

XI. INTELLECTUAL PROPERTY

A. INTRODUCTION & BACKGROUND

AURA employees, as a part of their normal professional duties, carry out research and engineering activities, which are sponsored by governmental and private entities through grants and contracts. AURA and its employees incur certain obligations to the funding agencies, such as disclosure and disposition of intellectual property.

AURA policy on intellectual property is based on the premise that the interests of AURA, its funding agency, and the public at large are best served when the results of federally funded research are legally protected and subsequently licensed or otherwise made available to industry for commercialization and consequent public benefit and use through programs of technology transfer in accordance with federal policies. However, in pursuing this goal, AURA must maintain the integrity and objectivity of its scientific and engineering programs and must fulfill its responsibility for the open exchange of information with the astronomical community. In appropriate situations, AURA may decide that its goals are best realized by placing the intellectual property into the public domain.

This Intellectual Property Policy is established to govern the ownership, evaluation, protection and commercialization of intellectual property developed by AURA employees. The provisions of this policy apply to all intellectual property conceived or first reduced to practice in the course of AURA research, development and engineering activities. The term Intellectual Property, as used in this policy, is defined as all technology, such as patentable or non-patentable inventions, discoveries, software, and copyright materials (See Appendix A).

AURA's Intellectual Property Policy reflecting the requirements of its major funding agency, NSF and NASA, applies to all research activities supported by government agencies as well as non-governmental organizations.

AURA considers the concepts, ideas and discoveries of its employees to be valuable assets warranting formal policies and procedures for protection. AURA recognizes that if creative intellectual effort is to be fostered and stimulated, there must be a fair appraisal of rights to commercially valuable intellectual property in order to give appropriate recognition to the interests of all parties involved.

B. POLICY GOALS AND OBJECTIVES

The goal of the Intellectual Property Policy is to encourage the application of technology from AURA-managed programs to the benefit of AURA, its Centers and staff, and the public at large. Toward this end, the objectives are:

1. To make intellectual property resulting from AURA research, development, and engineering activities available under conditions that will promote their effective development and utilization;
2. To protect AURA's and its funding agencies' rights and interests in intellectual

property developed in the course of AURA administered research, development and engineering activities;

3. To recognize the intellectual property rights and interests of AURA, AURA employees, and organizations sponsoring AURA activities;
4. To provide appropriate recognition and incentive to AURA employees through a share in any proceeds from commercialization of intellectual property developed by AURA employees; and
5. To provide mechanisms for determining the significance of any intellectual property.

C. ADMINISTRATION

AURA Corporate Office is responsible for Intellectual Property management and for providing policies, procedures, guidance, and assistance to AURA Centers. Accordingly, the Corporate Office is responsible for general administration of the Intellectual Property Policy. Periodically, the Corporate Office will report to the Board on the Intellectual Property Program. The Corporate Office is authorized to delegate to Center Directors operational functions and decision-making, as it deems desirable.

The Board of Directors may appoint, when necessary on an ad hoc, basis, a committee of not less than three (3) members, two (2) of which shall be Board Members, to serve as an Intellectual Property Advisory Committee to assist the Corporate Office in the administration of this Intellectual Property Policy.

The Corporate Office, upon information obtained from the inventor(s)/author(s), may treat AURA's rights to Intellectual Property in one or more of the following ways by:

1. Seeking to license the Intellectual Property for commercial utilization on a royalty-bearing and an exclusive or non-exclusive basis, whichever is best calculated to make the property available for the widest public benefit and use in the quickest way;
2. Marketing the Intellectual Property itself, or through its Centers or subsidiary;
3. Entering into a joint venture with the inventor(s) or third party for the commercialization;
4. Assigning the rights to one or more intellectual property management organizations for protection, commercial development and/or licensing;
5. With the consent of the funding agency, releasing the intellectual property to the inventor(s) if determination is made that commercial exploitation is not warranted;
6. Forwarding the intellectual property to the funding agency if such action is required under the terms of the sponsored project agreement;
7. Taking other steps which would expedite commercialization of the intellectual

property and/or utilization for the public benefit; or,

8. With the consent of the funding agency, placing the intellectual property in the public domain.

AURA Centers have responsibility for implementation of the Intellectual Property Policy through the development and dissemination of procedures for managers/supervisors and other staff.

D. GENERAL POLICY PROVISIONS - AURA AND EMPLOYEES

1. As a condition of employment or use of AURA facilities, all scientific, professional, administrative and technical employees and certain visitors performing scientific or technical work shall agree to execute an AURA Intellectual Property Agreement (Appendix A) and to notify AURA promptly of any intellectual property arising in the course of or in connection with AURA programs and activities.

In the event that the employee or visitor indicates that some prior agreement or condition exists or conflicts with any commitment in the Agreement, the Center Director or a designee will advise that individual to describe that conflict or condition and report it to the AURA Corporate office for resolution.

2. Subject to the terms and conditions of its agreements with funding agencies, AURA shall own all rights in any intellectual property resulting from research and related activities:
 - a. in which all or part of the costs thereof are paid from funds administered by AURA;
 - b. which is made as a result of normal employees duties and responsibilities; or
 - c. which in whole or in part utilized AURA resources.

