Original Approval Date: July 2, 2011
Most Recent Approval: August 1, 2011
Editorial Amendments: n/a

Parent Policy: Patent Policy

Commercialization of Patentable Intellectual Property Procedure

Office of Administrative Responsibility:	Office of the Vice-President (Research)
Approving Authority:	Vice-President (Research)

Purpose

The purpose of this procedure is to identify the processes to be followed with respect to a **patentable intellectual property (PIP)** covered by the Patent Policy.

Definitions

The attached definitions table outlines the terms used in this procedure and any specific rules of interpretation that apply.

Scope

Compliance with University procedure extends to all members of the University community.

This procedure does not apply to **technical service agreements**.

Procedure

1. DISCLOSURE

   Any **inventor** who creates PIP within their area of research and has the intent to explore **commercialization** must submit in a timely manner a **report of invention (ROI)** containing a full description of the PIP to the Vice-President (Research).

2. INVENTOR(S) ELECTION

   Inventor(s) must complete the section of the ROI indicating whether or not the Inventor(s) wishes to undertake the Commercialization independently of the University or wishes the University to

undertake Commercialization.

3. MULTIPLE INVENTORS

    a. When a ROI is submitted the Vice-President (Research), after consultation with the Inventors, shall approve the list of Inventors and shall determine the relative rights of each of the Inventors. The level of apportionment will be commensurate with the level of contribution of each.

    b. If the Inventors or any of them or any other person to which the Patent Policy applies wish to appeal the decision of the Vice-President (Research) with respect to the list of Inventors or to the relative rights of each, the issue shall be determined by arbitration to which each of the interested parties and the University shall be parties.

    c. Unless otherwise determined between the Inventors and the Vice-President (Research), the Inventors shall decide on a principal point of contact (typically the principal inventor on the ROI) for representing the Inventor group on decisions regarding Commercialization.

4. UNIVERSITY-MANAGED COMMERCIALIZATION

    When an Inventor wishes to have Commercialization of PIP undertaken by the University, the Vice-President (Research) shall review the ROI and decide whether to accept the responsibility for Commercialization.

5. REVERSION TO INVENTOR

    The University will accept the Declaration of Interests as an accurate statement of the beliefs of the individual completing and submitting the same. The University is entitled to use the Declaration of Interests in the establishment of the relevant contract, grant, sponsorship or research agreement and in assessing whether it believes a contract, grant, sponsorship or research agreement is in the best overall interests of the University and the inventor.

    Verification of Applicability – A contract, grant, sponsorship or research agreement may be entered into by the University pursuant to Section 10 of the Patent Policy only if the research to be undertaken is within the area of research at the University of each of the members of the University participating in such research including faculty, researchers, staff and students, whether registered for credit or not. The participation of a member of the University in undertaking such research constitutes an acknowledgment by such member that such research is within that member's area of research as contemplated in the Patent Policy.

    A Declaration of Interests may be completed and submitted at any time prior to the execution of the relevant contract, grant, sponsorship or research agreement.

    a. Inventor(s) who indicated that the Inventor(s) wishes the University to undertake Commercialization may, by notifying the Vice-President (Research) in writing, recover control of the Invention, and proceed at their own discretion,

        i. if the decision by the University is not to accept responsibility for Commercialization;

ii. if no decision is made by the Vice-President (Research) within four (4) months of the date of submission of the ROI; or

iii. the University and the Inventor(s) have agreed upon a date whereby full control reverts.

b. If, at any time after having accepted responsibility for Commercialization, the University determines that it is not feasible to continue the Commercialization of the PIP, and it has no outstanding contractual license or assignment obligations to third parties with respect to the Invention, it shall, if requested by the Inventor(s), reassign the PIP and any patent, or patent application relating thereto, to the Inventor(s), in which instance the PIP shall be treated as PIP under subsection a.

6. COMMERCIALIZATION PROCESS

a. Where the University has responsibility for Commercialization the Inventor(s) shall assign the PIP to the University for that purpose.

b. The party undertaking Commercialization (whether the University or the Inventor) may enter into agreement(s) with any outside sponsor, obtain patents for the PIP, negotiate licenses, and otherwise take whatever steps are deemed necessary for the Commercialization of the PIP, all of which shall be taken without cost to the other party.

c. The party undertaking Commercialization shall fully consult with the other party as to how best to facilitate public use and commercial application of the PIP.

d. Patent applications will initially normally only be filed in Canada and the United States.

