Ownership of University Inventions: Practical Considerations

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ABSTRACT

Several factors help to establish who owns a university invention and what rights the university may, or may not, have. These factors include whether (1) there are express or implied agreements to assign ownership, (2) the inventor is employed by the university, (3) the invention was made within the scope of employment, and (4) where and when the invention was made. Under U.S. law, individuals own their inventions, except where there is an express agreement providing for assignment of ownership of inventions to an employer or where an implied agreement to assign is found because the employee was hired or assigned to invent or solve a specific problem or served the employer in a fiduciary capacity. Therefore, in addition to implementing clearly delineated policies, it is critically important for a university to absolutely require all employees and visitors to sign invention assignment agreements (IAAs) on their date of arrival. It is unwise to rely on policy statements to determine whether or not a university employee owns his or her invention: universities should always obtain signed (express) agreements, and both the employee and the technology transfer office should retain copies. Research contracts with the government and other sponsors should have a checklist item on the existence of IAAs for the principal investigator and other researchers (whether or not a university should have undergraduates routinely sign IAAs is up to each university). Upon termination of employment, personnel should be asked to sign an exit form indicating that they have disclosed all inventions falling within the terms of the IAA to the university licensing office.

1. INTRODUCTION

Who owns an idea? A prototype? A patent? To a free-thinking university researcher, assigning inventions to an employer could seem illogical. So what can a university administrator do to minimize friction, between an employer and an employee, related to patent ownership? When is the law black and white? When gray?

The starting point of the law is that individuals own their inventions, *except*: (1) where there is an *express agreement* providing for assignment of inventions to an employer; and (2) where an *implied agreement* to assign is found because the employee:

(a) was hired or assigned to invent
(b) was hired or assigned to solve a specific problem
(c) served the employer in a fiduciary (president of a commercial company, for example)

Where no written agreement exists and no implied contract to assign is found, the inventor will own the invention, subject to the employer's "shop right" to use the invention if the invention was made with the employer's resources or facilities. The often-discussed, but frequently misunderstood *shop right* refers to an employee's

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obligation to accord an employer a royalty-free, nonexclusive license to practice the employee's invention, if the employee, even if *not specifically hired to invent,* uses the employer's facilities to make the invention. In other words, a shop right is an implied-in-law license of a patent from an employee to an employer. What differentiates the shop-right license from the agreements discussed above is that there is no assignment of patent rights from employee to employer; the employee retains full title to the patent.

2. APPLYING THE RULES

But, how are these rules applied? Is a professor hired to invent? The following scenarios provide a framework for analyzing the practical application of the above rules in the daily business of a university licensing office.

2.1 *Example 1: The unreasonable inventor*

The day Professor Z started work at the university, she signed a clear, unambiguous invention assignment agreement (IAA; see Box 1 for a sample), along with his W-2 form. She signed a three-year federal contract to perform "research in the area of solar light bulbs." She invented a solar light bulb while working in her university laboratory between 9 a.m. and 5 p.m. on a Wednesday. She has refused to assign the invention to the university, because as she says, "After all, it was my idea."

There is no question under the law that Professor Z must assign her invention to the university. In order to compel the assignment of an employee invention, pursuant to a written IAA, an employer must show: (1) that the invention was conceived during the term of employment; (2) that the assignment was governed by a valid, binding, and enforceable contract; and (3) that all conditions in the assignment contract were met by the employer (*Mosser Industries, Inc. v. Hagar*).[1] In this example, all of these elements could be demonstrated.

To diffuse the situation, the university could suggest that Professor Z contact the university's attorney or his own attorney. By seeking professional advice, Professor Z should become convinced that this issue would not be worth fighting. In addition, the university may want to remind Professor Z of any university policy that rewards inventors with royalty revenue from the licensing of university inventions.

2.2 *Example 2: The unreasonable inventor you missed*

Professor Z invented her solar light bulb under the same circumstances as in Example 1 above; however, the personnel clerk was out sick with the flu on Professor Z's first day of work, and the clerk's substitute thought Professor Z only had to sign the W-2 form. Thus, Professor Z never signed an IAA.