Where intellectual property results from collaboration between AURA and a third party, and an AURA employee and a third-party employee are co-inventors or co-creators: then, and in that event, AURA and the third party shall mutually agree as to the method of administration, and the division of expenses and revenue of such jointly-owned intellectual property.

NOTE: Special policies with respect to international collaboration may effect and override specific provisions herein.

3. Unless otherwise negotiated the allocation of interests will be made as follows;
 - a. Selection of the desired course of action is predicated upon a timely, comprehensive disclosure of the intellectual property, its ability to be protected, and its commercial utility. If there is commercial promise, a

business and financial strategy is developed by AURA in conjunction with the inventor(s) and the Center Director;

- b. No agreement to assign or license any intellectual property may be entered into by an AURA employee without written consent of the AURA Corporate Office. This provision does not apply to publication of the research results in scientific journals;
- c. AURA shall have the obligation to resolve any conflicts of interest or potential conflicts of interest arising from the management and exploitation of AURA intellectual property;
- d. Written approval of the AURA Corporate Office shall be obtained prior to accepting licenses with respect to intellectual property generated by others; and,
- e. If a dispute should arise between an inventor or creator and AURA with respect to issues under the Intellectual Property Policy, the matter shall be referred for decision to an Arbitrator, the cost of such arbitration to be borne equally by the disputing parties.

E. DISTRIBUTION OF REVENUE

Net income received from the sale, licensing, and/or commercialization of intellectual property shall be shared by the inventor(s) or creator(s), the appropriate AURA Center and AURA. Prior to the distribution of any income, expenses incurred by AURA such as, but not limited to, intellectual property protection, licensing, and management, as applicable, are recovered from gross revenues, resulting in the net income for a specific intellectual property.

It is the responsibility of employees and/or Center Directors to identify individual inventors or creators, if any, during the intellectual property disclosure process. Only (a) individuals named as inventors on the patent application or, (b) creators identified in other intellectual property disclosures and approved by the Center Director will be entitled to revenue sharing.

In the case of certain types of intellectual property, it is not always possible to identify every individual that substantially participated in its creation or development. In such situations, the Center Director, in consultation with the principal investigator will review the circumstances of the development of the intellectual property and make a determination identifying those individuals who properly should participate in any revenue sharing.

The distribution of net income for a specific intellectual property shall be as follows:
33-1/3% distributed among the inventors or creators;
33-1/3% to the AURA Center for use in research, engineering or development;
33-1/3% to AURA Corporate Office in furtherance of its mission, goals and objectives.

APPENDIX A

INVENTIONS AND PROPRIETARY INFORMATION AGREEMENT ASSOCIATION OF UNIVERSITIES FOR RESEARCH IN ASTRONOMY, INC. (AURA)*

I have read, understand, and agree to be bound by the AURA Intellectual Property Policy, effective April 1, 1993, which is incorporated in this Agreement by reference, and as may be amended from time to time; and of which amendments I will be informed. Specifically, in consideration of my present employment at AURA; or my participation in research at AURA; or the opportunities provided to me to make use of AURA facilities with the support of AURA funds, and the opportunities to share in revenue and other privileges as set forth in the AURA Intellectual Property Policy, I shall:

Disclose promptly to AURA any invention, copyrightable material, computer software, or trademark, "Intellectual Property" conceived, invented, authored, or reduced to practice by me, either solely or jointly with others which is developed in the course of, or pursuant to, a sponsored research or other agreement in which I am a participant; or results from the use of AURA funds or facilities (facilities include Government funded or Government owned property); or results from a work-for-hire funded by AURA (work-for-hire is defined as a work product created in the course of the author's employment); and,

Assign to AURA all my right, title and interest to that Intellectual Property, except that I may publish the results of my astronomical research freely and authorize others to do so; and

Execute all necessary papers and otherwise provide proper assistance, at AURA's expense, during and subsequent to the period of my affiliation, to enable AURA to obtain, maintain or enforce for itself or its assignees, patents, copyrights or other legal protection for that Intellectual Property and to carry out its contractual commitments to the Federal Government and the other funding agency with respect to that Intellectual Property; and

Prepare and maintain for AURA adequate and current written records of all such AURA Intellectual Property; and,

Deliver promptly to AURA when I leave AURA for whatever reason, and at any other time as AURA may request, copies of all written records referred to in Paragraph C of this policy 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 AURA, which will at all times be the property of AURA.

This Agreement shall survive the termination of my employment with AURA and shall continue in effect for ten (10) years thereafter. In the event that I am personally unable to carry out any commitment set forth in this Agreement, performance of that commitment shall be an obligation of my executors, administrators or other legal representatives or assignees. This Agreement replaces all previous agreements between me and AURA relating to any form of Intellectual Property and shall be deemed to be in effect as of _____.

AURA Representative

Signature (to include first name in full)

Please print full name

Social Security Number

Date

***Wheresoever used, the term AURA shall be understood to include all operational Centers of this organization, such as, by the way of example only: National Optical Astronomy Observatory (NOAO), Space Telescope Science Institute (STScI), Gemini Project (Gemini), National Solar Observatory (NSO) and Large Synoptic Survey Telescope (LSST).**

(To be signed in duplicate: DISTRIBUTION: original copy to the signatory's personnel file; second copy to the signatory.)