

# Holy Spirit University of Kaslik (USEK)

## Intellectual Property Policy

### 1- Introduction and General Statement

This document lays down the university policy and procedures associated with the ownership and commercialization of any intellectual property generated by staff, faculty members, students and others participating in the university research programs over the course of their work and studies at USEK.

The policy aims at making sure that the intellectual contribution of USEK stakeholders will contribute to the advancement of research, academia, society, and economy in Lebanon. Accordingly, it defines a clear and transparent framework of the on-campus research environment to encourage, recognize and reward the creative intellectual efforts of faculty, students and staff of the University through the realization of tangible economic benefits derived from their inventions and works.

Moreover, the policy helps in developing the understanding of the contributors about their rights and responsibilities in every intellectual property they produce versus the rights of their university. This clarity will secure a healthy and dynamic relationship between the stakeholders to align with USEK's mission for a better research environment.

Since its founding, USEK seeks, and in accordance with the Article 92 of the Constitutions of the OLM (ed. 2012) and the social teaching of the Catholic Church on universities, to contribute to the development of all its students through quality educational programs and research in various fields of study.

By providing a high quality American-style education to its students, USEK intends to prepare future leaders for innovation, professional growth, and life-long learning, in Lebanon, within the Middle East and throughout the world.

### 2- Definitions:

**TTC:** TTC shall mean the Technology Transfer Committee at the Holy Spirit University of Kaslik (USEK). Operating under the umbrella of the High Center for Research (HCR), its main objective is ensuring the development of USEK innovative research and discoveries by facilitating collaborations with the entrepreneurial and industrial networks through licensing, sponsorship, and new ventures. For more information about the TTC, cf. to TTC rules and procedures guidelines.

**Associates:** refers to individual affiliated directly or indirectly to the University but not registered as faculty member, staff, or student such as honoraries, visiting readers, senior research investigators, visiting professors, and visiting researchers.

**Associated Company:** refers to the company where Faculty members/staff/students are involved through being shareholders, consultants, advisors, or hold a managerial position in the company.

**Author:** refers to the creator of the original expression in a work entitled to own the copyright and retain any revenue derived therefrom in books, journal articles, films, video cassettes, works of art, musical works and other copyrightable materials of whatever nature or kind and in whatever format developed.

**Inventor:** refers to the creator of the invention. Joint inventors or co-inventors exist when a patentable invention is the result of the inventive work of more than one inventor, even if they did not contribute in equal parts. To be considered as Inventor or Co-inventor, an individual is required to have made a substantial and direct intellectual contribution to the invention.

**Invention:** refers to any patentable or potentially patentable know-how, discovery, idea and their associated or supporting technology that is required for their development or application.

**Incidental Invention:** refers to an Invention that is conceived or reduced to practice by staff, faculty members or students by an incidental use of the university spaces, facilities, materials or other resources related to the conception or reduction to practice of their Invention.

**Intellectual property (IP):** refers to the creations of the mind: inventions; literary and artistic works; symbols; names and images used in commerce. Intellectual property is divided into two categories:

**a- Industrial Property** includes patents for inventions, trademarks, industrial designs, and geographical indications.

**b- Copyright** covers literary works (such as novels, poems and plays), films, music, artistic works (e.g., drawings, paintings, photographs and sculptures), architectural design, and scholarly outputs (written materials, thesis, research paper or textbook). Rights related to copyright include those of performing artists in their performances, producers of phonograms in their recordings, and broadcasters in their radio and television programs.

**Material Transfer Agreement:** Refers to contracts regulating the transfer of noncommercial tangible research property between a provider and a recipient and defining the rights of parties with respect to the materials and any progeny, derivatives, or modifications.

**Non-Commercial Tangible Property:** Refers to material such as and not limited to reagents, cell lines, plasmids, vectors, antibodies, chemical compounds, mouse models, and even some types of software.

**Sponsored Research Agreement/s (SRA/s):** refers to agreements between the University and a sponsor for the purposes of funding and conducting research at the University as referred to in section 3.4 below.

**Trademark:** refers to a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises.

**Technology Transfer:** refers to the process of transferring knowledge, skills, technologies, innovation, scientific methods, manufacturing, materials, and facilities among institutions or to the public. It can occur through books, publications, proceeding papers, conferences, university-Industry relationships, educated or graduated student entering the labor force, spin-offs, licensing agreements, etc.

**University or USEK:** refers to Université Saint Esprit de Kaslik or Holy Spirit University of Kaslik.

### **3- Intellectual Property Ownership**

**3.1** Inventors are asked to collaborate and assist the University in all phases of the invention protection in good faith and in accordance with the University research policy, research integrity and Code of ethics.

**3.2** An inventor will always have his name on the patent irrespective of the rights of IP ownership except for SRAs where the University will always retain the status of inventor.

