The primary mission of Rose-Hulman Institute of Technology (RHIT) is to provide highly qualified students with a superior, rigorous undergraduate education in the fields of engineering and science. In support of this mission RHIT encourages free and open discussion among faculty and students and requires the continued intellectual development of its faculty. As one way of meeting the responsibility for this development faculty are encouraged to publish books and learned articles, produce academic materials and develop inventions and processes. Many of these materials and inventions will be the result of collaboration between several individuals and RHIT. A policy is thus necessary to define the ownership of this intellectual property. In defining ownership this policy strives to provide an atmosphere in which individual incentive to produce innovative and valuable intellectual property is maximized while at the same time the legitimate rights of all parties, including RHIT, are protected.

I. DEFINITIONS

1.1 INTELLECTUAL PROPERTY AND RELATED RIGHTS
The material set forth in this document covers the ownership, distribution, and commercial development of technology developed by RHIT faculty, staff, and students and others participating in RHIT programs. The term "technology" as used in this document is broadly defined to include technical innovations, improvements, inventions, and discoveries, as well as writings and other information in various forms, including computer software.

The principal rights governing the ownership and disposition of technology are referred to as "intellectual property" rights, which are derived primarily from legislation granting patent, copyright, trademark, and integrated circuit mask work protection.

In some instances, distribution and commercialization of technology may be accomplished by the transfer or licensing of the intellectual property rights, such as patents and copyrights. In other instances, distribution and commercialization of technology may be aided by or depend upon access to the physical or tangible embodiment of the technology, as in the case of biological organisms, plant varieties or computer software. Therefore, this policy will define not only the ownership, distribution, and commercialization rights associated with technology in the form of intellectual property, but will also define policies and procedures which govern use and distribution of the technology in its tangible form. The following overview of intellectual property rights is limited in scope. The RHIT intellectual property officer should be contacted for further information regarding any of these rights.

1.2 PATENTS AND PATENT RIGHTS
A patent is a grant issued by the U.S. Patent and Trademark Office giving an inventor the right to exclude all others from making, using, or selling the invention within the United States, its territories and possessions, for a period of 17 years from the date of the patent grant.
Patents may also be granted in foreign countries; procedures for filing, requirements for patentability, and term of patent grant vary considerably from country to country.

To be patentable in most countries, an invention must be new, useful, and non obvious. In the U.S., a grace period of 12 months from the date of the first written public disclosure, public use or offer for sale of an invention is allowed to file a patent application. In many foreign countries, an invention is un-patentable unless the application is filed before any public disclosure occurs anywhere. However, if one has filed in the U.S. prior to such disclosure, the applicant has 12 months from the U.S. filing date to file in most non-U.S. countries without losing filing rights.

In addition to more traditional forms of inventions, the patentability of inventions implemented in computer software is well established in the U.S. A computer software invention generally will be patentable if it meets the tests of novelty and non obviousness and if its application is as part of a process or machine. A software invention will be automatically disqualified from U.S. patent protection only if it is purely a mathematical equation or formula with no other applications.

1.3 COPYRIGHTS
As provided in copyright law, a copyright owner has the exclusive right to reproduce the work, prepare derivative works, distribute by sale or otherwise, and display or perform the work publicly. Under federal copyright law, copyright subsists in "original works of authorship" which have been fixed in any tangible medium of expression from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. For an individual author, copyright protection of a work extends for the author's life plus 50 years. For employers, copyright protection of a work extends for 75 years from the date of publication. In contrast to a patent which protects the "idea", copyright covers the "artistic expression" in the particular literacy work, musical work, computer program, video or motion picture or sound recording, photograph, sculpture, and so forth, in which the "expression" is embodied, illustrated, or explained, but does not protect the "idea".

1.4 TRADE AND SERVICE MARKS
A trade or service mark is a word, name, symbol or device (or any combination) adopted by an organization to identify its goods or services and distinguish them from the goods and services of others. In the U.S., trademark ownership is acquired through use of a term or in association with goods or in connection with services to identify their origin. Trade or service mark ownership is not dependent upon federal or state registration, but upon use of the mark. Registration of trade and service marks may be obtained on both the state and federal levels. However, to apply for a federal registration of a mark, it must be used in interstate commerce.