Because Professor Z received federal funding, 37 C.F.R. § 401(14) applies regarding election of title by the contractor (the university) within two years of disclosure of the invention. At 37 C.F.R § 401.14 (f), the regulations also require the contractor to have written agreements with its employees (other than clerical and nontechnical employees) requiring (1) the disclosure of all subject inventions promptly and (2) the execution of all papers necessary to file patent applications. Unfortunately, the university is in breach of its federal contract covering Professor Z's invention. Professor Z has hired an attorney, whose wages are being subsidized by Professor Z's potential licensee, who has locked Z into a sweetheart deal. The university scrambles to locate a copy of its latest patent policy, which was revised and mailed to all faculty members last year, and that states:

It is the policy of the university that individuals, through their employment by university, or by participating in a sponsored research project, or using university-administered funds or facilities, thereby accept the principles of ownership of technology as stated in this policy. In furthering such undertaking, all participants will sign invention assignment agreements …

The patent policy also stipulates that inventors/authors will own inventions/materials if they are (1) not developed in the course of or pursuant to a sponsored research or other agreement; (2) not created as a work-for-hire by operation of copyright law and not created pursuant to a written agreement with the university providing for a

transfer of copyright or ownership to university; and (3) not developed with the significant use of funds or facilities administered by university.

The university's lawyer produces the often-cited case of *United States v. Dubilier Condenser Corp*.,[2] which states:

One employed to make an invention, who succeeds, during his[or her] term of service, in accomplishing that task is bound to assign to his [or her] employer any patent obtained. The reason is that he [or she] has only produced that which he [or she] was employed to invent. On the other hand, if the employment is general, albeit it covers a field of labor and effort in the performance of which the employee conceived the invention for which he [or she] obtained a patent, the contract is not so broadly construed as to require an assignment of the patent.

Another early case brought to the university's attention is *Solomons v. United States*,[3] which states:

If one is employed to devise or perfect an instrument, or a means for accomplishing a prescribed result, he [or she] cannot, after successfully accomplishing the work for which he [or she] was employed, plead title thereto as against his [or her] employer. That which he [or she] has been employed and paid to accomplish becomes, when accomplished, the property of his [or her] employer.

In this example, the key question in determining the ownership of the invention is whether Professor Z was hired to invent a solar light bulb, or whether her employment was "general." Actually, in this case, on the fateful day she was hired ten years ago, no one had even remotely considered the idea of a solar light bulb. Professor Z was employed to teach several classes and to conduct research generally on solar power. Her first seven years of research were devoted to solar-powered cars.

The hired-to-invent rule clearly envisions that specific job assignments can change during the course of employment and the question of fact turns on the circumstances and current job assignment at the time of invention. Therefore, the change in focus of Professor Z's research from solar cars to solar light bulbs over the ten-year period is relevant. "*An employee, who undertakes upon the direction of his employer to solve a specific problem within the scope of his general employment, is as truly employed and paid for the particular project as if it had been described at the outset in the contract of employment*" (*Houghton v. United States*).[4]

In *Standard Parts Co. v. Peck*,[5] Peck was employed to solve a particular problem, and a written contract required him, "*to devote his time to the development of a process and machinery for the production of the front spring now used on the product of the Ford Motor company,*" in return for US$300 per month, plus several bonuses. The contract was silent on the matter of invention ownership, which became the subject of the lawsuit. The Court found the answer "*inevitable and resistless*": the "*process and machinery*" contracted to be developed for the company belonged to the company, not to Peck, who was otherwise paid for his services.

Whether the work statement in Professor Z's federal contract is specific enough to cover the development of a solar light bulb would be a question of fact under a *Standard Parts* rationale. In *Patent Law Fundamentals* (Section 11.04, Rights of Employer and Employee Inter Se), the analysis goes one step farther; it is stated that "*apparently*" an employer would own inventions if an employee were "*employed to plan and conduct fundamental and practical investigations and such lead directly to an invention*," so long as the employee's area of activity was defined with "*sufficient specificity*."