7. APPROVAL OF INITIAL AND SUBSEQUENT TRANSACTIONS

When Commercialization is being undertaken by the Inventor(s):

a. The University will have the right to approve or prevent the first transaction by which the rights to PIP are affected.

b. The Inventor(s) shall report, and obtain approval from the University prior to any subsequent transaction whereby the rights to the PIP are affected, where any party that is either directly or indirectly involved is not at **arm's length** to the Inventor(s).

c. Approval by the University shall not be unreasonably withheld.

8. RESPONSIBILITIES OF A PARTY UNDERTAKING COMMERCIALIZATION

A party undertaking Commercialization shall:

a. keep the other party informed of all relevant actions taken in respect of the PIP upon their occurrence throughout the year or provide the other party with an annual statement, no later than 15 June of each year. This statement will include all relevant actions taken in respect of the PIP during the previous University fiscal year, including:

i. the issuance of any patent or progress made in that regard;

ii. the conclusion or progress made with respect to any licensing agreement or the like;

iii. the name and places of all establishments using the PIP under license; and

iv. all income and expenditures forming part of the calculation of Net Revenue for that year.

b. remit to the other party, no later than 15 June of each year, a sum equal to 33 1/3% of the **net revenue** for the previous year, or the sum equal to the percentage agreed upon under any agreement between the parties for variation.

c. maintain in Alberta proper records of the matters referred to in subsection a, and permit the other party reasonable access to the records from time to time for a period ending twenty four (24) months following the conclusion of each matter.

9. VARIATION

If the parties consider it to be appropriate, they may enter into an agreement varying any of the procedures provided for herein.

10. APPEALS

Any appeals or disputes under these procedures shall be decided under the *Arbitration Act, R.S.A. 2000, c. A-43,* as updated from time to time.

11. NON-COMPLIANCE

Failure to comply with this procedure shall be handled according to the respective Collective Agreements, but the University or Inventor shall also have a right of action against the non-compliant party.

12. DELEGATION BY THE VICE-PRESIDENT (RESEARCH)

The Vice-President (Research) may delegate any or all of their responsibilities under these procedures to another person or persons.

Definitions

Any definitions listed here apply to this policy document only with no implied or intended institution-wide use. For clarity, defined terms listed here include grammatical variations thereof.	
Arm's length	Means a transaction conducted between parties that have no corporate, direct or indirect connections with each other that may affect the ability of each party to act in its own self-interest.
Commercialization	Means the transfer or the commercialization or any combination of transfer and commercialization undertaken by a person with respect to PIP.

Inventor(s)	Means the creator or creators of Patentable Intellectual Property.
Net revenue	Means all consideration received by the Inventor or the University from third parties, from the sale or licensing of Patentable Intellectual Property, less the out-of-pocket costs paid by that party for obtaining the patent and granting, performing and enforcing any assignment or licensing of Patentable Intellectual Property. Any consideration not received in cash shall be valued by agreement between the University and the Inventor, failing which the value shall be determined by arbitration.
Patentable Intellectual Property (PIP)	Includes patents, patentable ideas, including but not limited to plant cultivars, germ plasm, and computer software that is capable of being legally protected by patent, whether in Canada or elsewhere. The Patent Policy and this procedure do not apply to copyrights on work published or unpublished.
Report of Invention (ROI)	Means the form designated as such by the Vice-President (Research).

Forms

- There are no forms for this procedure.

Parent Policy Suite

- Patent Policy
- Commercialization of Patentable Intellectual Property Procedure
- Declaring Best Interests of Inventor (Section 10 Variation of Patent Policy) Procedure

Related Policy Documents

- There are no related policy documents for this procedure.

Related Links

- Arbitration Act, R.S.A. 2000 A-43 (Government of Alberta)
- Collective Agreements + Handbooks
- Patent Act, R.S.C. 1985, c. P-4 (Department of Justice)

For questions surrounding policy document interpretation or implementation, please contact the Office of Administrative Responsibility.

The official version of this document may be obtained from https://www.ualberta.ca/policies-procedures/index.html