**3.3** Any public disclosure of an invention before protection can result in the loss of patent rights and the potential for commercialization.

**3.4 Sponsored Research Agreements – SRA** The rights of any IP generated under an SRA with a sponsor/private sector company is subject to negotiation between the sponsor/private sector company and the university. The agreement should define the research, the scope of activities, the expected outcomes, and the Intellectual Property rights of the parties. USEK will retain ownership of the patent rights and other Intellectual Property rights resulting from SRAs unless agreed otherwise with the sponsor. In all cases, USEK retains the rights to use the IP for educational purposes in teaching, learning and research. Funds provided under SRAs are not and may not be considered royalties and are not shared with the faculty members, employees or students engaged in the related research.

**3.5 Faculty Members & Staff:** Any invention created by the University faculty members & staff in the course of their normal duties shall be the property of the University.

**3.6 Students:**

**3.6.1** Students own the invention generated during their studies or research unless one of the following applies:

- a- The invention is subject to governing terms or agreement with an external organization; or
- b- The invention is a build-up of an existing IP generated by University staff, faculty members or associates; or
- c- The invention is generated jointly with university staff, faculty members or associates; or
- d- The student has the status of a university employee
- e- A greater than incidental use of USEK resources and facilities. Thus, any inventions through incidental use of USEK resources such as the library, the classrooms, or the instructional laboratory facilities and in the context of an ordinary course will remain the ownership of the student. USEK retains an irrevocable, perpetual, royalty free, non-exclusive, worldwide right and license to use these inventions for teaching, clinical care, and research purposes.

**3.6.2** Students creating Incidental Inventions are the sole owners of these inventions irrespective if they are benefiting from financial aid, sponsorship, and scholarship.

**3.6.3** Taking into account the exception stated in clause 3.6.1 in case the student is requested by a faculty member to work in a company/establishment owned or operated by the latter, the student will remain the owner of any invention generated during the course of such work.

**3.6.4** Graduate students including 4th and 5th year engineer students and postdoctoral trainees may work on sponsored research projects for their scholarly development.

**3.6.5** Undergraduate students cannot participate in sponsored research projects unless this is the wish of the sponsor in the signed sponsored research agreement with the university. In this case, the university does not assume any responsibility for the work delivered under the sponsored research agreement.

**3.7 Associates:** Associates are required to assign the rights to any invention they create during their service to USEK. Thus, they will be treated similarly to University faculty members and staff in the case of revenue sharing from licensing or equity realization. In a limited number of cases, special arrangements

may be negotiated on a case-by-case basis with the employer of the Associate regarding the ownership and use of an IP.

**3.8 Copyright:** Faculty members that develop teaching material, textbooks, literary works, artistic creations, films, music, and research publications will be owned by them in accordance with USEK Faculty bylaws. USEK has unlimited right of use of all materials for the purpose of quality and assessment. The waiver does not extend to works commissioned by the university or to other copyright protected works arising from research such as computer software, databases, or other copyright material with commercial potential. In case the University has been involved in the creation and development of copyrighted materials in a more than incidental contribution through, but not limited to, the use of resources such as funds, facilities, equipment or other university resources, the author should fairly apportion with the university the ownership and rights to shares of royalties and income. This should be regulated by an agreement prior to the commencement of a project.

**3.9 Trademark:** The University is the sole owner of trademarks and service marks relating to goods and services developed by faculty members/staff/students at the University.

#### **4- Material Transfer Agreements MTAs**

**4.1** The Material Transfer Agreement represents the transfer of non-commercial property:

- a- Between USEK and other academic or research institutions;
- b- From USEK to the industry;
- c- From the industry to USEK.

**4.2** MTAs are not mandatory unless any of the parties has conditional terms for the transfer of material. Researchers are encouraged to share research material without agreements, when possible.

#### **5- Record Keeping & Disclosure**

All individuals generating any IP are required to make and keep clear and accurate records in a retrievable format to comply with proper research practice and to support the claim to any IP that arises. The signature of the invention disclosure form is the way for staff, faculty members and students to promptly disclose a work of their own during their research to ensure a proper determination of ownership. It is mandatory that they mention the department which supported the development of the invention.

#### **6- Confidentiality**

Staff, Faculty Members, and students of the university are required to preserve the confidentiality of sensitive information during their work as part of any research contract or Non-Disclosure Agreements (NDAs). However, the university manages an open environment for discussions between the industry and researchers. Thus, the university does not sign any NDA but does not limit an individual faculty member/Staff of the university to sign an NDA on their own behalf, never on behalf of the university or their department. Individuals are requested to notify the TTC if they are concerned about advertent disclosure.

#### **7- Interpretation**

Unless otherwise provided in this policy, any disputes that arise under this policy, including inventorship or other ownership rights, will be resolved by the TTC in accordance the TTC rules and regulations on conflict resolution. Decisions by the TTC may be appealed to the University Provost.