1.5 MASK WORKS
A mask work is defined as a series of related images representing a predetermined, three-dimensional pattern of metallic, insulating, or semi conducting layers of a semiconductor chip product. Under the Semiconductor Chip Protection Act of 1984, mask work protection extends for ten years and gives the owner of the qualifying mask work exclusive rights to its exploitation. Mask works are registered with the United States copyright office.
Failure to apply for registration within two years of the initial commercial exploitation results in the termination of the exclusive rights.

1.6 TANGIBLE RESEARCH PROPERTY
The term "tangible research property" refers to those research results that are in a tangible form as distinct from intangible property. Examples of tangible research property include integrated circuit chips, computer software, biological organisms, engineering prototypes, engineering drawings, and other property which can be physically distributed.

Although tangible research property may often have intangible property rights associated with it, such as biological organisms which may be patented or computer software which may be either patented or copyrighted, RHIT and/or the inventor/author may choose to distribute the research property without securing intellectual property protection by using some form of contractual agreement, such as formal contract, loan agreement, letter agreement, or user license as further set forth in this document.

1.7 RHIT UNITS
RHIT departments, centers established for special purposes, or other such bodies which may generate inventions or materials.

II. PRINCIPLES OF OWNERSHIP

2.1.A GENERAL POLICY STATEMENT
The prompt and open dissemination of the results of RHIT research and the free exchange of information among scholars is essential to the fulfillment of RHIT's obligations as an institution committed to excellence in education and research. Matters of ownership, distribution, and commercial development, nonetheless, arise in the context of technology transfer, which is an important aspect of the institute's commitment to public service. Technology transfer is, however, subordinate to education and research; and the dissemination of information should normally, therefore, not be delayed beyond the minimal period necessary to define and protect the rights of the parties.

2.2 PATENT POLICY STATEMENT
2.2.A Rights in inventions made or conceived or first reduced to practice by RHIT faculty, students, staff, and others participating in RHIT programs are as follows:

2.2.B Inventor owned

2.2.C (a) Not subject to the terms of agreements with research sponsors or other third parties under (a) below.

2.2.D (b) Do not involve the significant use of RHIT administered resources under (b) below.

2.2D Other inventions
2.2.E RHIT acquires ownership or other rights in inventions as follows:
2.2.F (a) Inventions subject to the terms of a sponsored research or other agreement are treated
in accordance with the terms of the applicable agreement.

2.2.G (b) Inventions involving the significant use of funds, equipment or facilities administered by RHIT are the property of RHIT, subject to any obligations to third parties in connection with such support.

2.2.1 SPONSORED RESEARCH AND OTHER AGREEMENTS

Grants and contracts applicable to research sponsored by the federal government are subject to statutes and regulations under which RHIT acquires title in inventions conceived or first reduced to practice in the performance of the research. RHIT ownership is subject to a nonexclusive license to the government and the requirement that RHIT retain title and take effective steps to develop the practical applications of the invention by licensing and other means.

In contacts with industry and non-government sponsors, RHIT's policy requires that RHIT retain ownership of all patents and other intellectual property rights. Infrequent exceptions to that policy are negotiated on a case by case basis.

The terms of such agreements apply not only to inventions made by faculty and staff, but also to those made by students and visitors, whether or not paid by RHIT, who participate in performing research supported by such agreements. It is essential, therefore, that all individuals participating in the research be made aware of their obligation to assign rights to RHIT and sign intellectual property agreements.

2.2.2 SIGNIFICANT USE OF RHIT ADMINISTERED RESOURCES

RHIT does not construe the payment of salary from unrestricted funds nor the provision of office or library facilities as constituting significant use of RHIT funds or facilities.

When an invention involving the significant use of RHIT administered resources is made by an RHIT student, with the approval of the laboratory/center director or department chair, may elect to waive its rights except where the invention is subject to a sponsored research or other agreement. At the discretion of the laboratory/center director or department chair, RHIT may retain a right to use such invention for purposes of education and research. In addition, a student's rights to such invention may be subject to the terms of any financial aid received, including scholarships, fellowships, traineeships, theses expenses, or other assistance, whether or not administered by RHIT.