In *Speck v. North Carolina Dairy Foundation, Inc. et al.*,[6] the inventors were professors and researchers who developed a secret process; they had not signed IAAs. They were paid by the university and acknowledged that the process was developed at the university using university resources. The Supreme Court of North Carolina found that, although there were no signed IAAs, professors and researchers were hired to invent and their invention belonged to the university: "*[T]hey developed the secret process ... while employed as teachers and researchers to engage inter alia in just such research and development for the University.*"[7]

An even more recent university case is *University Patents, Inc. v. Kligman et al.*[8] Dr. Kligman invented a Vitamin A preparation to slow the effects of skin aging. As with Professor Z, Dr. Kligman did not sign an IAA, nor did he sign an invention disclosure statement. Some university resources were used, though Dr. Kligman was not as closely connected to the university as the inventors in the *Speck* case. Animal studies were conducted at the university by Dr. Kligman's wife, Lorraine, pursuant to a Johnson & Johnson contract, and a clinical study was performed at the university's Aging Skin Clinic.

University Patents, Inc., with whom the University of Pennsylvania had contracted to exploit its patents, relied primarily on the university's patent policy set forth in the employee handbook to prove an implied contract to assign. Under the University of Pennsylvania's policy, all inventions resulting from work performed on university time or at university expense were owned by the university.

Pennsylvania law is unclear on the question of whether an employee handbook can create an employment contract. The Court applied traditional patent assignment principles to the more controversial handbook concepts and found that the University of Pennsylvania's handbook "*clearly was not communicated as a definite offer of employment*."[9] The opening comments in the handbook provided in part that, "*we hope that this **Handbook** will serve as a useful **traveler's guide** [emphasis added],"* rather than as a contractual legal document.

In April, 1991, the U.S. District Court for the Eastern District of Pennsylvania concluded that a "*jury reasonably could find that an implied contract to assign the patent in question was formed between Dr. Kligman and the University [of Pennsylvania].*"[10] The university conveyed and enforced its patent policy in a rather lax manner over the years, but the court found "*[T]here is evidence, however scant, from which one could find that Dr. Kligman was aware of the Patent Policy since August, 1967, and manifested an intent to be bound by it.*"[11] The court cautioned that employers are advised not to rely on handbooks to govern the assignment of patent rights; rather, they should address such issues explicitly in an express IAA. However, the issue of whether professors and university researchers, as a class, are hired to invent when pursuing their field of research was not addressed.

Although involving a different central issue, a third case, *Regents of University of Colorado v. K. D. I. Precision Products, Inc.*,[12] stated that "*[T]he subject of the University's employment was research directed towards the obtaining of patents.*" This supports the concept that university professors and researchers are employees hired to invent.

But with regard to Professor Z in our earlier example, the law is not settled as to whether university professors and researchers are hired to invent. What is the likely outcome for Professor Z? In the university's favor are the following points:

- The failure to have Professor Z sign the IAA was a one-time error, not the result of a pattern of negligence.
- All professors were recently mailed a copy of the patent policy.
- Professor Z's invention fell squarely within her federal contract's statement of work.

In Professor Z's favor are these points:

- She did not sign an IAA.
- It was her first invention, and she had never gone through the procedure before. (see *Mainland Industries, Inc. v. Timberland Machine and Engineering Corp.*[13])

As a practical matter, a university should tighten its process for requiring all regular employees and visitors to sign IAAs on their date of arrival. Before action is taken on new invention disclosures by the university licensing office, staff should double check the existence of such agreements for particular inventors. Research contracts, with the government and other sponsors, should have a checklist item referencing the existence of IAAs for the principal investigator and other researchers.

2.3 *Example 3: Saturday afternoon conception at home*

Professor Z invents the solar light bulb in her driveway on Saturday afternoon after she incurred

a minor hit on the head falling off her son's skateboard. She refuses to assign the invention to the university because, "I invented it on my own time."

In this case, Professor Z properly signed the IAA on her first day of work. Ownership, in this case, would depend on the exact wording of the IAA. As a matter of policy, each university must decide what is fair and what is beyond the scope of the IAA. A university would be most prudent to require inventors to assign this conception-at-home type of invention to the university. Otherwise, university sponsors would be shortchanged by the fact that the invention was conceived in the driveway, even though the inventor most certainly relied for years on government-funded background research at the university and the invention most certainly would have been inspired, at least in part, by that research.

