



University of Utah

# FACULTY GUIDE

to Technology Commercialization

This faculty guide to technology commercialization outlines the essential elements from disclosure to licensing at the University of Utah. This guide is organized to answer the most common questions we typically field from our research community. And is designed to be a broad overview of the technology commercialization process and services available for faculty.

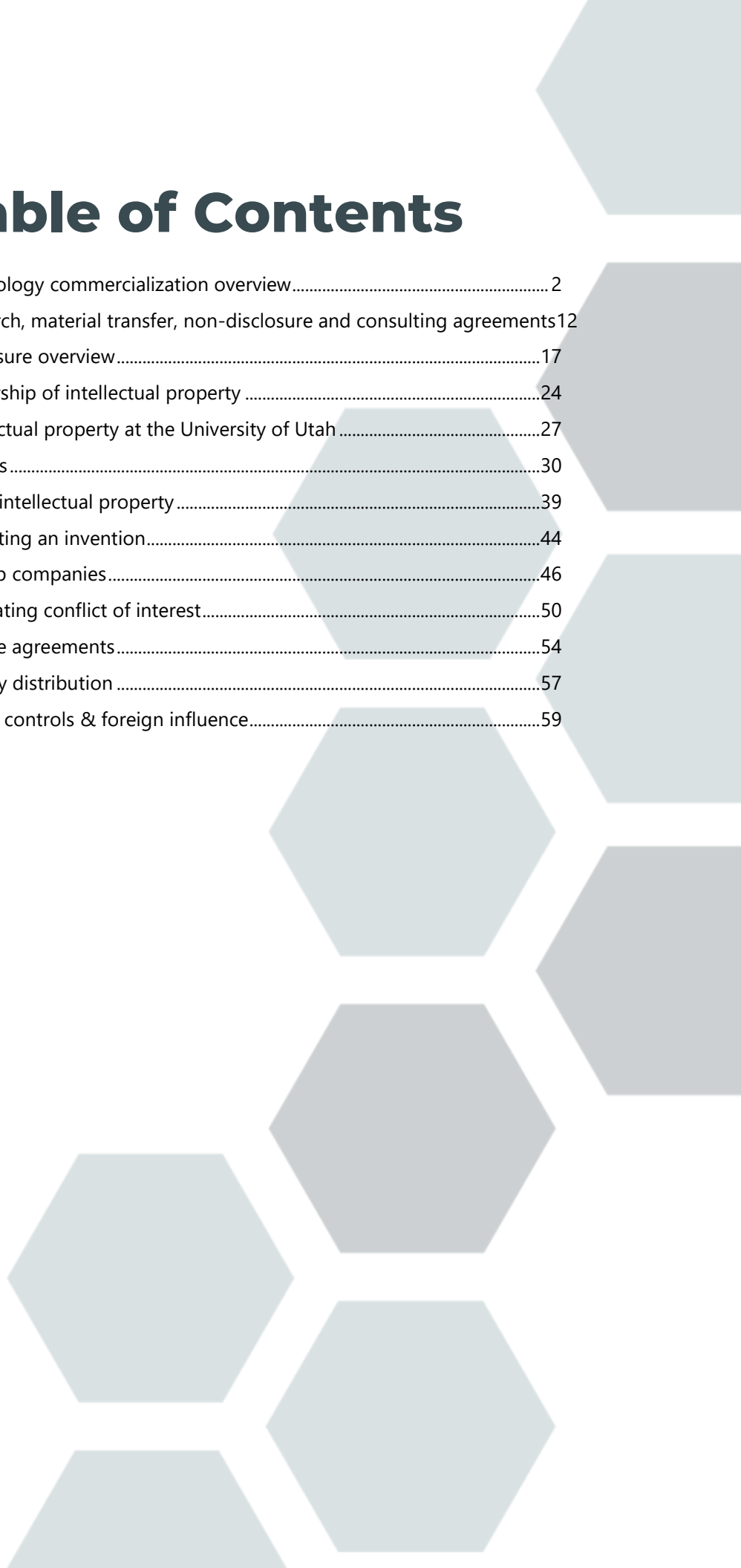
Technology Licensing Office is the technology commercialization team at the U. We strategically advise faculty on the optimal pathways for advancing discoveries to the marketplace effectively. We achieve our goal of commercializing discoveries by serving





# Table of Contents

Technology commercialization overview.....	2
Research, material transfer, non-disclosure and consulting agreements	12
Disclosure overview.....	17
Ownership of intellectual property .....	24
Intellectual property at the University of Utah .....	27
Patents .....	30
Other intellectual property .....	39
Marketing an invention.....	44
Startup companies.....	46
Navigating conflict of interest.....	50
License agreements.....	54
Royalty distribution .....	57
Export controls & foreign influence.....	59





# Technology commercialization overview

## What is technology commercialization?

Technology commercialization or transfer are the traditional terms for the movement of knowledge and discoveries from the university environment to the public. This can occur through publications, educating students entering the workforce, exchanges at conferences and relationships with industry. For the purposes of this guide, however, technology transfer refers to the technology commercialization process: licensing of university technology to third parties and the formation of new companies for the benefit of the region, the state of Utah and the world.

New technology inventions can become viable commercial ventures when turned into something that can be sold, generating revenue. Technology commercialization can bring a new product or technology into the marketplace and available for public use. The technology is taken from the lab or research stage and converted into a product or service that's marketable to consumers or businesses.

The process involves multiple steps, such as:

- Conducting relevant marketing research to identify a target market (potential customers).
- Creating a commercialization strategy.
- Securing funding to support both development and marketing of the new technology.
- Creating models or prototypes.
- Testing throughout the process.
- Negotiating partnerships and/or licensing agreements that can bring the technology into the marketplace.
- Protecting new intellectual property through patents, copyrights or other legal protections.

The goal of the commercialization process is to create different types of values from a new technology. Successful technology commercialization leads to improved products and services, increased efficiency and productivity, new advances in science and technology, and job creation and economic growth.

## Overview of technology transfer and commercialization

If you have any questions or concerns about disclosing or protecting your research, speak with someone at Technology Licensing Office first. Contact Technology Licensing Office if any of these apply to you and your research:

- You have an idea for a new product or service, or improvement to an existing product.
- You have a functional prototype of your idea.
- You're preparing to disclose your research results in a publication, interview, poster session, presentation, dissertation or to other researchers, the submission process can be considered or result in an unexpected disclosure.
- You are using federal funding or other sponsored research that could create intellectual property.
- You need to share advanced or inventive research information or materials with another institution.
- You are interested in launching a company with your idea or new technology.

Technology Licensing Office has experience with multiple aspects of handling new ideas and technology and has the resources to help in whatever stage you're in with your idea or new technology.

When you disclose your invention to Technology Licensing Office, list all the research sponsors, as well as all the necessary information to pursue protection for intellectual property and commercialization. Each section of the disclosure must be completed with as much detail as possible to avoid any delay in processing. Include dates of any upcoming publications or other public disclosure that describes your invention or idea. This document and all information are treated as confidential. A member of the innovation and commercialization team will contact you to discuss your invention and potential for commercialization applications soon after your submission.

## What are the benefits of technology transfer?

Technology transfer is a powerful tool for driving economic growth, improving quality of life and promoting innovation and competitiveness. For example, lab discoveries that result in advanced medical treatment or renewable energy innovations are just some ways technology transfer can directly benefit society.

Transferring technology also helps with sharing knowledge and expertise. New products and services can benefit people and their communities, while individuals and organizations can learn from each other and build on currently available data. Researchers and universities can fine-tune their competitive edge by using this knowledge to create and develop new products and services, decrease costs and improve daily operations. Adopting new technologies and processes can increase innovation and productivity and stimulate economic growth, leading to job creation. All these factors offer benefits to society.

Researchers benefit from technology transfer by gaining access to funding opportunities only available to researchers investigating an invention's commercial potential (like Technology Licensing Office's Ascender Grant). Technology transfer can also open doors to cross-discipline collaborations and unexpected research avenues.

## What is intellectual property?

Intellectual property, or IP, refers to any property that a person creates or develops, a “creation of the mind.”

Inventors have several ways to protect their IP:

- **Patents** protect inventions for the person or persons who build machines, processes and compositions of matter.
- **Trade secrets** protect confidential business information that is not generally known and is economically valuable. One example is the highly guarded formula for Coca-Cola, which is only available to the company’s owners. Once the information is public, it is no longer a protected trade secret.
- **Trademarks** protect slogans, logos and other identifiers for a specific product or brand.
- **Copyrights** protect written literary and artistic products, such as books, music, paintings, films, software and other artwork.

These are all valuable assets for any company, including startups. Intellectual property protection is designed to give inventors and creators the exclusive rights to their own work for a limited period. These rights also encourage creativity and innovation, as well as incentive for both individuals and companies to make investments in research and development for new products.

## When should I contact Technology Licensing Office about IP?

All types of IP protected by patents, copyrights, trademarks and/or trade secrets should be disclosed to Technology Licensing Office early in the development process. Make this disclosure before disclosing anything publicly, orally or in writing.

Following disclosure, Technology Licensing Office will evaluate whether the intellectual property is developed enough to become commercialized. If it is, then we will assess the potential for both patentability and commercialization of the intellectual property. Technology Licensing Office will then develop a protection and marketing strategy for the intellectual property if we believe it has good potential for commercialization.

## Why should intellectual property not be publicly disclosed prior to contacting Technology Licensing Office?

There are multiple reasons not to publicly disclose any IP prior to contacting Technology Licensing Office regarding a technology transfer:

- Publicly disclosing any IP information exposes it to infringement and possible theft. Keeping the IP information confidential prior to contacting Technology Licensing Office gives the University of Utah Research Foundation (UURF) exclusive rights to the IP.
- After publicly disclosing the invention, including presenting or publishing, you’ll have one year from the first disclosure to file an application with [the U.S. Patent and Trademark Office](#). If you don’t file your application within that year, you could lose all U.S. patent rights to the invention.

- With rare exception, there is no grace period for foreign patent applications. Therefore, you will lose all the foreign patent rights for the invention if you publicly disclose any information prior to filing a patent application. We can assess the necessary steps to take to ensure that the University of Utah's rights are not compromised.
- Keeping the intellectual property confidential will also help maintain a competitive advantage. This is particularly important in industries where innovation is vital. Keeping intellectual property secret allows companies to develop and market products without allowing competitors to copy their ideas and gain advantages.
- By keeping their intellectual property confidential, an owner has an advantage during negotiations with a sense of exclusivity that limits potential partners' bargaining powers.
- The owner can control the timing and scope of the disclosure by keeping the IP confidential and by protecting confidential information, trade secrets and related sensitive business information.
- Maintaining confidentiality prior to completing a transfer helps to protect the owner's rights and interests and gives them better control over the process.