Individuals who are both staff members and students shall be considered to be staff members with respect to patentable inventions which arise during the course of employment.

Disputes arising under this section with respect to significant use shall be arbitrated by the Committee on Patents, Licensing and Copyrights whose recommendations shall be forwarded to the Board of Managers, who retains final authority.

2.3 COPYRIGHT POLICY STATEMENT

Copyright ownership of material (including software) created by RHIT faculty, students, staff and others participating in RHIT programs, is as follows:
Author owned
The author acquires copyright ownership in materials (including computer software) which are:
(a) Not developed in the course of a sponsored research or other agreement under (a) below.
(b) Not created as a "work-for-hire" by operation of copyright law or created pursuant to an agreement in writing with RHIT under (b) below which provides for a transfer of copyright to RHIT.
(c) Not developed with the significant use of RHIT administered resources under (c) below, except that ownership by students making significant use of RHIT resources shall be determined in accordance with section 2.3.4.
(d) Student thesis as provided under section 2.3.5.

RHIT owned
RHIT acquires ownership or other rights in copyrightable material (including computer software) as follows:
(a) Copyright ownership in material developed in the course of or pursuant to a sponsored research or other agreement is determined according to the terms of such agreement.
(b) Copyright ownership in material created as a "work-for-hire" by operation of copyright law or created pursuant to an agreement in writing providing for transfer of copyright to RHIT shall vest in RHIT.
(c) Copyright ownership in material developed by faculty and staff with the significant use of funds, equipment or facilities administered by RHIT shall vest in RHIT.

2.3.1 SPONSORED RESEARCH AND OTHER AGREEMENTS
Normally, research contracts sponsored by the federal government provide the government with specified rights in copyrightable material developed in the performance of the research. These rights may consist of title to such material resting solely in the government, but more often consist of a royalty-free license to the government with title vesting in RHIT.

When a work is created under the terms of a sponsored agreement, authors of copyrightable works should be aware that there may be contractual terms relating to the form of the report, advance notice to the sponsor before publication, and the like. The intellectual property officer should be contacted for information or assistance regarding interpretation of contract terms.

2.3.2 WORKS FOR HIRE
Employees - A "work-for-hire," as defined by law, is a work product created in the course of the author's employment. Copyright of the work product in these situations belongs to the employer. For example, results of work assigned to staff programmers or writers of university publications are considered to have been created in the course of the author's employment and are the property of RHIT. It is the policy of RHIT that it shall own all works for hire.

Non-employees - Under the copyright act, copyright of commissioned works of non-employees is owned by the author and not by the commissioning party unless there is a written agreement to the contrary. All RHIT personnel are cautioned to ensure that independent contractors agree in writing that ownership of the copyright in the commissioned work is assigned to RHIT, except where special circumstances apply and it is mutually agreed otherwise.
2.3.3 INDEPENDENT WORKS
RHIT does not claim ownership of books, articles and other scholarly publications, or to popular novels, poems, musical compositions, sculpture or other works of artistic imagination which are created by the personal effort of faculty, staff and students independent of employment tasks and which do not make significant use of RHIT administered resources.

Furthermore, in those situations where copyright to such scholarly or artistic work resides in RHIT under the terms of a sponsored research or other agreement, or by operation of the copyright law or otherwise as a result of this policy, RHIT will, upon the author's request and to the extent consistent with the intent of the sponsor, convey copyright to the author of such work as further provided under this policy. Where appropriate, the approval of the center director or department chair will be required.

2.3.4 SIGNIFICANT USE OF RHIT ADMINISTERED RESOURCES
RHIT does not construe the provision of office or library facilities as constituting significant use of RHIT space or facilities, nor construe the payment of salary from unrestricted accounts as constituting significant use of RHIT funds, except in those situations where the funds were paid specifically to support the development of material.

Textbooks, class notes and related materials developed in conjunction with class teaching are also excluded from the "significant use" category, unless such textbooks were developed using RHIT administered funds paid specifically to support the textbook development.