In *Mainland Industries,* the inventor was a salaried employee who did not work specific hours and did not sign an IAA. He was uncertain whether the patentable idea was conceived at home or at the office. The court stated at 665, "*the place where an invention is developed is not determinative of whether the employer or the employee is entitled to a patent.*"

As a practical matter, most likely Professor Z will return to work at the university on Monday morning, will revamp her work schedule and list of priorities toward the goal of making Saturday's idea into a working prototype, and will assign three graduate students to start implementing the idea. Professor Z is now clearly using university-administered funds and facilities to develop the invention, and the university would own the patent rights, under the hypothetical IAA in Box 1.

2.4 *Example 4: The eclectic inventor*

Professor Z, instead of inventing a solar light bulb, as a diversion from her solar projects instead develops a remarkable new fertilizer for tulip bulbs, after borrowing a colleague's lab in the botany department and two research assistants on Tuesday afternoons. A frantic search of the records is futile; Professor Z never signed the IAA.

The *Dubilier* case referenced in Example 2 above presented a similar set of facts. Francis Dunmore and Percival Lowell were employed by the government in the radio section of the Bureau of Standards and performed research and testing in that laboratory. In the fall of 1921, Dunmore and Lowell were considering the problem of applying alternating current to broadcast receiving sets. This project was unrelated to the work of the radio section and not assigned to them by any superior. The employees took on the research independently and voluntarily.

Dunmore and Lowell discovered a remote-control system for airplane bombs and torpedoes and were permitted to pursue their work in the laboratory and to perfect the prototypes after disclosing their discovery to their section chief. Dunmore and Lowell did not sign IAAs, and no one advised them that they would be expected to assign their rights to the United States. Dunmore and Lowell instead assigned the invention to the Dubilier Condenser Corporation.

The Supreme Court held that the work was not part of the work specifically assigned to them, and therefore, the employees had title. The government was granted the royalty-free right to practice the inventions, which is known as a shop right: when "*a servant [employee] during his [or her] hours of employment, working with his [her] master's materials and appliances, conceives and perfects an invention for which he [or she] obtains a patent, he [or she] must accord his master a nonexclusive right to practice the invention.*"[14]

In addition to the shop-right issue, *Dubilier* settled the question of whether the character of service calls for different rules regarding the relative rights of the government, as the employer, and its employees. The answer was no, the same principles of employer–employee apply.

These court decisions are all good news for Professor Z. She would probably own her tulip bulb invention; the university would have a royalty-free, nonassignable right to practice it.

The controversy could have been avoided, had the personnel clerk been able to handle Professor Z's paperwork. If Professor Z had duly executed the hypothetical IAA, the university would have owned the tulip bulb invention, because the significant use of university-administered funds and facilities was covered in the standard agreement.

2.5 *Example 5: The precocious undergrad*

Professor Z is filled with joy. After years of lecturing to a sea of bored, young faces, Jane, then a sophomore, appears in the professor's advanced solar class. While chatting after class about Professor Z's long struggle to harness the sun's power in a 60-watt light bulb, Jane asks the key question, "Why not do it this way...?" Jane performs a simple experiment demonstrating that her idea will work. Professor Z puts the lab at Jane's disposal, and Jane spends every free moment for the next year in the lab developing a prototype.

Undergraduates at the university are not routinely requested to sign intellectual property agreements unless they are employed as research assistants. Jane is not in need of employment while at school and never signed the agreement. Students were not issued copies of the patent policy, and frankly, Jane had not even considered the patent-ownership issue.

When Professor Z filed an invention disclosure with the university licensing office citing the federal research support and naming herself and Jane as co-inventors, problems arose. Jane refused to assign her invention to the university and denied that Professor Z was a co-inventor. Professor Z ultimately conceded this issue after the university's patent counsel defined *inventorship* for her, and all agreed that Jane was sole inventor.

In this case, as in *University Patents*, there is no signed IAA, and the university is relying solely on its patent policy. Under the hypothetical policy described in Example 2, the university would own Jane's invention because of her use of significant funds and facilities, regardless of the lack of a signed IAA.

In a court battle, had Jane the financial resources to fight it, the university would have had an uphill battle to prevail. Jane probably could not have been assumed to have had reasonable knowledge of the terms of the patent policy and its applicability to her, and so the university might be left with just a shop right.