## How is technology transferred through Technology Licensing Office?

Technology Licensing Office has a specific process for technology transfer once an inventor has an idea or has created something:

- 1) **Invention disclosure:** Innovators have a responsibility to disclose any ideas or inventions that were created with significant support from the University of Utah. The disclosure form is available [online at the Technology Licensing Office website](#). Once you've submitted the form, you'll be assigned a technology manager who will review your disclosure.
- 2) **Invention evaluation:** Once we receive your disclosure form, the technology manager will follow up to discuss your:
  - a. Sources of funding.
  - b. Collaborators.
  - c. Plans for disclosing the invention to others.

Then Technology Licensing Office will review the patentability and marketability of the invention. We will also determine the ideal strategy for protection for any technology that has a high likelihood of moving out of the laboratory and into the marketplace. Our process for evaluation generally takes four months or less to complete. Note that some inventions do not necessarily need patent protection for commercialization, such as certain data sets and reagents.

- 3) **Protection for intellectual property:** Once the evaluation is complete and the technology meets the criteria for commercialization, Technology Licensing Office will then begin the process of protecting the intellectual property. These protections can include applications for a patent, trademark and/or copyright. We work with independent attorneys who specialize in IP protection; many of these attorneys also have a technical background.

An invention is patentable if it is novel, non-obvious and useful. "Novel" means "new." Non-obviousness is achieved if someone who is skilled in the art would not have thought of the idea easily. A new and useful process, machine, manufacture or composition of matter, or any new and useful improvement may be eligible for patent protection. Methods making use of concepts and ideas may be eligible for patent protection. On the other hand, concepts and ideas *per se* are not patentable.

- 4) **Technology marketing:** Following the patent application or other protection, Technology Licensing Office will consider looking for commercial partners for the approved inventions and identify the best and most suitable partner. The inventor may or may not choose to be involved in this part of the process.

If the commercial partner wants the rights to the invention, Technology Licensing Office will negotiate a licensing agreement. These partners are then called "licensees." They may be entrepreneurs, existing companies or investors who want to form a startup company. Successful marketing will depend on identifying the target market, which may include conducting market research and identifying the industry's key



influencers and decision-makers. Ultimately, the success of marketing new technologies that have come through technology transfer will depend on multiple factors, including the quality of the technology, the strength of the marketing strategy and the ability to effectively reach and engage with potential customers.

- 5) **Commercialization:** Most licensees continue to develop an invention to reduce risk and satisfy market requirements for customer adoption. This commercialization phase includes a go-to-market strategy that outlines how the technology will be marketed, sold and distributed. This strategy may vary depending on the product, any additional development and testing that's needed, available resources, and other variables. The commercialization process requires a combination of technical skill, business expertise and astute marketing.
- 6) **Royalty distribution:** While most inventions do not generate revenue, if the invention gets licensed, Technology Licensing Office manages the fee collection and distribution process. Technology Licensing Office will apply the initial royalties to cover any legal or patenting costs incurred. Additional royalties earned will be distributed among inventors and departments, according to the University of Utah's policy 7-002. Technology Licensing Office distributes royalty and investment income, per university policy, to inventors. Where possible, income is also re-invested into research grants and distributions to academic departments for commercialization development of future university inventions.

## What is Technology Licensing Office's role in technology transfer?

Technology Licensing Office meets and negotiates with potential inventors and entrepreneurs even before the submission of an invention disclosure. We work closely with inventors on the invention disclosure process and share valuable information gained from our various assessments. If a patent application is filed, we work closely with the inventor to either license it to industry or form a startup around the technology.

Technology Licensing Office considers multiple factors to determine if we will pursue intellectual property protection. However, Technology Licensing Office does not assess an invention's scientific merit. We review patentability and commercial opportunities to determine the next steps and the best actions going forward. When determining whether to file a patent application, Technology Licensing Office evaluates each invention according to [United States Patent and Trademark Office \(USPTO\)](#) guidelines. That is, all inventions must be new, useful and non-obvious.

## How long does the technology transfer process take?

Much will depend on the technology itself. The technology's complexity, regulatory requirements, any negotiations and agreements among the parties, and resource availability will govern the process and the time needed. Completion will also be contingent on what stage of development it's currently in, the target market, other potential competitors, needed work to get the technology to market-ready status and the resources and willingness of both the inventors and the licensees.

Some technology transfers may be completed relatively quickly, while others take longer. Finding the right licensing partner may take months—or even years—to complete before it's ever brought to the market.

## What is the role of the researcher and inventor in the technology transfer process?

Researchers and inventors play a crucial role in the technology transfer process. Their knowledge and expertise are critical for ensuring the successful transfer of technology from the lab to the marketplace.

Faculty, staff and certain graduate students at the University of Utah are required to disclose all inventions that could constitute intellectual property or copyrighted works to Technology Licensing Office by completing an invention disclosure form. Disclosure of inventions is critically important for all projects. It is often required by certain agreements or funding agencies, especially where funding comes from the federal government, a private foundation or a commercial sponsor. Federal law requires prompt disclosure of a technological invention. The university, inventors and involved companies could lose significant rights if disclosures are not made promptly.

Inventor involvement is important to the entire patenting and licensing process. Typically, inventors:

- Provide technical evaluation of previous patents and publications in their field.
- Supply information to the patent attorney to assist with writing the patent.
- Review draft applications and responses to patent office actions.
- Discuss technical aspects with interested companies.

We strive to keep inventors well informed during the process and will always consider your input when making decisions about protecting and licensing the invention. Unless otherwise agreed to with another party such as a licensee or research partner, final responsibility for all protection and licensing decisions rests with Technology Licensing Office.

## What happens if a faculty member or student has a useful technology or product but doesn't want to start a business? Is there still an advantage to patenting an invention?

The University of Utah's policy is that if a creator/inventor believes that their intellectual property has value, they are required to disclose their IP to Technology Licensing Office. Should they not wish to start a business, that's all they must do. But if the university decides to license the intellectual property, the inventors will share in the revenue generated from the commercialization, as per university policy. They will receive this revenue even if they only disclose the invention and participate in the patent prosecution process. Know that being an inventor on a patent adds to your reputation and may lead to additional opportunities.

## How can researchers and inventors assist with marketing materials and identifying potential licensees?

Technology Licensing Office uses many sources and strategies to identify potential licensees to market inventions. Sometimes existing relationships of Technology Licensing Office, the inventors and other individuals are useful in marketing an invention. We also employ market research to assist in identifying prospective licensees.

As the inventor and/or researcher, you are an essential part of the marketing process. The first step is developing marketing materials. These materials include a high-level overview of your invention, known as a “marketing slick,” and a list of potential licensees to contact. We will provide you with draft versions of both prior to beginning the marketing.

When you receive these documents, please review everything to ensure that:

- The marketing slick accurately depicts and describes the technology.
- The marketing list includes companies that may be interested in your technology or have an interest in it.

If you’ve already been in contact with a company about your technology, please let Technology Licensing Office know. We won’t reach out to companies with which you already have a relationship.

Your review of the marketing materials lets us make the most of our marketing efforts on behalf of your technology. We also assist researchers and inventors throughout the process. Let us know how we can help.

## What is the Bayh-Dole Act?

The United States government funds over \$30 billion in research and development activities every year. What happens to all that work? How does it benefit society in general?

Following [World War 2](#), the U.S. began to evaluate how much of the money spent on basic research benefitted the public. Eventually, the Bayh-Dole Act was passed in 1980 and created a uniform policy for all institutions of higher learning that accepted federal research funds.

The Bayh-Dole Act’s primary function is to encourage and promote the utilization of inventions and discoveries resulting from federally funded research. The act does this by allowing universities, small businesses and non-profit organizations to retain ownership of the intellectual property rights to these inventions and discoveries and to license them to third parties for commercialization into the marketplace.

This means that universities, research institutes, small businesses and nonprofits can own the inventions they create using federally funded research. In return, they are required to report each disclosed invention to their funding agency. The number of these technologies that have been patented, licensed and commercialized through university technology transfer departments like Technology Licensing Office has grown exponentially. The Bayh-Dole Act allows the University of Utah to utilize licensing

revenues to support patenting and licensure, pursue additional research and education, while the inventors can earn royalties.

After Marcella Bayh, wife of Indiana Sen. Birch Bayh, was diagnosed with cancer in 1971, the senator became aware of federally funded inventions and medications that could have helped his wife through her treatment. Ultimately, she passed away in 1979. The senator discovered that many of these were created at universities using federal funds. This meant that the government owned the patent to all of them. He also found that of the 28,000 patents that were government owned, only 5% ever made it into the private sector.

Working with Sen. Bob Dole, Bayh created the Bayh-Dole Act, allowing those businesses and universities to profit from their inventions that came from federally funded research.

## What does Bayh-Dole mean for U researchers?

Below are requirements universities and small businesses are required to meet to continue owning federally funded discoveries. It is extremely important to note that **in the 42 years that the Bayh-Dole Act has been law march-in rights have never occurred.** Although some special interest groups have tried, they have never been successful.

PIs receiving funding from any government agency are required to submit reports throughout the life of the grant and after the grant is closed. The Bayh-Dole Act requires universities' tech transfer offices to report any subject inventions to government agencies.

A "subject invention" is defined as any invention the contractor conceived or first actually reduced to practice in the performance of work under the grant or contract. There are four time-sensitive requirements required by Bayh-Dole that Technology Licensing Office monitors closely:

1. **When a PI discloses a technology claiming federal funding, Technology Licensing Office verifies an Assignment Agreement has been executed by all inventors.** (Note: this is also the policy of the University of Utah whether federal funding is involved or not)
  - a) 37 C.F.R. 401.14 (f) (2) *"The contractor (U of U) agrees to require, by a written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the contractor each subject invention made under contract in order that the contractor can comply with the disclosure provisions of paragraph © of this clause, to assign to the contractor the entire right, title and interest in and to each subject invention made under contract, and to execute all papers necessary to file patent applications on subject inventions and to establish the government's rights in the subject inventions..."*
2. **Report all subject inventions to the agency no later than 60 days after disclosed to our office.**

- a) What is a Subject Invention? 35 U.S.C. § 201(d) - *“Any invention of the contractor conceived or first actually reduced to practice in the performance of work under a funding agreement: Provided, that in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act (7 U.S.C. 2401(d))) must also occur during the period of contract performance.”*

**Exceptions** - *Inventions made exclusively with scholarship, fellowship, or training funding awards that are primarily for educational purposes should not be reported.*

**3. Technology Licensing Office must advise the funding agency if we will elect title or waive title to the government two years from the disclosure date unless there is a publication, sale or public use. Then, the period to elect title is shortened to no more than 60 days.**

- a) 35 U.S.C. § 401.14 (c) (2) *“The Contractor will elect in writing whether or not to retain title to any such invention by notifying the Federal agency within two years of disclosure to the Federal agency. However, in any case, where publication, on sale or public use, has initiated the one-year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title may be shortened by the agency to a date that is no more than 60 days prior to the end of the statutory period.”*

**4. Technology Licensing Office is required to file a first patent application no later than one year from the title election date. Each patent filed must include the “Government Support Clause” exactly as written by the statute.**

- a) 37 CFR 401.14 (c) (3) *“The contractor will file its initial patent application on a subject invention to which it elects to retain title within one year after the election of title or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. If the contractor files a provisional application as its initial patent application, it shall file a non-provisional application within 10 months of the filing of the provisional application. The contractor will file patent applications in additional countries or international patent offices within either ten months of the first filed patent application or six months from the date permission is granted by the Commissioner of Patents to file foreign patent applications where such filing has been prohibited by a Secrecy Order.”*

In addition to the above time sensitive requirements, Technology Licensing Office must submit “Utilization Reports” to any agency requesting. This report can only be requested by the agency once a year. Apart from Defense Advanced Research Projects Agency (DARPA), Technology Licensing Office signed a pledge to submit these reports yearly for the University of Utah in July after the end of our fiscal year.