RHIT does not acquire rights to independently created software which has been developed using conventional RHIT resources such as personal computers. RHIT does, however, consider RHIT organized software development projects as significant use.

However, student authors who make significant use of RHIT resources to develop software will retain ownership of such software subject to a royalty-free, nonexclusive license granted to RHIT to use the software for purposes of education and research.

2.3.5 THESES
Copyright of theses will be owned by the student unless (i) they involve research for which the student received financial support in the form of wages, salary, stipend, or grant from funds administered by RHIT which impose copyright restrictions and/or (ii) they involve research performed in whole or in part utilizing equipment or facilities provided to RHIT under conditions which impose copyright restrictions. Where copyright ownership is retained by the student, however, the student must grant to RHIT a royalty-free license to reproduce and publicly distribute copies of the theses.

2.4 TRADE AND SERVICE MARKS
Trade and service marks relating to goods and services developed at RHIT shall be owned by RHIT.

2.5 MASK WORKS
Ownership of mask works created by RHIT faculty, students, staff, and others participating in RHIT programs, is determined in the same manner as copyright ownership under section 2.3.
2.6 TANGIBLE RESEARCH PROPERTY (TRP)
RHIT owns TRP, except when it becomes the property of a third party under the terms of a sponsored research or other agreement.

III. EQUITIES OF PARTICIPATING PARTIES

3.1 GENERAL POLICY

Licensing, sale or use of technology and intellectual property in which RHIT has a proprietary interest shall be preceded by a written agreement between RHIT and the author or producer specifying the conditions of use, and including provisions protecting the right of the author to revise written or visual materials periodically. Disputes concerning the terms of the agreement shall be determined by the "Committee" subject to the right of appeal under Section 4.2.2.

If technology or intellectual property are used through licensing or sale or other arrangement, the author or producer will share in any income received as may be determined under the general principles of division set forth in Paragraph III) 3.2.2.

RHIT reserves the right to refuse to develop, license, sell, patent, copyright or utilize any technology whether owned by RHIT or others, in which event waiver of rights under paragraph 4.2.1 iii) will be considered.

3.2 DETERMINATION OF EQUITIES

3.2.1 Determination of the Committee on Patents, Copyrights and Licensing ("Committee")
The Committee shall determine when the rights in and to technology and intellectual property belong to RHIT in accordance with the provisions of this policy, subject to the right of appeal under Section 4.2.2.

APPENDIX 3

3.2.2 General Principle of Division
RHIT shall establish a royalty account for any technology or intellectual property for which it anticipates receiving royalties or other income, and all expenses and income relating to that item shall be recorded therein. Where more than one such item is licensed together for a common fee or royalty, a common royalty account may be established for all of the related items and proceeds allocated in accordance with the Committee's determination.

Income to each royalty account shall, in the absence of other contracts, be distributed as follows:

i) The direct expenses of RHIT allocable to investigating, evaluating, protecting and enforcing the rights to the item(s) covered by the account, including provision for payment of future maintenance taxes or fees for any technology, shall initially be charged to the royalty account.

ii) After deductions for direct expenses, net income to the account will be distributed in accordance with the determination of the "Committee", subject to the right of any interested party or any member of the Committee to appeal the determination in accordance with paragraph
4.2.2. Under normal circumstances it will be presumed (unless there are clear and convincing reasons otherwise) that the creator or inventor of the technology or intellectual property and RHIT will share in said net income to the account using the following table as a guideline:

<table>
<thead>
<tr>
<th>Net Royalty Income</th>
<th>Inventor or Creator</th>
<th>RHIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,000</td>
<td>100.00%</td>
<td>0.0%</td>
</tr>
<tr>
<td>85,000</td>
<td>50.0%</td>
<td>50.0%</td>
</tr>
<tr>
<td>900,000</td>
<td>50.0%</td>
<td>50.0%</td>
</tr>
<tr>
<td>1,000,000</td>
<td>33.3%</td>
<td>66.6%</td>
</tr>
</tbody>
</table>