If Jane had signed the IAA, the result would be different; most likely the university would own the invention because of her significant use of funds and facilities. Whether or not a university should routinely have undergraduates sign IAAs should be a matter of thoughtful policy making for each university.

2.6 *Example 6: The better-late-than-never agreement*

Professor Z did not sign the IAA on her first day of work. She invented the solar light bulb five years later, and coincidentally two weeks after the discovery received an IAA form, as part of a university licensing office clean-up project, and she signed it.

The courts are divided on whether continuation of employment is adequate consideration for such an agreement when it is signed after the employer–employee relationship has been formed (see *Mirafi, Inc. v. Murphy*[15]). Any agreement after the employer–employee relationship has been formed must have new consideration to be enforceable; *Harsco Corp. v. Zlotnicki*[16] held that an agreement to cover the assignment of invention to the employer, although not executed by the employee until after he made the invention, as agreement used past and present tenses and referred to entire term of employment.

Regarding *General Signal Corp. v. Primary Flow Signal, Inc. et al.*,[17] Dezsoe Halmi was employed by General Signal (GSC) and rose from the position of draftsperson to products development manager. Mr. Halmi was employed for 15 years before he was asked to sign an "Employee Confidential Information and Invention Agreement," which he then signed. The agreement required that he assign, to GSC, his inventions made while working at GSC and for a six-month period following employment.

On April 5, 1983, five days after the six-month period ended, Mr. Halmi recorded the conception of a universal flowmeter that was patented and then manufactured and sold by Primary Flow Signal, Inc., a company that Mr. Halmi established after leaving GSC.

The court found that his continuing employment was adequate consideration for the invention agreement. The court also found that:

The perfection of a flowmeter proved to be a painstakingly intricate process involving extensive testing. It is therefore difficult to believe that after a long and distinguished career with Plaintiff, Mr.

Halmi in his musing five days after the trailer clause expired for the first time came up with the idea for the NTV. Although the word 'Eureka!' has allegedly been uttered by more than one inventor over the years, the concept at issue does not lend itself to such sudden discovery.

The court concluded that the idea must have occurred to Mr. Halmi while employed at GSC, and, therefore, Mr. Halmi was in violation of the invention agreement.

The university can take some steps to protect itself from situations where the IAA is not signed on the first day of employment, or for inventions not reported by employees who leave the university. As mentioned in Example 2, various catch mechanisms can be put in place to ensure that IAAs are on file. If it is discovered that an employee has not signed an agreement, a carefully worded agreement, signed later, provides some assistance in many jurisdictions. The agreement should state that the consideration is the continuation of employment and the continued use of university funds and facilities, and that the entire term of employment is covered. Some additional consideration could be given, for example, the payment of the sum of US$10. Any royalty-sharing right under the university's patent policy should also be cited.

On termination of employment, personnel should be asked to sign an exit form that includes a statement such as this: "I have disclosed all my inventions falling within the terms of the Invention Assignment Agreement to the university licensing office."

2.7 *Example 7: The visiting scientist*

Professor Z corresponds regularly with her college classmate Martin Xcaliber, who is a tenured professor at another university halfway across the country. One hot summer day, Professor Z is feeling stultified in her work and invites Professor Xcaliber to spend some time collaborating in her solar lab. He is compensated through funds from Professor Z's federal contract. The collaboration succeeds, and Professor Xcaliber breaks through the impasse Professor Z had been struggling with for almost a year. He reduces his idea to practice that summer, and the invention is clearly novel and patentable. But he did not sign the visiting scientist IAA from Professor Z's university. His university is claiming ownership and produces a valid, unambiguous IAA, which covers all inventions made during his period of employment, regardless of where conceived or reduced to practice.

Again, the university is in a bit of trouble under its federal contract because this researcher did not sign an IAA. Once again, the university is left relying on a patent policy that states that the university owns inventions made by visiting scientists making significant use of funds or facilities. Professor Xcaliber may never have seen the patent policy document.

The university could argue that Professor Xcaliber should have known that Professor Z's university would have some sort of patent policy and that he should have made reasonable inquiry. No case law was discovered relevant to this situation, but most likely Professor Xcaliber's university would own the invention, with Professor Z's university getting a shop right. This might be a good case to negotiate for joint ownership by the universities. Another possibility for compromise is to recognize the contribution of both universities through a patent cost and license royalty-sharing arrangement. Aside from the equities on both sides, as a practical matter Professor Xcaliber's university may find itself on the other side of a similar situation in the future and may want to generate goodwill.