- a) 37 C.F.R. 401.14 (h) *“The Contractor agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the contractor or its licensees or assignees....”*

- b) *A "Utilization Report" gives the agency an in-depth look to see if the taxpayer's money is producing a product that will benefit the public. The agencies are required to report on this. Products developed because of federal funding look positive toward the agency. This is reviewed each year to determine what amount of funding the agency will be awarded in the coming year.*

EVERY grant requires a **Final Invention Statements (FIS)**. This statement reports to the agencies whether an invention has been submitted to the tech transfer office and if patents were filed.

1. The FIS is required throughout the grant's life and at the end of a grant's life. Technology Licensing Office works closely with the university's Office of Sponsored Projects (OSP) to assist the PI to meet this obligation. The PI should request this from their grant officer and advise the grant officer whether the PI has reported any inventions/patents in interim reports. The grant officer will work with Technology Licensing Office to obtain the information needed. Technology Licensing Office will submit the FIS in eCommons for NIH grants. OSP handles all other FIS after receiving the authorized signature from Technology Licensing Office.

Approximately 30 agencies require that the reporting be submitted to the iEdison database. This database was recently taken over by National Institute of Standards and Technology (NIST) who did an excellent job of updating the design to meet the needs of both the users and receivers. Some of these agencies are Army, DOE, DOD, Navy/ONR, NIH, NSF and others.

American Association for Cancer Research, American Heart Association, Alzheimer's Association, Parkinson's Foundation and others request reporting be completed in ProposalCentral. When you have been awarded a grant from an agency through ProposalCentral, the name of the Technology Transfer Officer should be **Debbie Arnold**.

Yet, other agencies require reporting through their own databases. Several of our PIs have been awarded funds from Junior Diabetic Research Foundation. JDRF has its own database. NASA is another branch of the government that has its own specific database for reporting.

## **Research, material transfer, non-disclosure and consulting agreements**

## Sponsored Research Agreements

A Sponsored Research Agreement (SRA) is an agreement between the University of Utah, and a company or other party outside of Technology Licensing Office that defines the terms under which the sponsor will fund research conducted at the University. These agreements usually identify the principal investigator, define the scope of the research project, list the amount of funding and more. However, there are other key terms in the agreement that define the ownership rights of any intellectual property that's created during the sponsored research.

At the University of Utah, all sponsored research agreements are negotiated by OSP (Office of Sponsored Projects). Technology Licensing Office also reviews the intellectual property terms in SRAs to ensure compliance with the university's policy, 7-002, and related policy guidelines, and to ensure that any background intellectual property is accounted for.

## Inter-Institutional Agreements

An Inter-Institutional Agreement (IIA) is one between two academic institutions who have engaged in joint research resulting in jointly owned intellectual property and includes terms for jointly managing all intellectual property developed during the research project. IIAs frequently include the terms that define which institution will lead any patent filing activities, how the patent expenses will be shared and the division of any revenue that's generated from the IP. Confidentiality agreements, pre-negotiated IP licensing terms and pre-negotiated material transfer terms are also often included. IIAs are especially useful when researchers move from one institution to another but continue their research at their new institution.

## What if a researcher requests materials from me?

Notify them that the next step is a [material transfer agreement \(MTA\)](#). This must be completed before you can send them any materials. The researcher(s) can use the online form or [contact Technology Licensing Office directly](#) for more information. Once we have the required information, we will complete the paperwork and process and notify you when you can transfer the materials to the researcher.

## Material Transfer Agreements

A Material Transfer Agreement (MTA) is an agreement that governs the transfer of materials from one institution to another to support a research project. MTAs typically include the terms that define the ownership or specific rights to use the materials and how any derivatives or new developments created by the recipient institution will be handled. An MTA may also include terms of confidentiality that specify what's allowed to be published about the transferred materials.

Many areas of research need researchers to openly share their results with other researchers to foster progress in that field. Technology Licensing Office understands this and works to avoid limits on research by existing intellectual property policies. That means researchers are required to document anything shared with other researchers and collaborators, and an outgoing MTA is required. For materials being provided by outside collaborators, the outside entity will often require an incoming MTA. A confidential disclosure agreement may also be required to protect intellectual property or research results.

Carefully document dates and conditions of use for your intellectual property so that Technology Licensing Office can determine if this use will influence the commercialization potential of your subsequent research results and the rights of other involved institutions or entities.

### May I use material from others in my research?

If you need to use materials from another researcher or source, contact Technology Licensing Office, and we will help answer this question on a case-by-case basis. Much will depend on the material itself, who generated it and who owns the material. We will take steps to ensure that your use of others' materials is done correctly. Some cases may require a Material Transfer Agreement or other agreement with the party that owns the material before going forward.

### What if a company wants to talk to me about my research?

Contact Technology Licensing Office before giving any details to the company. We will arrange a Confidential Disclosure or Non-Disclosure Agreement (CDA or NDA) that will immediately protect your intellectual property rights. Additionally, we may be able to establish a partnership with the company that will benefit your continued efforts for more research and licensing.

### Who can sign a Non-Disclosure Agreement (NDA) or Confidential Disclosure Agreement (CDA)?

A Non-Disclosure Agreement (NDA), a Confidential Disclosure Agreement (CDA) or other confidentiality agreement is an agreement between the University of Utah and an outside entity (company or person) to facilitate discussions of confidential information. For companies, sharing their business needs and development problems can lead to developing solutions with university personnel, but a company would not want such confidential



information revealed to their competitors or inadvertently used to their disadvantage. For universities, maintaining confidentiality is important for preserving intellectual property and other rights. Other parties may include prospective licensee companies, research sponsors, research partners, etc. The agreements establish a legal expectation that both parties will keep certain information provided (one-way agreement) or shared (two-way agreement) secret and use it only for an agreed purpose.

Under University of Utah policy, signature authority for any university contract, including a confidentiality agreement, must be delegated by the cognizant vice president. Faculty are not allowed to sign CDA's on behalf of the U unless explicitly given this authority. Those who can sign confidentiality agreements for Technology Licensing Office include the chief innovation and economic engagement officer and the director of the contracts team.

## How are consulting agreements handled at Technology Licensing Office?

When faculty or staff enter into consulting agreements, they remain bound by all university policies and procedures regarding the disclosure and ownership of existing and potential intellectual property. Because the university is not a party to the agreements, consulting agreements are not negotiated by Technology Licensing Office. However, we provide guidelines for faculty to better understand the process.

Researchers who enter into consulting agreements should familiarize themselves with university policies relevant to consulting activities. A researcher is expected to ensure that the terms of a consulting arrangement are consistent with the university's policies, including those related to IP ownership, employment responsibilities and use of intellectual property. Technology Licensing Office is available to provide informal advice on how a consulting agreement relates to the university's intellectual property you have created.

# OSP

## OFFICE OF SPONSERED PROJECTS

<https://ops.utah.edu>

OSP supports University of Utah faculty through effective management of extramural sponsored proposals and awards funded by federal and state agencies, foundations, and other public and private sources. OSP is primarily responsible for interpreting and ensuring compliance with University policy, proposal and award terms and conditions, and applicable federal and state laws and regulations. OSP reviews and submits proposals on behalf of the University. We also draft, negotiate, and sign sponsored agreements and subawards.

### OSP Research handbook:

The OSP Research Handbook, is designed to assist new and established investigators in the conduct of research. The handbook seeks to support the University's research effort by providing guidance regarding the development and administration of sponsored projects; inform investigators of their roles and responsibilities in research administration and compliance, and to indicate the roles of staff in supporting the research effort.

<https://osp.utah.edu/policies/handbook/index.php>





# Disclosure overview

## What is a disclosure?

When a University of Utah researcher (including faculty, staff and some students) creates something, they are required to disclose this invention to the University through Technology Licensing Office.

Within minutes, you can disclose your idea on our website:

<https://technologylicensing.utah.edu/disclose/>. Once submitted, a Technology Licensing Office team member will be assigned to review your disclosure.

It is critical that you complete every section of the disclosure in as much detail as possible. Please include all dates of any upcoming publications or other public disclosure describing the invention.

A team of experts will evaluate the invention stage of development, market size, commercial opportunity, intellectual property protection options, funding requirements and the likely commercial path. A comprehensive analysis is compiled into a “triage report” that is reviewed with the inventor to help them understand the potential of the invention and next steps.

By submitting an invention disclosure, the inventor enables Technology Licensing Office, if the university pursues its interest in the technology, to offer assistance and support throughout the commercialization process.

If you have any questions, please contact Technology Licensing Office at 801.581.7792.

## What is the pre-disclosure period of technology transfer?

This is the period where Technology Licensing Office works with inventors prior to the time they submit a formal invention disclosure.

## What takes place during the pre-disclosure time frame?

During pre-disclosure, Technology Licensing Office provides informative resources to U researchers and inventors. We answer questions regarding entrepreneurship, innovation, intellectual property and commercialization of intellectual property. We can also coach inventors on what information is needed to file a complete and acceptable invention disclosure.

## What should researchers consider prior to filing an invention disclosure?

Researchers should consider the specific problem that the invention is addressing and solving. How does the invention measure up against existing solutions? Is it better than

previous attempts to solve the same problem? Once reaching this conclusion, the next step is to consider how they would teach a peer about this invention.

## Should researchers make public disclosures during the discovery period of their research?

Absolutely not! A researcher should not make any public disclosures about the innovation and keep detailed records of the development. Everyone involved with the research and project should keep lab books with their entries signed, dated and witnessed. Researchers should also be familiar with [the University of Utah's policies on patents and inventions](#).

Public disclosures can include journal publications, website publications, presentations at conferences, posters, dissertation/master thesis and abstract publication. If you have questions about this, please [contact Technology Licensing Office to discuss](#).

