ownership of such Intellectual Property and any patent or application thereon. If the Inventor decides to pursue patent protection at his/her own expense, the Inventor shall:
 - a. Promptly notify YU in writing of his/her intent to pursue patent protection;
 - b. Assign ownership of the Intellectual Property to YU;
 - c. Obligate patent counsel to copy YU on all communications with the United States Patent and Trademark Office; and
 - d. Refer all third-party interest in the Intellectual Property directly to YU for licensing.
- iv. If income is derived from a patent declined by Einstein, it will be distributed as follows:

After reimbursement to the Inventor and then YU of direct assignable expenses incurred, fifteen percent (15%) of the remaining income will be allocated to the Office of Biotechnology to defray the operating costs of the Office. The remaining net income will be distributed in the following manner:

- a. The first \$15,000 will be allocated exclusively to the Inventor or his/her estate and/or heirs;

- b. Two-thirds of the additional income will be allocated to the Inventor or his/her estate and/or heirs;
- c. The remaining one-third of income will be allocated to YU.

K. Management of Licenses

Management of all licensing agreements for Intellectual Property owned by YU, remains with YU.