2.8 *Example 8: The inventor who does not play well with others*

Professor Z was not asked to sign the IAA on her first day of work but, instead, five years later during the licensing office's clean-up project. She replied, "My ideas and thoughts are not for sale." Fearing that Professor Z may be upset, the department head and administration instruct the license office not to insist on the signing.

Without upper-level pressure on the matter of Professor Z's job security, the licensing office can only argue that:

- The patent policy applies in any event, and Professor Z should sign the IAA merely to affirm.

- Licensing of inventions would be blocked by the potential of future ownership disputes between Professor Z and the university.
- The university would take legal steps to pursue its ownership rights to inventions made by Professor Z falling within the patent policy.

3. CONCLUSIONS

Under the hypothetical patent policy stated under Example 2, an employee of a university is required to assign to the university all inventions made with university-administered funds and facilities if the employee signed a clear and unambiguous IAA. Even if no written contract exists, the university may own the invention. It is a question to be decided in view of the circumstances, and the contract may be implied from the relation of the parties.

The principles underlying this policy have evolved from the line of court cases that, in the absence of a written agreement, hold that an invention belongs to an employee-inventor unless the employee was hired to invent or assigned to solve a particular problem (*Standard Parts Co. v. Peck*[18]). In all of the cases, an implied contract to assign was found, because the employee had only accomplished what he was hired to do. The employer also owns the invention if the inventor owes a fiduciary duty to the company (see *Great Lakes Press Corp. v. Froom*,[19] where the relationship of president to company found to be one of special trust).

Where no written contract and no implied contract to assign is found, the inventor owns the invention, subject to the employer's shop right to use the invention if it was made with the employer's resources or facilities.

One expert in IP law concluded that, "[T]he common expectations concerning university employment are not the same as the expectations concerning employees within private industry."[20] It is this author's opinion that the *Speck* court's "*classification of university faculty as persons hired to invent is contrary to the premises upon which higher education is based*."[21] The author suggests that professors are principally encouraged to acquire knowledge only through research. This conclusion is unsupported by the case law, which does not distinguish between university and commercial employees; in fact, the cases of *Speck v. K. D. I. Precision Products Inc.* found specifically that university professors and researchers are, by definition, hired to invent. The Supreme Court stated that government employees are governed by the same rules as private industry employees in *Dubilier.* The logical extension of *Dubilier* is to treat university employees, the bulk of whom perform research under government funding, equivalent to government researchers, and therefore, to be the treated the same as commercial employees.

In *Houghton,* the employee-inventor argued that the hired-to-invent rule should not be applied to cases in which an employer, such as the government, does not seek a monopoly (the essence of a patent). The Court responded vehemently that:

It is unthinkable that, where a valuable instrument in the war against disease is developed by a public agency through the use of public funds, the public servants employed in its production should be allowed to monopolize it for private gain and levy a tribute upon the public which has paid for its production, upon merely granting a nonexclusive license for its use to the governmental department in which they are employed.

Ultimately, without a written agreement, the facts of each case determine ownership; a particular professor may or may not be found to have been hired to invent or to resolve a particular problem. As with any class of employees, probably no blanket statement can be made as to when university professors and researchers are considered to have been hired to invent.

For managing intellectual property, invention, and ownership issues, the best approach is always to require employees and visitors in a position to invent to sign IAAs as often as employees sign W-2 forms. ■

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2 289 U.S. 178, 53 S.Ct. 554, 77 L.Ed. 1114 (1933).

3 137 U.S. 342, 346, 11 S.Ct. 88, 89, 34 L.Ed 667 (1890).

4 23 F.2d 386, 390 (4th Cir. 1928).

5 264 U.S. 52, 59 (1923).

6 311 N.C. 679, 319 S.E. 2d 139 (1984).

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8 762 F. Supp. 1212 (1991).

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11 Ibid.

12 488 F.2d 261, 267 (1973).

13 218 U.S.P.Q. 662, 665 (Ore. Ct. App. 1982).