## When should a researcher contact Technology Licensing Office?

As soon as possible. Early disclosure to Technology Licensing Office offers resources, assistance and support throughout the process of commercialization. The process starts when you submit a confidential disclosure form which ensures legal compliance where needed and allows us to supply intellectual property protection during the commercialization process.

If you have questions, you can speak with someone from Technology Licensing Office prior to submitting your disclosure form. Since no two inventions are identical, each case will be different and handled accordingly.

## When should a researcher complete and submit an invention disclosure?

Immediately. Any faculty, staff or certain students who believe they may have created an invention or have a novel idea is required to disclose the nature of invention and provide background information and literature to Technology Licensing Office.

An invention disclosure should be submitted to Technology Licensing Office once a researcher can concisely define the invention. The invention disclosure form should always be submitted prior to public disclosure. To avoid overlooking disclosure of inventions, researchers should err on the side of inclusion and have Technology Licensing Office secure a professional evaluation.

## If I think I invented something, do I have to disclose it to the university?

Yes—it's a requirement for the university, federal law and many funding agencies.

University of Utah faculty, staff and students are obligated to disclose intellectual property they've created while at U that has potential commercialization or other value, as a part of their employment agreement. Creators can [share in the royalty and investment income](#) that's generated from your intellectual property. By disclosing your invention, you can share in revenue generated from your intellectual property.

Sponsored research agreements also require disclosure of intellectual property that's created or generated during the sponsored research project. If you're not sure whether your intellectual property has any commercial value, contact us at 801-581-7792 to discuss.

## How do I disclose my invention to the U?

Go to Technology Licensing Office website and [use the online disclosure form](#). Answer the questions with as much information as possible. You can save your form and return to it later, if necessary.

Your disclosure should list all sponsors of the research and should include all the information necessary to pursue intellectual property protection and commercialization activities. It is critical that each section be completed in as much detail as possible to avoid delays in processing. You should also note the date of any upcoming publications or other public disclosure describing the invention. This document will be treated as confidential. Shortly after your submission, you will be contacted by a technology manager to discuss the invention and its potential commercial applications.

## How do I know if what I created is a patentable invention?

There is no standard answer to this question. What constitutes a patentable invention under U.S. Patent Law is technical and complex. To be a patentable invention, a creation must be:

- **Novel**, or new, not publicly disclosed or known.
- **Non-obvious**, that is, not obvious to a person who has skill in the relevant field.
- **Utility**, useful and have a practical use.
- **Be part of patentable subject matter:**
  - Machines
  - Processes
  - Compositions of matter
  - Articles of manufacture
- **Be developed** to the point where the invention could be used by someone who has skill in the field or skilled in the art.

Technology Licensing Office can help you determine whether your invention is patentable or another protectable form of intellectual property, such as a trade secret, a trademark or copyright.

## Will disclosing my invention prevent me from publishing my work?

No. However, the University of Utah's policies require that a patent application must be completed prior to publication. This also means that creators and inventors must submit a disclosure form to Technology Licensing Office prior to publication and notifying any outside parties.

Without this disclosure, the inventor and the university may have valuable intellectual property rights compromised if anything is disclosed before filing the patent application. Technology Licensing Office works with outside patent counsel to ensure that intellectual property rights are protected.

We encourage creators to contact us and disclose their inventions as early as possible and in advance of any planned publications or public disclosures. We can work with you to prepare a provisional patent application and file it immediately, if necessary.

## If I invented a research tool or software, should I disclose those types of inventions as well?

Yes. When someone develops software, a research tool or anything else with potential commercial or other value, they are required to disclose that invention and information to Technology Licensing Office. These research tools can include:

- Antibodies
- Vectors
- Plasmids
- Cell lines
- Mice
- Other materials used as “tools” in the research process

Research tools do not necessarily need to be protected by patents to be licensed to commercial third parties and generate revenue for your laboratory. Other research tools (i.e., a new separation process) may require patent protection for a company to invest in engineering development to make the process broadly useful. If you have research tools which you believe to be valuable, Technology Licensing Office will work with you to develop the appropriate intellectual property protection, licensing and distribution strategy.

## Should I submit an invention disclosure for a composition of matter (e.g., reagent or materials) that is not commercially available?

Yes, definitely! Section 101 of patent law specifically defines a composition of matter as an invention that is patentable. However, even compositions of matter that are not patentable may still have great commercial potential. The requirements still apply for novel, non-obvious and other criteria listed above.

## What if I created an invention with someone at another institution?

You must disclose all the parties that contributed to the creation of your invention. Under U.S. Patent Law, inventorship must be disclosed and accurate. Technology Licensing Office will assess each situation and seek assistance from outside patent counsel to determine the parties whose contributions can be considered “inventors.” The University of Utah frequently works to protect intellectual property that is developed in conjunction with other institutions.

## What kind of information do I need to provide when I disclose my invention?

Any information in your possession that directly or indirectly describes the invention, including:

- Grant progress reports.
- Grant proposals.



- Lab notebooks.
- Presentation slides, papers, and abstracts.
- Presentation video or audio recordings.
- Published and unpublished papers.
- Sketches.
- Test results.
- Thesis papers.
- White papers.

At the time of disclosure, you'll be asked to answer a series of "What, Why, and How" questions. These are intended to ensure that the most important aspects of your invention are properly disclosed, such as:

- What problem does the invention solve?
- What are the existing solutions to this problem? What are the issues with these existing solutions?
- Describe the invention and its features, including characteristics that distinguish the invention from related technologies.
- Describe the advantages of this invention. Explain how this technology meets an unmet need, reduces cost, or improves quality.

## If my research is sponsored, privately or by government funding, do I need to inform my sponsor if I invent something?

University of Utah's policy requires creators to submit a completed invention disclosure form to Technology Licensing Office prior to notifying any outside parties, including potential sponsors. If disclosure is required under the terms of a Sponsored Research Agreement (SRA), we will provide a copy of the invention disclosure to that sponsor. Generally, a creator is permitted to informally notify the sponsor of that creation after submitting the invention disclosure and consulting with Technology Licensing Office.

## Can I discuss my invention with colleagues outside of the U? Is that a public disclosure?

It can be, depending on the circumstances. If you're discussing your work with colleagues outside of the U, it's best practice to discuss your work under a Non-Disclosure Agreement and possibly an Inter-Institutional Agreement that includes confidentiality provisions. Without these agreements, the discussion would generally not be considered public disclosure if there is an expectation of privacy.

What this means is that if you disclose this confidential information in a private conversation with a colleague outside of the U, it would likely not be considered a "public disclosure." That changes if you were to visit the colleague's lab or other facilities and have the same conversation with students, lab assistants, post-docs, and others present. That scenario could be deemed a public disclosure. If you are unsure, please contact Technology Licensing Office prior to discussing anything related to your invention to colleagues outside of the U.



# Ownership of intellectual property

## Who owns what I create while working at the U?

The University relevant policy, 7-002 states that the university owns inventions, discoveries and improvements made by faculty, staff and other university employees as a result of either university research, non-incident use of university resources or, in most circumstances, inventions within an employee's area of expertise.

This means that if any intellectual property was developed and created by an employee of the University of Utah in one of these areas, ownership of that intellectual property is with the university. This can include something invented at university facilities or under the supervision of U personnel. Each inventor is required to assign their rights to the intellectual property to the university, including faculty, staff and fellows who have an appointment here.

For additional information, please refer to university policies which can be found on [our University Guidelines page](#). The University of Utah policy 7-002 governs any conflict between this guide and the University policy.

## Who owns rights to discoveries made while I am consulting?

In most cases, a written agreement will administrate ownership of intellectual property rights to discoveries made during consulting. Technology Licensing Office can assist with negotiating a consulting agreement prior to consulting work for a third party. If there is no agreement in place, ownership must be determined in light of the facts of the case, the U's policy 7-002 and possibly the relevant laws regarding intellectual property.

## Who owns the rights to discoveries I made while on sabbatical?

Discoveries made while on sabbatical are the property of the University of Utah as outlined in U Policy 7-002.

## Should I list visiting scientists on my invention and technology disclosure?

Yes. All parties who contributed to an invention or creation may be considered creators or inventors, including visiting scientists, and should be listed in the disclosure. All individuals providing meaningful contributions to the ideas leading to a discovery should be mentioned in the disclosure, even if they are not university employees. Technology Licensing Office will determine the rights of such persons and institutions.



## Can students contribute to an invention?

Yes. Anyone can potentially contribute to an invention if they assist in the conception and/or development of the invention's subject matter. Inventorship requires a highly technical analysis of patent claims included in the patent application. But in some cases, contributions do not rise to the level of inventorship.

## Will the University of Utah sign a waiver of rights when I have invented something that falls outside U policy?

Technology Licensing Office must review the precise facts and details surrounding each request for a waiver of rights separately. For additional questions please reach out to Technology Licensing Office.



# Intellectual property at the University of Utah

## What is Technology Licensing Office's assessment process after an invention is disclosed?

After a U researcher discloses a new invention or discovery, Technology Licensing Office will work closely with the inventor to perform a technical and commercial evaluation of the invention. This generally includes patent and literature searches and may include confidential discussions with internal and external experts.

The decision to pursue patent protection is based upon these three factors:

- Patentability.
- The ability to enforce the patent.
- The invention's marketability and commercial potential.

The first step of the evaluation is a meeting between the researcher and their Technology Licensing Office representative. This will help give the Innovation Management and Commercialization team a greater understanding of the invention's technical merits.

At this time, we will also begin the initial market research. The inventor will be contacted by the Innovation Management and Commercialization teams to discuss the commercial application. This evaluation generally takes 60 days or less to complete.

Technology Licensing Office works to keep the process simple while assisting inventors and handling the potential commercial value of their invention. We ask researchers and inventors whether someone would pay money for their technology creation. Should they answer "no," it doesn't mean they should cease pursuing research for that technology; it only means that their creation or invention may have a lower potential for commercialization. Whatever the answer, we ask them to consider their answer and how their technology can be modified so that they can give an absolute "yes" for an answer.

## How does the University of Utah protect intellectual property when appropriate or necessary?

Technology Licensing Office will take steps to protect intellectual property if it meets our evaluation criteria and when protection is needed to commercialize the technology.

Should Technology Licensing Office decide to file for and pursue patent protection, we will engage an outside law firm that specializes in the subject matter of the invention. The law firm, with the inventor's assistance, will identify the inventors and construct claims and submit the required paperwork to [the U.S. Patent and Trademark Office](#) along with any applicable foreign patent offices determined after consultation with the university and the inventor. The inventor works personally with these attorneys to review drafts and

to ensure that the technology is thoroughly understood and explained. Generally, it takes one to three years for a patent to be issued or denied by the U.S. Patent Office.

All intellectual property is assigned to the University of Utah Research Foundation (UURF) as dictated by university policy.

## How does Technology Licensing Office market my invention?

Technology Licensing Office utilizes many sources and strategies to identify potential licensees to market inventions. Sometimes existing relationships of Technology Licensing Office, the inventors and other individuals are useful in marketing an invention. We also employ market research to assist in identifying prospective licensees.