With respect to RHIT’s portion of the royalties, the "Committee" may recommend to the President that part of RHIT’s royalties be used to fund the RHIT unit or units to which the inventor or creator belongs, and/or that part be used for the support of further faculty development, and the President may follow the recommendation of the Committee, subject to the approval of the allocations by the Board of Trustees under the normal budgeting procedures. For example, the fund might be allocated depending upon circumstances as follows:

<table>
<thead>
<tr>
<th>Net Royalty Income:</th>
<th>Inventors or Creator</th>
<th>RHIT</th>
<th>Faculty Development</th>
<th>Institute General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>First $ 15,000</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Next $ 85,000</td>
<td>50.0%</td>
<td>15.0%</td>
<td>15.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Next $ 900,000</td>
<td>50.0%</td>
<td>15.0%</td>
<td>15.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Over $1,000,000</td>
<td>33.3%</td>
<td>5.0%</td>
<td>15.0%</td>
<td>46.6%</td>
</tr>
</tbody>
</table>

Any determination by the "Committee" that RHIT shall share in the proceeds of any technology or intellectual property in which RHIT has a proprietary interest, such that RHIT would be afforded less than the percentages shown above in this subparagraph shall be deemed automatically appealed to the Board of Trustees for final determination.

IV. PROCEDURES

4.1 REPORT OF INVENTIONS AND MATERIALS
All technology and intellectual property of significant commercial value in which RHIT may have a proprietary interest under the provisions of this policy shall be promptly reported in writing by the RHIT personnel concerned through the appropriate department head, dean, supervisor, or the President, to the committee. If more than one individual participated in the discovery or development, the report shall be signed by all such participants. The report shall constitute a full and complete disclosure of the subject matter of the discovery or development and the identity of all persons participating therein. The participants shall furnish such additional information and execute such documents from time to time as the Institute may reasonably request.
4.2 THE COMMITTEE ON PATENTS, LICENSING AND COPYRIGHTS

The procedures associated with the disposition of intellectual properties owned by RHIT and other questions regarding rights under this policy shall be determined by the Committee on Patents, Copyrights, and Licensing. This Committee shall be composed of the following administrators, faculty members and Board members.
- Vice President for Academic Affairs (ex officio -- Chairman)
- Vice President for Business and Finance (ex officio)
- Two members of the Board of Trustees appointed by the chairman of the board
- Two tenured faculty members elected by vote of faculty to two-year terms. Faculty terms shall be staggered.

4.2.1 Authority
i) The Committee will have the authority to determine the extent to which individuals shall share in the proceeds of technology and intellectual property that they developed and which RHIT has a proprietary interest. When two or more individuals are involved, the Committee shall have the authority to determine their respective equities.
ii) The Committee has the authority to recommend when RHIT will pursue intellectual property rights for technology in which RHIT has an interest.
iii) The Committee has the authority to recommend to the board that ownership rights of the Institute be waived. If a waiver of RHIT ownership is granted, ownership reverts to the individual or individuals who produced the material or invention.
iv) The Committee has the authority to formulate procedures and regulations governing the administration of the intellectual property policy as long as they are consistent with the policies set forth in this document.
v) The Committee shall recommend to the President an individual to be designated as Intellectual Property Officer. This individual shall be responsible for RHIT interests in the development and protection of technology and intellectual property and assist RHIT personnel in developing and protecting them.
vi) The Committee has the authority to advise the President of the Institute on matters concerning intellectual property and technology and to review the policy document from time to time. After submission to the faculty & senior staff (the Institute meeting) for review and comment, the Committee will recommend to the Board of Trustees changes that seem advisable.

