

# Enterprise-wide Policy

<b>Section # **</b>	<b>Policy #</b> E-FRD-002	<b>Intellectual Property: Policies and Procedures</b>	
<b>Responsible Department:</b> MUSC Foundation-Research Devel			
<b>Date Originated</b> Not Set	<b>Last Reviewed</b> Not Set	<b>Last Revised</b> 06/11/2020	<b>Effective Date*</b> 06/11/2020

**Policy Scope:**

Applicable	Entity
X	MUHA
X	University
X	MUSCP

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## I. Policy Statement/Purpose

The purpose of this document is to delineate the policy and procedures pertaining to intellectual property created by employees, students, and visitors of the Medical University of South Carolina (“MUSC”) and its affiliates, including the University Medical Associates of the Medical University of South Carolina (“MUSC Physicians”), the Medical University Hospital Authority (“MUHA”), the MUSC Foundation, and the MUSC Foundation for Research Development (“FRD”) (collectively the “MUSC Enterprise”).

The objective of this Policy is to further the MUSC Enterprise’s mission by (i) providing for the necessary protections, incentives, and vehicles to encourage the discovery and development of new knowledge for the public good; (ii) fostering research links and collaboration with industry and other academic institutions; and (iii) enabling advancement of economic development in South Carolina and beyond.

## II. Scope

Employees and Students: This Policy applies as a condition of appointment or employment by the MUSC Enterprise to every employee, and as a condition of enrollment by every student, who during the period of their appointment, employment, or enrollment by the MUSC Enterprise shall:

- a. Conceive or first reduce to practice, actually or constructively, any invention or trade secret;
- b. Prepare a copyrightable work;
- c. Contribute substantially to the existence of any tangible result of research; or
- d. Otherwise contribute to the creation of an item of intellectual property.

Visitors: This Policy applies as a condition of use of MUSC Resources to all persons who are not considered Employees or Students, who through their use of MUSC Resources shall:

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- a. Conceive or first reduce to practice, actually or constructively, any invention or trade secret;
- b. Prepare a copyrightable work;
- c. Contribute substantially to the existence of any tangible result of research; or
- d. Otherwise contribute to the creation of an item of intellectual property.

Such persons are called “Visitors” herein. MUSC Enterprise personnel allowing Visitor access to MUSC Resources shall ensure that the Visitor has been notified of this Policy and obtained written consent from the Visitor, using approved forms available on FRD’s website, to be bound by this Policy.

### III. Policy

#### A. Disclosure and Assignment Requirements

Intellectual Property is required to be disclosed, pursuant to this Policy, by the Creator to FRD or another designee as determined by MUSC, using approved forms available on FRD’s website. All disclosures are confidential. Ownership of the Intellectual Property included in such disclosure shall be determined pursuant to the applicable provisions of this Policy.

Disclosure should be made in a timely manner upon the Creator’s recognition that Intellectual Property may have been created. Disclosure should be made prior to public presentations or publications, or other dissemination of the Intellectual Property to third parties whether public or confidential.

Creators shall and hereby do assign to MUSC ownership of any Intellectual Property that MUSC is entitled to claim ownership of pursuant to this Policy as a condition of employment, enrollment, or use of MUSC Resources. Creators shall in good faith execute any and all assignment of ownership documents required to effectuate this Policy. MUSC may require assignment of ownership documents be signed for any Intellectual Property covered under this Policy regardless of whether the assignment of ownership document is required by law to transfer ownership to MUSC.

#### B. Ownership

1. Employees: MUSC shall be entitled to claim ownership of Intellectual Property which is made in the field in which the Employee Creator is engaged by the MUSC Enterprise or made with the use of MUSC Resources. The Employee Creator shall share in any proceeds derived there from in accordance with this Policy and subject to any preexisting commitments to outside sponsoring agencies.
2. Students: Intellectual Property created by Student Creators shall be owned by the Student Creator unless the Intellectual Property is created, conceived or reduced to practice (a) during the course of research conducted at MUSC; (b) through the use of MUSC Resources; (c) in conjunction with one or more persons who are otherwise obligated to assign their rights in such Intellectual Property to MUSC under this Policy; or (d) under terms of an MUSC Enterprise contract with a third party which provide for other disposition of the Intellectual Property. For Intellectual Property of categories (a) through (d), MUSC shall be entitled to claim ownership, and the Student Creator

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shall share in any proceeds derived there from in accordance with this Policy and subject to any preexisting commitments to outside sponsoring agencies.

3. Visitors: MUSC shall be entitled to claim ownership of Intellectual Property created by Visitors through the use of MUSC Resources. The Visitor shall share in any proceeds derived there from in accordance with this Policy and subject to any preexisting commitments to outside sponsoring agencies.
4. Copyright: Copyrightable Works that MUSC is entitled to claim ownership to under this Policy shall be treated as works for hire under the U.S. Copyright Act and MUSC shall be deemed the author. Employees, Students, and Visitors who would otherwise qualify as authors of the Copyrightable Works under United States copyright law will be considered Creators for purposes of this Policy.
  - a. Unless subject to any of the exceptions specified in Section III.B.4.b below, Creators shall retain all rights to Traditional Academic Copyrightable Works and are free to submit such for publication and execute assignment documents in their own name.
  - b. MUSC shall own Traditional Academic Copyrightable Works as follows:
    - i. Works created pursuant to the terms of an MUSC Enterprise agreement with an external party;
    - ii. Works created as a specific requirement of employment or as an assigned MUSC Enterprise duty that may be specified, for example, in a written job description or an employment agreement;
    - iii. Works specifically commissioned by the MUSC Enterprise; and
    - iv. Works that are also patentable.