Focused marketing determines the appropriate commercialization strategy for innovations or groups of innovations and finds the best fit among potential licensees. The goals of Technology Licensing Office marketing and licensing are to maximize the benefits of the relationship to all parties and to get the innovation to market as quickly as possible.

Technology Licensing Office works closely with the inventor to define commercial applications and to identify potential licensees. Specific marketing actions taken by Technology Licensing Office can include the bundling of complementary inventions, pursuit of leads provided by the inventor and other sources, inclusion on Technology Licensing Office website and other appropriate activities where resources are available.

## How does licensing work at the U?

Inventors have multiple options for licensing and commercialization. The right option will depend on marketplace conditions, the characteristics of the technology, expertise of the potential entrepreneurs and availability of financing.

The terms of license agreements vary but may include equity, up-front fees payable to the University of Utah, royalty percentages and schedules that are payable over several years, or additional research funding with options to license the resulting technology.

## How are royalties distributed?

Technology Licensing Office distributes royalty and investment income to inventors, according to university policy. Income is also invested into the commercialization of future university inventions, if possible. Initial royalties are used to cover any legal or patenting costs incurred during the process. Additional earned royalties and applicable shares are distributed to inventors, departments, and the University, according to policy.

## How and when does the U reinvest proceeds?

The technology transfer and commercialization process at the U is a continuous cycle through which research is transformed into marketable products and services in the marketplace. The proceeds from licensed technologies are reinvested in future research and innovation.





# Patents

## What is a patent?

Patents are granted by countries to provide certain rights to the patent holder. In the United States, patents are issued by the [United States Patent and Trademark Office \(USPTO\)](#) and are a 20 year grant of rights.

The right granted by a United States patent is "the right to exclude others from making, using, offering for sale, or selling" the invention in the United States or "importing" the invention into the United States. Similar rights are granted by other countries, on a per country basis. Once a patent is issued, the patentee is responsible for enforcing the patent without the help of the USPTO.

The three types of patents are:

- **Utility patents**, which may be granted to anyone who invents or discovers any new and useful process, machine, article of manufacture, composition of matter or any new and useful improvement thereof.
- **Design patents**, which may be granted to anyone who invents a new, original and ornamental design for an article of manufacture.
- **Plant patents**, which are granted to anyone who invents or discovers a distinct and new variety of an asexually reproducing plant in an uncultivated state.

Obtaining a patent involves considerable costs. Between USPTO filing fees and associated attorneys' fees and costs, filing a patent in just the U.S. can cost between \$10,000 and \$50,000. International patent filings are even more expensive since they can involve a larger number of countries and often involve foreign attorneys and translations. A multi-nation filing can easily cost well over \$100,000. Additionally, there are annual fees charged by foreign patent offices, increasing the total cost over the lifetime of a patent even more.

Fortunately, Technology Licensing Office can help. Prior to a license, the university pays the costs of patent preparation, filing, prosecution and maintenance. Once a technology is licensed, the university will typically transfer the associated costs to the licensee.

All IP is assigned to the University of Utah Research Foundation as dictated by university policy, and the university then owns the patent.

## What kind of research is patentable?

The USPTO states that for an inventor to receive a patent, a technology must be novel, useful and non-obvious.

"Novel," of course, means new. Non-obviousness is achieved if someone who is skilled in the art would not have thought of the idea easily. A new and useful process, machine, manufacture or composition of matter, or any new and useful improvement may be eligible for patent protection. Methods making use of concepts and ideas may be eligible



for patent protection. On the other hand, concepts and ideas per se are not patentable. Examples of patentable subject matter include:

- Apparatus
- Coatings
- Circuits
- Polymers
- Systems
- Controllers
- Sensors
- Detectors
- MEMS
- Nanotechnologies
- Diagnostics
- Therapeutics
- Designs
- Methods
- Compounds
- Processes
- Gene Therapies
- Small Molecules
- Medical Devices
- Transgenic Animals

NOTE: this is not a complete list of what can be patented. If you have any questions about the patentability of your research, please contact Technology Licensing Office.

## What is prior art?

You may not be the first inventor to think about the problem your idea or invention solves. Anything that is submitted for a patent must be at least novel (new) and non-obvious. Anything that is made available or disclosed to the public that might be relevant to your invention, including references, documents, demonstrations, unrestricted discussions or offers for sale is called "prior art." Prior art can come in many different forms, including journal publications, patent applications, U.S.-issued and foreign patents. Prior art is also any type of evidence about an existing invention that is already known.

Because an inventor understands what their invention involves, they should also know as much about prior art as possible. It's possible that a previous researcher or inventor has at least written about a prior incarnation of the technology. They may have even described or created something that is similar or even close to the invention. Journal articles, internet searches, other patents (including foreign patents) and other publicly available information are some ways to search for prior art. Technology Licensing Office conducts a thorough prior art search with an outside law firm. Researchers can also search [the U.S. Patent & Trademark Office](#) website.

## What is the United States Patent and Trademark Office (USPTO)?

The USPTO is a federal agency that grants U.S. patents for applicants for their inventions and registers trademarks to identify the source of products and/or services provided by a trademark holder. The USPTO has a searchable online database for both [patents](#) and [trademarks](#).

## What is a foreign patent?

A foreign patent is a patent granted by a country outside of the United States. Each country has its own laws, regulations, rules, procedures, and protections for patents that are different than U.S. patent laws.

Most (but not all) countries in the industrialized world are part of the [Patent Cooperation Treaty](#), or PCT, which allows inventors a procedure for filing a single application to preserve the ability to request patent protection simultaneously in as many as 150 countries. When you file a PCT Application at a central processing office, it establishes a filing date at each country's patent office. You are then able to enter the "national phase" where you designate in which foreign countries you want patent protection. A nationalized patent in a specific foreign country can be obtained upon satisfying the rules and regulations of that country.

## Do the rights granted by a United States patent extend to foreign countries?

No. A U.S. Patent does not guarantee protection in another country. The rights granted in a U.S. Patent will only extend throughout the U.S. and its territories. An inventor who wants to protect their patent in other countries must apply for a patent in those countries or in regional patent offices.

There isn't a single "international patent" that covers an invention worldwide. Most other countries have their own versions of patent laws. Therefore, an inventor must apply in those countries where they want to have additional patent protection, in accordance with the individual country's requirements. The rules are similar for trademarks and other types of intellectual property in each jurisdiction.

## What are some benefits of filing a PCT application?

A PCT application allows you to do one application for foreign patents in as many countries as you like that participate in the PCT.

Using a PCT application simplifies the process of applying for foreign patents in multiple countries simultaneously. When you file the PCT application, you will be given additional time to decide in which countries in which you want to seek patent protection for intellectual property.

When you file a PCT application, you'll also save money over filing directly in each country, preserve your ability to obtain patent protection in participating foreign countries and save time.

## Is there something called a provisional patent?

No, but there is something called a provisional patent application that is used to establish the effective filing date of your patent application. The USPTO does not examine a provisional patent application, which is only effective for one year. This allows you to use the term "patent pending" until you file a formal, non-provisional patent application. The non-provisional patent application must be filed within one year of the provisional application.

During the one-year provisional period, the technology can be publicly disclosed and marketed with the “patent pending” notation. However, you should not disclose anything not covered by your provisional patent application.

Following the provisional period, Technology Licensing Office must decide whether to convert the provisional application to a regular, non-provisional one. If not, the provisional filing date will be lost. Public disclosure of the technology during the provisional period without a non-provisional application at the end of the year may mean the loss of the patent.

## What is the difference between a provisional patent application and a regular (utility or non-provisional) patent application?

The provisional patent application is only used to establish a formal filing date for the technology for one year. One would file a provisional application to be the first to invent something over any other applications. This application is not examined and never turns into a granted patent. It does not have the same formalities of the regular, non-provisional patent application and does not require any patent claims.

The regular, non-provisional patent application finishes the patent process and allows the inventor to obtain patent protection of their intellectual property. This application includes a set of patent claims to be searched and examined by the USPTO and may eventually lead to a patent.

## What's the difference with foreign patent protection?

Patents are territorial. That is, a U.S. patent only provides protection inside the United States. To have patent protection outside the United States, an inventor must submit patent applications in each country where they want protection. That's where the PCT application comes in. It allows a single application meeting the PCT requirements to be filed in most countries. However, Technology Licensing Office's outside patent counsel also engages law firms in each country where we file a patent application to assist in the prosecution of the nationalized patent in the relevant foreign country.

## What is the timeline of the patenting process and resulting protection?

The USPTO reports that it can take at least about 22 months to have a patent granted after filing. Canadian patents can take as long as 37 months. Patents are generally issued between 18 and 42 months after the application is filed. Once a patent application is filed, the patent is considered "patent pending," and you can create, license, market and sell the product.

The exceptions are applications designated as Track One, which can obtain prioritized examination upon payment of additional fees to the USPTO. Track One applications are often granted within a year of filing.

Patent protections last for a specific duration, following the initial filing date:

- **Design patents:** 15 years (from grant)
- **Plant patents:** 20 years
- **Utility patents:** 20 years

Prior to a license, the university pays the costs of patent prosecution and maintenance. Once a technology is licensed, the university will typically transfer the associated costs to the licensee.

The USPTO requires maintenance fees to be paid at 3½, 7½, and 11½ years after grant to keep the patent in force. Otherwise, the patent will expire.

## What is a Notice of Allowance?

A Notice of Allowance good news. Once your patent application has been examined and approved by the USPTO, a Notice of Allowance will be sent, indicating that you have approval

for the patent. It does *not* mean that your patent has been issued. Included in the letter is this statement:

“THIS NOTICE OF ALLOWANCE IS NOT A GRANT OF PATENT RIGHTS. THIS APPLICATION IS SUBJECT TO WITHDRAWAL FROM ISSUE AT THE INITIATIVE OF THE OFFICE OR UPON REQUEST BY THE APPLICANT.”

At this point, you'll need to pay the issue fee within three months of the date of the notice for your patent to be issued, and there is no grace period. Then, your patent will be granted.

This notice consists of three pages, with the second being the remittal letter complete with the necessary fees to issue your patent. If the USPTO does not receive payment, they will consider the application to be abandoned, and the application dropped.

## Can an invention be corrected once a patent is granted?

You can, depending on what type of error is involved.

Typographical errors can be corrected by filing a certificate of correction with the USPTO. There is a required fee, and a certificate of correction will be issued. This is only in cases where there are no changes to or new matter added to the application.

In patents with multiple owners or inventors, mistakes may occur. To amend the name of the inventors, you can submit a Recordation Cover Sheet to the [USPTO's Assignment Recordation Branch](#). You can submit this form while the patent is under examination or after it has been issued. Uncorrected, the error can cause legal problems later if you're required to defend your patent in court to stop infringement.