14 (289 U.S. 178, 188).

15 14 U.S.P.Q. 2d 1337, 1350 (W.D.N.C. 1989).

16 779 F.2d 906, 228 U.S.P.Q. 439 (3rd Cir. 1985).

17 C.A. Nos. 85-0471B, 86-034B (D.C. R.I. 1987).

18 264 U.S. 52 (1923).

19 695 F. Supp. 1440 (W.D.N.Y. 1987).

20 Smith GK. 1985. The Souring of Sweet Acidophilus Milk: Speck v. North Carolina Dairy Foundation and the Rights of University Faculty to their Inventive Ideas. *North Carolina Law Review* 63:1259.

21 See *supra* note 1, p. 1248.

Box 1: Invention Assignment Agreement

Name (please print or type):

In consideration of the sum of One Dollar ($1.00) and:

- my past, present, and/or future employment at UNIVERSITY; and/or
- my past, present, and/or future participation in research at UNIVERSITY; and/or
- opportunities that have been made or will be made available to me to make significant use of UNIVERSITY-administered funds or facilities; and/or
- opportunities to share in royalties and other inventors'/authors' rights outlined in the "Guide to the Ownership, Distribution and Commercial Development of UNIVERSITY Technology,"

A. agree to disclose promptly to UNIVERSITY and hereby assign all rights to all inventions, copyrightable materials, computer software, semiconductor mask works, tangible research property and trademarks ("Intellectual Property") conceived, invented, authored, or reduced to practice by me, either solely or jointly with others, that:

(i) are developed in the course of, or pursuant to, a sponsored research or other agreement in which I am a participant, as defined in Paragraph X of the UNIVERSITY Technology Policy Guide; or

(ii) result from the significant use of UNIVERSITY-administered funds or facilities as "significant use," as defined in Paragraph X of the UNIVERSITY Technology Policy Guide; or

(iii) result from a work for hire funded by UNIVERSITY, as defined in Paragraph X of the UNIVERSITY Technology Policy Guide; and

B. agree to execute all necessary papers and otherwise provide proper assistance, at UNIVERSITY's expense, during and subsequent to the period of my UNIVERSITY affiliation, to enable UNIVERSITY to obtain, maintain, or enforce, for itself or its nominees, patents, copyrights, or other legal protection for such Intellectual Property; and

C. agree to make and maintain for UNIVERSITY adequate and current written records of all such UNIVERSITY Intellectual Property; and

D. agree to deliver promptly to UNIVERSITY, when I terminate employment with UNIVERSITY for any reason, and at any other time as UNIVERSITY may request, copies of all written records referred to in Paragraph C, above, as well as all related memoranda, notes, records, schedules, plans, or other documents, made by, compiled by, delivered to, or manufactured, used, developed, or investigated by UNIVERSITY, which will at all times be the property of UNIVERSITY; and

E. will not to disclose to UNIVERSITY or use in my work at UNIVERSITY (unless otherwise agreed in writing with UNIVERSITY):

(i) any proprietary information of any of my prior employers, or of any third party, such information to include, without limitation, any trade secrets or confidential information with respect to the business, work, or investigations of such prior employer or other third party; or

CONTINUED ON NEXT PAGE

Box 1 (continued)

(ii) any ideas, writings, or intellectual property of my own that are not included in Paragraph A, above, within the scope of this Agreement (please note that inventions previously conceived, even though a patent application has been filed or a patent issued, are subject to this Agreement if they are actually first reduced to practice under the circumstances included in Paragraph A above).

After the date hereof, this Agreement supersedes all previous agreements relating in whole or in part to the same or similar matters that I may have entered into with UNIVERSITY

This Agreement may not be modified or terminated, in whole or in part, except in writing signed by an authorized representative of UNIVERSITY Discharge of my undertakings in this Agreement will be an obligation of my executors, administrators, heirs, or other legal representatives or assignees.

I represent that, except as identified on the reverse side hereof, I have no agreements with, or obligations to, others in conflict with the foregoing.

Witness

_____

Signature (to include first name in full)

_____

Date

Note: This Agreement is completed and signed in triplicate and distributed in the following manner: original copy to the employee's personnel file, second copy to the employee; third copy to the Technology Licensing Office.