4.2.2 Appeal Procedure
Subject to additional provisions regarding determinations of rights, privileges and duties under this policy as set forth in other provisions of this policy, the “Committee” shall first determine (by a majority thereof) after receiving such information as it deems appropriate, all questions regarding the interpretation of the terms of this policy, and all questions and disputes which may arise regarding the implementation of this policy and the rights, duties and privileges of those affected by the terms of this policy. Any interested party (which shall be deemed to include the RHIT personnel creating or producing any technology or intellectual property, the President or any single member of the "Committee") may appeal any determination of the Committee for review and determination by the President of the Institute. Any such interested party as above defined who is dissatisfied with the determination of the President may appeal the determination to the Board of Trustees of RHIT for final decision. (Any act or power which may be exercised
by the Board of Trustees under this policy may also in lieu thereof be exercised by the Executive Committee of the Board of Trustees. The decision of the Board of Trustees (or its Executive Committee) shall be final and conclusive upon all interested parties. Any appeal to the President or to the Board of Trustees under the procedures set forth in this paragraph must be made in writing, and shall be delivered to the President or the Chairman or Vice-Chairman of the Board of Trustees (in the case of an appeal from the President's decision to the Board of Trustees) within fourteen (14) days following the determination of the "Committee" or the President, as the case may be. (Otherwise, the determination not appealed within said time period shall be deemed final and conclusive). If the President is a direct participant in the creation or development of the technology or intellectual property involved, the Committee's initial decision may be appealed by any such interested party directly to the Board of Trustees.

4.3 DEVELOPMENT OF COMMERCIAL PROPERTY

4.3.1 RHIT, unless modified by contractual agreement, will have the sole right to develop commercially any technology or intellectual property owned by RHIT.

4.3.2 RHIT personnel who wish to pursue the development of their independently owned technology or intellectual property may seek assistance from RHIT in developing commercially these inventions and materials.

RHIT personnel are equally free to choose some other mechanism for commercializing their independently owned technology or intellectual property, but prior to such commercialization should make sure that they do not fall under the terms of a sponsored research, or are otherwise subject to the terms of this policy.

4.3.3 RHIT personnel may petition the Committee to recommend to the Board that the Board waive RHIT ownership rights of any technology or intellectual property. If such a waiver is granted, ownership will revert to the individual or individuals who produced the technology or intellectual property.

4.3.4 RHIT personnel may also request from RHIT a license to develop commercially RHIT owned technology or intellectual property. The Board or its Executive Committee shall decide on such requests as expeditiously as possible, but in no case longer than 90 days from the date of the request.

V. POLICY BINDING ON RHIT PERSONNEL

This policy as amended from time to time shall be deemed a part of the conditions of employment of every employee of RHIT and a part of the conditions of enrollment and attendance at RHIT by students.

It is the policy of RHIT that individuals, by participating in a sponsored research project and/or making significant use of RHIT administered resources, thereby accept the principles of ownership of technology as stated under this policy. In furthering such undertaking, all such participants agree to sign Intellectual Property Agreements in the form attached to this policy.
before participation in any such sponsored research project and/or making significant use of RHIT administered resources.

VII. AMENDMENTS
This policy may be amended or rescinded prospectively in whole or in part at any time by the Board of Trustees of RHIT.

ADOPTED by the Board of Trustees at its regular meeting at which a quorum was present held on February 24, 1989.

VI. INTERPRETATIONS OF RHIT INTELLECTUAL PROPERTY POLICIES
(as revised August 2, 2002)

1. Regarding Section 2.2.2 significant use of RHIT Administered Resources: RHIT does not consider use of RHIT resources by registered undergraduate students engaged in projects for required courses to be “significant use.” That is, RHIT makes no claim to IP generated by students in such courses except where governed by other contractual agreements.

2. Regarding Section 2.2.1.B: RHIT grants an exception to IP generated by students engaged in project work sponsored by external clients when said work is part of a required undergraduate course. This exception includes, but is not limited to, student projects receiving support from the NCIIA and the Lemmelson Foundation.

3. Undergraduate student project work using RHIT resources and performed outside of course requirements may be considered significant use (e.g. projects developed with the support of Engenius Solutions). RHIT does claim IP rights unless explicitly exempted by the PLC committee.

4. Entrepreneurs in residence, businesses (or nascent businesses) in the Myers Center that are not paying reasonable fees for resources are considered to be making significant use of RHIT facilities and RHIT claims IP rights as described in Section 2.2.2.

5. Ownership and equity agreements of IP for projects with RHV will be governed by separate contracts as described by 2.2.D-2.2.F upon approval of the PLC committee as authorized in 4.2.1A.