If a patent contains substantive defects, the owner can request to amend the patent if the defect causes the patent to be deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing or by reason of the patentee claiming more or less than they had a right to claim in the patent. However, new matter cannot be added to the application. Upon approval of the amendments, a reissue patent will be granted by the USPTO. The reissue will replace the original patent and will only be in force for the rest of the unexpired period of the original patent.

## What is a maintenance fee?

These annual fees are required to keep the patent active. Maintenance fees are levied on all utility patents in the U.S. The fees are due at 3½, 7½, and 11½ year intervals from the date of the patent grant.

## How many years does a patent last?

A utility patent, the most common type, has a lifespan of 20 years from the date that the application is filed. Plant applications are also 20 years from the date of the application's filing. Design patents last 15 years from grant unless they were filed before May 13, 2015. In some cases, the patent's term can be extended.

This time frame is the period when a patent owner can obtain damages from another for unauthorized infringement of their patent. However, a patent's protection is contingent upon the required maintenance fees being paid, or the patent will expire. These fees must be paid at the intervals described above to keep the patent active. If not, the patent protection expires.

## What happens when a patent expires?

After a patent expires, the protection afforded by a patent is no longer in force, and the invention is now in the public domain. This means that anyone can now use the patent, sell, offer for sale or import the invention without the patent owner's permission.

Owners can only sue for infringement if the infringement occurred before the end of the patent term. The statute of limitations on such an action is six years following the act of infringement. Because an infringement could lead to lost sales, it's important for a patent holder to act immediately to file an action against the other party.

## Will the University of Utah initiate or continue patenting activity without an identified licensee?

Yes. Because of the desire to publish research results, patent activity is typically commenced and pursued by Technology Licensing Office without an identified licensee. If it is later determined that no viable commercial pathway remains, we may discontinue pursuit of a patent for that specific research.

A licensee is chosen based on its ability to commercialize technology for the benefit of the public. Sometimes an established business with experience in similar technologies and markets is the best choice. In other cases, the focus and intensity of a startup company is a better option.

## Who decides what gets protected?

This determination is based on the scope of the invention, its patentability and commercial merit. The decision is made based on the recommendations of Technology Licensing Office in consultations with the inventor(s).

## What does it cost to file for and obtain a patent?

A patent isn't free, and there are considerable costs involved. Between USPTO filing fees and associated attorneys' fees and expenses, filing a patent in the U.S. alone can cost between \$10,000 and \$50,000. International patent filings are even more expensive as they cover a larger number of countries and involve foreign attorneys and occasionally translations.

A multi-nation filing can easily cost well over \$100,000. Additionally, there are annual fees for each individual patent in each foreign country in which the patent is filed, increasing the total cost over the lifetime of a patent.

## What if I created the invention with someone from another institution or company?

In most cases, an agreement will already be in place that governs both ownership of the invention and the sharing of any revenue generated by related granted patents. If not, please contact Technology Licensing Office for assistance in reviewing the matter to ensure such questions are addressed as early as possible in the process.

## What is an infringement of a patent?

A patent infringement is when a person or company begins using, making, selling or offering for sale any invention that's protected by a patent. An infringement may also include importing any patented invention during the patent term into the granting country. The patent owner can sue the infringing party and request an injunction to prohibit the continued infringement of their patent, as well as request damages (financial compensation).

Because patents are legal protections for a specified amount of time, it gives the holder the exclusive right to prevent others from making, using or selling their invention. Anyone utilizing the patent without permission is infringing on the patent holder's legal protection. The most frequent example of a patent infringement is when someone uses an invention that's protected by a patent without the consent of the owner.

Infringement can be either intentional or unintentional. A person or company may unknowingly use a technology that's covered by a patent. They may be unaware that there is a patent or believe that their technology doesn't infringe a patent.

In either case, a patent holder has the right to take legal action against anyone who commits an infringement whether intentional or not. Should a court determine that there is an infringement, the patent holder could be entitled to damages and/or injunctions to prevent additional infringement. The damages awarded for patent infringement can be considerable and increased if the infringement is intentional. Compensation can include royalties, lost profits and other expenses associated with an infringement.

## What should I do if I believe that a patent on which I am an inventor has been infringed?

Please contact Technology Licensing Office immediately if you suspect that someone is infringing a patent on which you are an inventor. The University of Utah is the designated assignee and owner of the patent. Therefore, any possible infringement on its patent rights should be brought to the university's attention through Technology Licensing Office.

Consider collecting and preserving evidence and information about the infringement. Gather evidence to support your case, such as documents, prototypes and any other relevant information. This evidence can be used to prove that the infringer is using your patented invention without permission.





# Other intellectual property

## What is a copyright, and how is it useful?

Copyright is a form of protection provided by the laws of the United States to the authors of “original works of authorship.” This includes literary, dramatic, musical, artistic and certain other intellectual works as well as computer software. This protection is available to both published and unpublished works.

The Copyright Act generally gives the owner of copyright the exclusive right to conduct and authorize various acts including reproduction, public performance and making derivative works.

Examples of copyrightable works include:

- Software
- Databases
- Curricula

A copyright affords the creator the right to control how their work is used, distributed, and reproduced, as well as the right to profit from their work.

## Do you have to apply for copyright protection?

Copyright protection is automatically secured when a work is fixed into a tangible medium such as a book, song, software code, video, mobile app, etc. It is not absolutely necessary to register the copyright with the U.S. Copyright Office, although registration is required if one intends to litigate over its infringement.

There are certain statutory benefits if one registers a copyright within three months of the first publication of the copyrighted material. This includes the ability to sue for infringement and to collect statutory damages and attorney's fees. Please contact Technology Licensing Office to determine whether the University of Utah should seek a formal copyright registration for your materials.

## Where can I learn about university copyright policies?

The University of Utah’s copyright policies are covered by [Policy 7-003](#). The entire policy is available on the [University’s Regulation Library](#) website, which also covers [other types of intellectual property](#), including patents, trademarks and trade secrets. Please contact Technology Licensing Office with any specific questions regarding the University’s copyright policies.

## What is an open-source license?

An open-source license is a type of license to computer software source code that allows the source code to be used, modified and shared with others under specific license terms and conditions. Most open-source licenses are free, such as Mozilla's Firefox web browser. These licenses are typically used for software that is created and distributed by a community of developers, who want to ensure that their work remains accessible and modifiable by others.

Open-source licenses usually grant users the right to use the software for any purpose, modify the software and distribute the software, either in its original or modified form.

However, open-source licenses may also impose certain conditions, such as requiring that any modifications to the software be made available under the same license or requiring that any distribution of the software includes the original source code. The specific terms of each open-source license vary, but the overall goal is to promote collaboration and innovation within a community of developers.

Commercial software must be licensed or purchased for a fee. Its use is heavily restricted and typically prohibits any modification, and additional fees are often required for multiple users.

## What are the different types of open-source licenses?

Open-source licenses vary widely with respect to whether the open-source code may be included in a proprietary product that is sold under a closed source license.

One type is an open-source software protected under a copyleft license, which prohibits the copyleft open-source code from being used in a closed source product. These licenses are described as strict or non-permissive.

Another type is a permissive license, which allows the open-source code to be mixed with closed source code and sold as a closed source product.

There is a wide range of open-source licenses that include different types of restrictions and conditions. It's important to carefully review the terms and conditions of each license to determine whether it is suitable for your needs. You should select the appropriate open-source license according to how it will eventually be used. Technology Licensing Office can work with you to choose the correct license.

## What is the difference between copyrighted and patented software?

Copyright and patent protection are both forms of intellectual property law, offering different types of protection for various types of creations.

Copyrighted software is protected via a registration of its source code with the [United States Copyright Office](#). Patented software is protected through the filing of a patent application with the [United States Patent and Trademark Office](#).

Patented software typically offers broader protection of the overall functionality of the software. Copyright protection prevents another party from copying the actual source

code of the software. A patent gives the inventor the exclusive right to use, sell and license the invention for a period of time, usually 20 years.

Copyright law is the primary form of protection for software. Software code is considered a creative work, and copyright law automatically protects it from unauthorized use, reproduction and distribution. However, there are some cases where software inventions may be eligible for patent protection, such as new functionality or processes that are deemed non-obvious and useful.

## What is a trademark or service mark, and how is it useful?

A trademark is a type of intellectual property that protects distinctive signs or symbols. Trademarks can be a word, phrase, symbol and/or design that identifies and distinguishes the source of goods or services of one manufacturer or seller from those manufactured or sold by others.

A service mark, on the other hand, is a word, phrase, symbol and/or design that identifies and distinguishes the source of a service rather than goods. Some examples include brand names, slogans and logos and can include names, phrases, colors and other elements that distinguish one party's goods or services from another's in the marketplace.

The term "trademark" is often used collectively to refer to both trademarks and service marks. In addition to protection, they are also used for:

- Marketing.
- Brand recognition.
- Licensing.
- Valuation.

Unlike patents and copyrights, trademarks do not expire after a set term of years. Trademark rights come from its continual use. Therefore, a trademark can last forever as long as you continue to use the mark in commerce to indicate the source of goods and services. Technology Licensing Office can assist you with trademarks and service marks for your invention.

## What is a trademark registration?

Registration of a trademark is a legal process in which a person or a company obtains exclusive rights to use a specific name, logo, symbol or design to identify their goods or services. Trademark registration lets you protect your brand identity from being copied or used by others without your permission.

You acquire a common law trademark when you begin using the mark in commerce. A trademark registration involves the filing of a trademark application with either a particular state or more commonly, if the mark is being used in interstate commerce, with the [USPTO](#).

Federal trademark registration ensures that no other parties can use the mark anywhere in the United States or its territories. In addition, federal trademark registration provides certain statutory protections and allows a mark owner to use the registration symbol ® to indicate the mark's federal registration.

Once a trademark is registered, the owner has the exclusive right to use the mark in connection with the goods or services identified in the registration. The owner can also take legal action against anyone who uses the mark without permission or in a way that is likely to cause confusion or dilute the value of the mark.

## What is the University of Utah's policy on trade secrets?

While the University of Utah does not have a formal policy governing trade secrets, they are governed by the university's policy 7-002 as creators of potentially valuable IP are required to disclose such IP to the university via Technology Licensing Office. We will then determine the best way to protect the IP, which sometimes includes holding the IP as a trade secret. In such situations, a specific plan will be devised by Technology Licensing Office to ensure protection of the trade secret, which may include specific confidentiality terms in license agreements, etc.

The University of Utah's Marriott Library is also home to one of the 80+ [U.S. Patent and Trademark Resource Centers](#) (PTRCs) in the U.S., and one of only two in the state of Utah.

## What is digital intellectual property?

Digital intellectual property is intellectual property in digital form, e.g., digital documents, databases, video and audio.