#### **8- Signature Authority**

The TTC has the authority to negotiate on behalf of the university all licensing agreements, material transfer agreements, sponsored research agreements and any other agreements that pertain to intellectual property. No authorization is given to faculty members and staff of the university to sign any agreements that

compels the university to assign or license intellectual property rights to another entity. All agreements negotiated in the scope of this policy must be signed by the University President.

## **9- Commercialization of IP**

**9.1** USEK licenses their IPs in the best possible benefit to the public and in accordance with their professional judgment.

**9.2** USEK may conduct a non-confidential marketing of the technology over a period of 4 months without disclosing the invention details to ensure fair and open access to potential licensees.

**9.3** If the inventor is a faculty member/staff/student, the TTC will review any actions to prevent potential conflict of interest.

**9.4** In the case a potential licensee is a faculty member/staff/student-associated company, the university must maintain an equal distance relationship in all business transactions. Licensing to a faculty member/staff/student-associated company must fall within the same policy terms when licensing to non-faculty members/staff/student-associated companies. Faculty members/staff/Students cannot negotiate with the university on behalf of their associated companies to avoid conflict of interest and must disclose any financial interest they have in the associated companies such as consulting fees or stock options.

**9.5** In accordance with the University rules and regulations, Faculty members/Staff and students should be entirely devoted to their mission at USEK and refrain from any other similar remunerated activities, unless otherwise authorized by the President. Therefore, faculty members/staff and students must declare to the TTC:

**9.5.1** How they will manage the separation between their contractual or academic duties from work being conducted for their associated companies.

**9.5.2** The measures that will avoid the use of the university resources for the purpose of their associated companies though this will be properly regulated in the licensing agreement.

**9.6** Faculty members/staff/students can be granted a transition period up to 1 year through an option agreement to support their chances of commercializing an IP via their associated companies. The option agreement is used to reserve the rights of the university until the associated company secures funding. Then, they go for acquiring the rights in question.

**9.7** Faculty members/staff will retain their status and contracts with the university in the case:

**9.7.1** They manage the separation of the on-going university research from the work conducted at the company.

**9.7.2** Their role is limited to consulting work for the company they are associated with by serving as an advisor or consultant and not in managerial roles. This is conditioned that their commitment with the company is not obstructing their work at the university.

**9.8** In the case the inventor is not the one commercializing his own IP, then he is required to stop developing further his invention when the IP is subject to option or licensing agreements.

**9.9** The TTC will decide on granting an exclusive licensing agreement depending on what is most suitable for achieving a successful commercialization of the IP and for the best benefit of the public. All agreements negotiated in the scope of this policy must be signed by the University President.

**9.10** The university, through the TTC and at its own expense, will seek protection of any produced IP by covering its costs such as patents, copyrights, and trademarks; and will identify and negotiate commercial partnerships. The protection is bound by the judgment of the university on the commercial potential of the produced IP. The TTC will secure such protection with the legal arrangements for licensing and startup formation.

If the university, and for any reasons, do not proceed in a timely manner in patenting or licensing an invention, ownership is subject to re-assignment to the inventors upon their request and to the extent possible under the terms of any agreement related to the work in subject. This waiver is subject to the approval of the president of the university upon the assessment of the TTC which acts upon the best interest of the public.

In such case, the inventor must reimburse the Out-of-pocket Legal Expenses and fees incurred by the university on the day income has been made from the invention. Also, the inventor should share 20% of the net income generated from equity realization or royalties with the university, unless otherwise stated in the licensing agreement.

### **10- Equity & Royalty Distribution from Licensing**

**10.1** If the inventors decide to form a spin out with basic support from USEK, the Inventors will receive 90-95% equity at foundation and USEK will on-hold the marketing of the IP up to 12 months to give the inventors enough time to test the market, find investors and a professional management. This happens through the option agreement confirming that they will maintain the patents for the mentioned period without any engagement with any company that might have interest in licensing the technology. The period could be extended with the consent of both parties. USEK conditions a non-dilution protection on their equity share up to a pre-agreed level of investment and usually not before a series A investment.

**10.2** With the support of USEK and the TTC office, the negotiation on dilutable equity distribution start at a minimum 50:50 between the inventors and USEK. The university will form the company, locate investors, pitch to them, and manage clients' and investors' negotiations until the company is up and running. Once an agreement is reached between the university and the founders on which option to follow, the parties sign a letter of understanding detailing the level of support opted to and the next steps including the licensing of the IP to the startup. Faculty Founders should seek the approval of the TTC in case they wish to spin off the IP.

**10.3** In the case USEK licenses the IP to third parties, it deducts 15% from the returns of any IP exploitation to cover administrative overhead and all direct expenses related to patenting. The remaining will be distributed equally (33.3%) amongst the inventors, the university, and the department or center; even if they are no longer employees of the university.