It can also refer to any form of creative work or innovation that is created, distributed and consumed in digital form. This includes software, music, videos, images, books and any other type of content that is created and distributed through digital channels.

Like other types of IP, digital IP is also protected by intellectual property laws, including patent, trademark and copyright laws. These laws provide creators with exclusive rights to control the use and distribution of their digital content, as well as the ability to license their intellectual property to others for a fee. With the widespread adoption of digital technology, there are many legal and technological measures in place to prevent the unauthorized use and distribution of digital content, including digital rights management systems, anti-piracy laws and copyright enforcement actions.

## What are intellectual property rights in data?

Intellectual property rights in data refer to legal rights that are designed to protect various types of data, such as databases, computer programs, digital content and other forms of IP that are created through the collection, analysis and processing of data.

These rights are typically granted to the creators or owners of the data and provide exclusive rights to use, distribute and control access to the data. Intellectual property rights in data are designed to protect the economic interests of data creators and owners by preventing others from using their data without permission or compensation.

Except for copyrighted photographs that are included as part of a data set, data such as facts, etc., are not by definition considered intellectual property. Typically, access to data is granted via a license, which offers contractual protection to the owner of the data. In limited cases, the design and arrangement of a database may be copyrighted. However, this only provides nominal protection against storing the data in close to the same arrangement as the copyrighted database, i.e., the same rows, columns, titles, etc.



# Marketing an invention

## Why does Technology Licensing Office market my inventions?

The University of Utah believes that it's important that novel inventions move out of academia and into the marketplace. The world can use and utilize the invention while increasing the prestige of the university's research along with the inventor's research. Marketing your invention can also lead to sponsored research and collaboration from industry. If the technology is successfully commercialized by a licensee, you as the inventor can financially benefit from the additional development and furthering of the technology.

## How does Technology Licensing Office market my inventions?

Technology Licensing Office uses many sources and strategies to identify potential licensees to market inventions. Sometimes existing relationships of Technology Licensing Office, the inventors and other individuals are useful in marketing an invention. We also employ market research to assist in identifying prospective licensees.

Technology Licensing Office leverages an external consulting firm to contact potential licensees. Contacting potential licensees takes place through both emails and phone calls. During the outreach effort, developed marketing materials are sent to potential licensees. Should any of these potential licensees express an interest or have questions, we will reach out to you to schedule a teleconference with the potential licensee or request your answers to their questions.

## How are most licensees found?

There are many ways to identify potential licensees, from direct marketing, established relationships with an inventor and the licensees reviewing journal articles. Many licensees come from direct marketing efforts where Technology Licensing Office reaches out to a company directly. In other cases, an inventor has already established a relationship with the company through collaboration with them or sponsored research. Sometimes, a licensee may be actively seeking out an invention to solve a problem they have. In this case, the company may reach out to Technology Licensing Office to discuss needed expertise or a specific invention in which they have interest.

## How long does it take to find a potential licensee?

Discovering a licensee necessitates some good fortune since the invention must align with a current company demand. Consequently, timing plays a crucial role in the marketing procedure. Typically, it may take anywhere from six months to a few years to secure a licensee, depending on the invention. More advanced inventions may require additional time for another technology to develop before commercialization becomes feasible. Alternatively, the timing may be just right, and a potential licensee may be found within a few months.

Technology Licensing Office uses many sources and strategies to identify potential licensees to market inventions. Sometimes existing relationships of Technology Licensing

Office, the inventors and other individuals are useful in marketing an invention. We also employ market research to assist in identifying prospective licensees.

### Can there be multiple licensees?

Certainly, it is possible to grant multiple non-exclusive licenses or several licenses that are limited to specific fields, geographic regions or other categories.



# Startup companies

## What is a startup?

A startup is a new business entity formed to commercialize one or more related products or services. Forming a startup business is occasionally an alternative to licensing intellectual property to an established business.

When referring to startups at the University of Utah, it typically denotes an early-stage business established by enterprising founders centered around intellectual property that has been licensed by the university. While not always the case, at least one of the startup's co-founders is usually a co-inventor of the IP licensed from the U.

## Will Technology Licensing Office license to a startup?

Frequently, the answer is yes, but much depends on the circumstances. It is the decision of Technology Licensing Office as to whether it is in the university's best interest to license to an existing company or form a new company to license to. We make this decision based on the strength of the startup's business plan and the most commercially beneficial route for the relevant intellectual property.

For instance, if the intellectual property requires substantial capital investment to be commercialized and a major corporation is seeking an exclusive license, we will probably not grant a license to a startup, instead opting for the larger company. However, we have also effectively licensed University of Utah intellectual property to numerous startups.

## How are entrepreneurial inventors involved in the licensing process?

During the licensing process, entrepreneurial inventors frequently participate by advocating for University of Utah intellectual property, pinpointing potential licensees and taking part in presentations to address inquiries from prospective licensees.

## Does Technology Licensing Office give special consideration to inventor startups when selecting a licensee?

Occasionally, yes. For instance, if the intellectual property requires additional development and an inventor-led startup is the ideal licensee, then a startup becomes the preferred path. But if the intellectual property has been further refined and already developed to a scalable degree, and a well-established company provides the best potential for successful commercialization of the intellectual property, it may be preferred over a startup.

## When can the startup management team negotiate a license?

Once a startup management team has established a corporate entity, such as an LLC, and addressed any potential conflicts of interest with affiliated faculty members, they may engage in negotiations for a license.





## What comes first, the funding agreement or the license agreement?

While every scenario is unique, Technology Licensing Office frequently grants licenses to startup companies before they acquire substantial funding. Significant investors tend to be hesitant to invest in a technology or other intellectual property until they are certain that it is secured by the startup.

## How long does it take to get a license from Technology Licensing Office?

Because each situation is distinctive, it depends on the complexity of both the intellectual property and the licensee organization. But it is usually possible to negotiate, compose and finalize a licensing agreement within three months or less. This is the case in most situations.

## Who decides whether to form a startup?

The determination of whether to establish a startup is ultimately made by the founders. Should they decide to use University of Utah intellectual property as the foundation for the startup, the founders are strongly advised to confer with Technology Licensing Office before creating the startup.

## What role does an inventor usually play in a startup company?

This depends on the inventor(s) and is generally their choice. In some instances, the inventor may serve as a founder of the company, and in other cases, the inventor may not have any involvement with the company whatsoever. It is not mandatory for inventors to be part of a startup.

There are a variety of considerations as to the role of an inventor in a startup. These include the nature and stage of the technology and the business plan of the company. This decision is also influenced by other members of the management team and outside investors.

## How much of my time and effort will it take to form a startup?

The level of involvement required to form a startup depends on your role in it. Some faculty members have taken a leave of absence to assist in forming a startup, while others have refused any involvement in a startup formed around intellectual property (IP) in which they were the primary inventor. Since there is no obligation for an inventor to participate in a startup, the amount of time and effort required will be the decision of each individual inventor.

## Does the University of Utah take equity in startups?

Typically, but not in all instances. The decision to take equity is dependent on certain factors, most of which are negotiated at the time of licensing.

While every startup is unique, the University of Utah typically acquires equity or retains the option to acquire equity in many cases. The terms are open to negotiation, and the university's standard licensing conditions are available for review and explanation well ahead of any licensing discussions. If you wish to gain further information, please feel free to contact Technology Licensing Office.

## How does Technology Licensing Office manage equity granted as part of the licensing agreement?

If the University of Utah obtains equity in a startup, Technology Licensing Office reserves the exclusive right to decide when to liquidate this equity, unless otherwise negotiated. When the university liquidates or disposes of any equity interests, it may incur various fees, charges and expenses, which are regarded as development expenses when calculating the Net Equity Income for distribution as Net Adjusted Income. This is discussed further in the royalty distribution section of this guide.

## What happens if there are follow-on patents to the original patent?

In most instances, a license agreement includes subsequent related patents granted after the effective date of the license, but not always. If the original license does not include these patents, Technology Licensing Office will collaborate with the licensee to modify the initial agreement on mutually agreeable terms.

## What happens to the invention if the startup is based on an invention jointly owned by the University of Utah and another institution?

In this type of situation, Technology Licensing Office frequently engages in discussions with the other institution to negotiate an inter-institutional agreement that addresses revenue sharing and other related terms. However, some licensees may be content with receiving a non-exclusive license, in which case ownership rights of the other institution may not be a significant concern.

## Can I continue to do research at the University of Utah on a technology that is the basis of my startup?

Yes. However, university policy does not release you from your university commitments, teaching and/or research duties simply because you start a company. Remember, establishing a company requires considerable effort and time, and operating a company takes even more commitment. Being involved in a startup also presents unique conflicts which must be disclosed and managed by employees and the university.

Additionally, all new IP developed must be licensed separately or by amending the original license agreement with the startup.

While Technology Licensing Office can provide support for understanding commitments required to be successful, approval from your supervisor is typically required. For questions about conflicts, visit [coi.utah.edu](http://coi.utah.edu).

Where can I find out more information about startups?

Technology Licensing Office offers a comprehensive array of support for startups. To learn more, visit [https://technologylicensing.utah.edu/funding-resources/startup\\_360/](https://technologylicensing.utah.edu/funding-resources/startup_360/).

# Navigating conflict of interest

How does the University of Utah define a conflict of interest?

A conflict of interest arises when a University of Utah employee holds financial interests that may negatively affect or influence their professional research, teaching obligations or full-time employment. It also occurs when a university employee has the potential to exploit their university position for personal financial gain.

Why are conflicts of interest important to manage?

Compliance with conflict of interest regulations is crucial for maintaining the university's credibility. Any actual or apparent conflict of interest can put at risk public funding for academic research, provide an opening for critics to question the objectivity of investigators and compromise academic freedom by impairing the university's reputation as a producer and validator of knowledge.

What are examples of conflict of interest?

Examples of conflict of interest include, but are not limited to, the following:

- Serving on the governing board of a company that utilizes the university's assets or resources.
- Providing consultancy services to a company in which the university has invested or plans to invest.
- Holding a financial stake in a company in which the university has invested or plans to invest.
- Being employed by or holding a financial stake in a company that conducts business with the university.
- Attempting to use university resources for a company in which one is either employed or is a stakeholder.

How does University of Utah manage conflicts of interest?

The university actively encourages its faculty, staff and students to engage with businesses and share their expertise. As a research institute, the university is obligated to transfer technology to the private sector to ensure the public benefits from its research results. Within this context, the university recognizes that conflicts of interest are common and frequently unavoidable. The university does not view conflicts of interest as inherently improper or negative if they are managed appropriately. The university's [Conflict of Interest Office](#) is responsible for approving any IP licenses with companies that have university employees.

The university identifies and manages potential or actual conflicts of interest through an ongoing disclosure process. Employees must submit annual outside activity reports, which are required if there are significant changes to their outside activities, even if there is no conflict of interest associated with those activities. If an employee becomes involved in any situation where a material conflict of interest may impact their responsibilities to the university, they are required to report the activity.

### Who should I seek for guidance on conflict of interest?

The determination of the existence of a conflict of interest and the extent of the conflict is made by the [Conflict of Interest Office](#). Begin the process by filling out and submitting the [Conflict Reporting Form](#). The COI Office will [conduct a review process](#). If a conflict is found, appropriate measures are taken to manage any potential negative effects.

# COI

## CONFLICT OF INTEREST

<https://coi.utah.edu>

The mission of the COI Office is to support innovation and research at the University of Utah. Effective management of financial conflicts of interest in research, scholarly activity, and business transactions protects the integrity and scientific merit of our community.

A financial conflict of interest exists when an individual, or the institution, has financial interests that have the potential to influence, or bias, their responsibilities to the University.

### Conflict of interest oversight provides protections to:

Faculty	Staff
The University	Students
The Public	Researchers
Human Subjects	Research Integrity

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the university of utah  
**VICE PRESIDENT  
FOR RESEARCH**



# License agreements

## What is an intellectual property (IP) license?

An IP license is a contract that grants certain rights in the intellectual property (IP) from the owner (licensor) to another party (licensee). These rights may include the right to manufacture, use or sell products or services covered by the IP, or to exclude others from doing so, in exchange for payment in the form of royalties and/or license fees. The complexity of an IP license depends on the type of IP being licensed and the level of expertise of the licensee.

## What is an option agreement?

Option agreements are utilized by companies to assess a technology's potential and determine if they want to obtain a license for the associated intellectual property. These agreements typically have a set time in which the company can evaluate the technology's commercial feasibility, without granting commercial rights. Option agreements can be either exclusive, meaning no other options for the technology or intellectual property will be granted during the term, or non-exclusive, allowing for other options to be granted. The result of an option agreement is a decision by the company to either proceed with obtaining a license or not.

## How much inventor involvement is there in the licensing of technology?

Technology Licensing Office highly encourages the involvement of inventors in the licensing process. The greater the inventors' involvement and interest in the licensing of a technology, the greater the likelihood of successful licenses being secured. Typically, the inventor(s) are the most knowledgeable about the technology and can provide valuable insights on which companies would be interested in licensing it.

## Where are potential licensees found, and how does the University of Utah choose a licensee?

There are several ways to identify potential licensees. The inventors are often knowledgeable about companies that would be interested in the technology. Technology Licensing Office also conducts industry-specific marketing efforts, such as trade show participation and affiliations, and carries out market research to identify potential licensees. USPTO-issued patents can also provide names of companies with similar patents that may be potential licensees.

Technology Licensing Office is selective in its licensing process and only grants licenses to companies it believes will successfully commercialize individual intellectual property. If Technology Licensing Office finds multiple licensee candidates unqualified, it may decline to license the IP to any of them. However, if there are multiple qualified candidates, Technology Licensing Office can choose the best one to license the IP.





## How long does it take to execute a license agreement?

After the company identifies the intellectual property, the terms of the license need to be negotiated to reach a mutually agreeable arrangement. The duration of the negotiation process can vary, ranging from a few weeks to more than a year, depending on the complexity of the license and the response times of all parties involved.

## What happens after a license has been executed?

After a license is signed, the subsequent actions depend largely on the particulars of the agreement. Some licenses necessitate that the licensee make an initial payment, which is allocated following the University of Utah's policy 7-002. The licensee is usually mandated to provide periodic reports on commercialization advancement to the university. These reports may include information such as product strategies, actual revenue generated from sales, sublicensing activities and so forth. If the licensee requires further expertise from the inventors to assist with commercialization, the inventor(s) may have the chance to advise the licensee directly.

## What will happen to my invention if the startup company or licensee is unsuccessful? Can the invention be licensed to another entity?

In nearly all cases, if a startup company or licensee is unsuccessful, their rights to the University of Utah's intellectual property will be terminated, and the university will regain all rights to the intellectual property. This allows the university to relicense the IP to another party. However, there may be some exceptional cases where this is not the outcome.



# Royalty distribution

## How does University of Utah distribute royalties?

Technology Licensing Office follows the university's policy 7-002 to determine and distribute the Net Adjusted Income from each IP license or related transaction. Net Adjusted Income is calculated as the gross revenue minus expenses, such as patent prosecution or maintenance costs or specific marketing costs directly associated with the licensed IP. These expenses are deemed necessary by the University to obtain defend or maintain the Intellectual Property.

The creator's share (which, in the case of co-creators, is divided between them equally or as they agree in their sole discretion) is normally 40% of the first \$100,000 of net revenue, 35% of the next \$200,000 of net revenue, and 33% of any additional net revenue received by the University from the Licensed IP. See

<https://regulations.utah.edu/research/7-002.php> for more information.

## What if the University of Utah receives equity from a company?

Technology Licensing Office has the option to receive equity instead of cash payments, royalties, licensing fees or other forms of consideration. The decision to accept equity and the timing of its liquidation is solely at the discretion of Technology Licensing Office and according to university policies. In the event of liquidation or disposal of equity, the university may incur expenses such as commissions, fees or charges, which will be considered as development expenses when determining the Net Equity Income to be distributed as Net Adjusted Income.

## What are the tax implications of any royalty distributions I receive from University of Utah?

We advise that creators of licensed university intellectual property should seek advice from their tax advisor or accountant before receiving any distributions of licensing income, as royalty distributions may be considered taxable income.

## How is equity from a license distributed?

If the university receives equity as part of a license agreement, the equity will not be distributed until it has been liquidated, at the sole discretion of Technology Licensing Office and according to university policies. Once the equity has been liquidated, the resulting Net Equity Income, which is the gross amount received minus any associated costs, will be distributed as Net Adjusted Income, which is normally 40% of the first \$100,000 of net revenue, 35% of the next \$200,000 of net revenue, and 33% of any additional net revenue received by the university from the licensed IP.





# Export controls & foreign influence

## Why do export control regulations apply to me?

Breaking export control regulations can lead to severe criminal or civil consequences for both the university and the individuals involved, as well as potentially harming national security and the university's reputation as a reputable research institution. If you have any inquiries about export controls, please contact the [Export Control Office](#), your Sponsored Projects Officer or OSP's Export Control Officer, [Todd Nilsen](#).

## What are export control laws?

Export controls are U.S. laws that regulate distribution to foreign nationals, foreign entities and foreign countries. Please review the [Export Control Basics briefing](#).

The regulations and laws enforced by the U.S. government to regulate the export of controlled commodities, items, technology, information, software or technical assistance to restricted foreign countries, nationals/persons and entities (including universities) are called export controls. Federal agency approval is mandatory prior to any such exports.

## How can export controls affect my research?

The term "export" encompasses not only physically moving or disclosing controlled items or information outside of the U.S., but also the transfer or disclosure within the U.S. to foreign persons, known as the "deemed export" rule. As a result, the University of Utah may need to obtain an export license from the government prior to allowing foreign faculty, staff or students to participate in affected research, unless an exemption is available.

This may also impact situations such as presenting unpublished research at conferences, collaborating with foreign individuals or programs, transferring equipment overseas, hosting foreign scholars and disclosing export-controlled information during research. Failure to comply with export controls may result in serious penalties for the university and individuals involved. Please contact Todd Nilsen at the university's Export Control Office at 801-581-8948 or at [todd.nilsen@osp.utah.edu](mailto:todd.nilsen@osp.utah.edu) for questions related to export controls.

## What kind of projects raise export control questions?

Basically, any research activity may be subject to export controls if it involves the actual export or "deemed" export of any goods, technology or related technical data that is either: "dual use" (commercial in nature with the potential for military application) or inherently military in nature.

Work in the following areas is considered high risk:

- Engineering
- Space sciences
- Computer Science
- Biomedical research with lasers
- Research with encrypted software
- Research with controlled chemicals, biological agents and toxins

Additionally, any of the following raise export control questions for a project:

- Sponsor's restrictions on the participation of foreign persons in the research.
- Sponsor's restrictions on the publication or disclosure of the research results.
- Indications from the sponsor or others that export-controlled information, controlled unclassified information (CUI) or technology will be furnished for use in the research.
- The physical export of controlled goods or technology is expected.

## What do I do if I am exporting technology?

Please contact Todd Nilsen at the University's Export Control Office at 801-581-8948 or at [todd.nilsen@osp.utah.edu](mailto:todd.nilsen@osp.utah.edu) for questions related to export controls.

## What activities should I avoid?

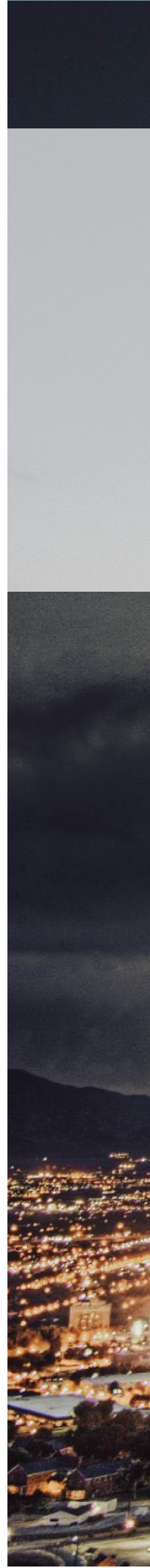
Although every research project is unique, there are certain activities that must be avoided when managing your project in compliance with U.S. export control laws and regulations. To ensure that your research is in compliance with export control laws, the university's [Export Control Office](#) can help you develop a management plan tailored to your specific project.

## What happens if you violate export control laws?

Breaching the Export Control Laws (ECLs) can lead to serious consequences for both individuals and institutions, including significant fines, imprisonment and exclusion from future export activities. These penalties are typically imposed for intentional or reckless violations, rather than innocent mistakes. However, if violations are self-reported, the associated penalties can be reduced. The Export Control Office can provide guidance on complying with the ECLs and help develop an export control management plan tailored to your specific research project.

## What is foreign influence?

Foreign Influence is influence by non-U.S. persons or entities, including foreign governments, that seek to compromise U.S. national security and



economic security or which results in loss, including theft, of United States' intellectual property or academic opportunities. The [Office of Foreign Influence](#) at the U addresses the risk of potential undue foreign influence associated with the university's ongoing commitment to advancing responsible research and discovery on the local, national and global levels. The office educates the research community about best practices in preventing and combatting undue foreign influence. It directs the reporting requirements for managing foreign influence issues for the University of Utah. If you have questions about foreign influence, please contact [trent.foxley@hsc.utah.edu](mailto:trent.foxley@hsc.utah.edu).

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University of Utah

The faculty guide to technology licensing is a comprehensive guide designed to help innovators navigate the world of marketing with ease. With this in mind, clear hierarchy and value are used throughout the book to provide simplicity and accessibility so that it can be easily understood by anyone who reads it.





# University of Utah Faculty Guide to Technology Commercialization