Nothing contained herein shall be interpreted to grant ownership to MUSC of Traditional Academic Copyrightable Works that are manuscripts for submission to scholarly journals, including electronic submissions which contain multimedia interactive components.

5. Agreements Impacting MUSC Ownership:
  - a. Sponsored Research Agreements: Ownership and disposition of Intellectual Property may be governed in whole or in part by sponsored research agreements, which may supersede certain provisions of this Policy. Prior to the execution of any sponsored research agreement which would conflict with this Policy, the Office of Research and Sponsored Programs must approve the agreement in question.
  - b. Consulting: Employees engaged in external consulting work or business are responsible for ensuring that agreements emanating from such work are not in conflict with MUSC Enterprise policies or with the MUSC Enterprise’s contractual commitments, including but not limited to MUSC’s rights to certain Employee know-how pursuant to this Policy. Such employees should make their obligations known to others with whom they make such agreements and should provide the parties to such agreements a statement of applicable MUSC Enterprise policies regarding

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ownership of intellectual property and related rights.

### C. Commercialization of Intellectual Property

#### 1. Commercialization

- a. In making commercialization decisions for its Intellectual Property, MUSC, or its designee, shall have full discretion, subject to the purpose, objectives, and requirements of this Policy. MUSC has designated FRD, a not-for-profit foundation whose sole purpose is to benefit MUSC, for the administration and commercialization of Intellectual Property.
- b. FRD shall keep the Creator reasonably informed of its commercialization efforts; provided, however, if the Creator has an interest in an entity which desires to license or otherwise make commercial use of the Intellectual Property, the Creator shall not be privy to financial or other confidential information concerning the offers of competing parties.

#### 2. Timetable

- a. Complete Submission: Upon submission of an Intellectual Property disclosure, FRD shall notify the Creator within thirty (30) days if the Intellectual Property disclosure is deemed complete. If it is not deemed complete, the Intellectual Property disclosure shall be returned to the Creator with a request for the additional information needed.
- b. Ownership: Within nine (9) months of a complete submission, FRD shall inform the Creators if MUSC is exercising its right to claim ownership of the Intellectual Property.
- c. FRD shall be reasonably diligent in making efforts to commercialize the Intellectual Property to which MUSC has claimed ownership.

#### 3. Disposition of Intellectual Property

- a. After evaluation of the Intellectual Property and review of applicable contractual commitments, FRD may (a) commercialize the Intellectual Property through licensing or other transfer of rights, (b) release it to the sponsor of the research under which it was made (if contractually obligated to do so), (c) release it to the Creator if permitted by law, or (d) take such other actions as are determined to be in the interest of MUSC and the public. Licensing or other transfer of Intellectual Property rights to entities which the Creator has an interest in is not prohibited by any provisions of this Policy. Commercialization by FRD or its designee may or may not involve statutory protection of the intellectual property rights, such as filing for patent protection, registering a copyright or securing plant variety certification.
- b. Should FRD abandon commercialization of MUSC-owned Intellectual Property, ownership may be assigned to the Creator as allowed by law subject to the rights of sponsors and the federal government, if applicable, and to the retention of a license to practice the Intellectual Property rights for the internal purposes of MUSC, its affiliated entities, and not-for-profit research

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collaborators. The minimum terms of such license shall grant MUSC, its affiliated entities, and its not-for-profit research collaborators, the right to use the Intellectual Property in their internally administered programs of teaching, research, and public service on a perpetual, royalty-free, non-exclusive basis. MUSC or FRD may require the repayment of its out of pocket expenses from any profits made due to commercialization by the Creator.

4. Distribution of Net Proceeds

- a. After retaining a fifteen percent (15%) deduction from Net Proceeds for administration expenses of FRD, which shall be used to further the objectives and purpose of this Policy, FRD shall distribute Net Proceeds at a frequency decided by FRD, in no event less frequently than annually. FRD may, in its sole discretion, withhold or delay distribution where there are foreseeable expected costs reasonably attributable to the Intellectual Property yet to be incurred. Net Proceeds shall be distributed pursuant to the following schedule:

Net Proceeds	Creator(s)	Department(s)	Lab(s)	Angel Fund	MUSC	College(s)
\$1 – \$10,000	100%	0%	0%	0%	0%	0%
> \$10,000	40%	10%	15%	10%	20%	5%

For Creators who do not have a Laboratory, Department and/or College appointment, the distribution of Laboratory, Department and/or College shares will be determined, in advance of the receipt of Net Proceeds, by the applicable entity within the MUSC Enterprise by which the Creator is employed. In no event shall the Creator’s share of Net Proceeds fall below the amounts specified above.

- b. If Net Proceeds are attributable to more than one item of Intellectual Property (e.g. more than one patent), the Net Proceeds shall be first apportioned equally amongst each item (e.g. patent family) prior to application of the distribution schedule, unless otherwise agreed to by the pertinent Creators or if no agreement, as directed by the Vice President for Research or Divisional CEO (or their designees), as applicable, who shall be under no obligation to attempt to discern an apportionment other than equal.
- c. If Net Proceeds are attributable to more than one Creator, distribution of Net Proceeds (the apportioned share if more than one item of Intellectual Property) pursuant to the schedule shall be made using an equal distribution for each Creator absent a written agreement to the contrary signed by all the Creators. If the Creators are from different Departments, Laboratories, and/or Colleges, if applicable, distribution of Net Proceeds to the Departments, Laboratories, and/or Colleges will be equal.
- d. Payment of the Creator’s share shall not end due to the Creator’s death, disability, or termination of employment or other association with MUSC. In the event of death, payment of the Creator’s share shall be made to the Creator’s estate.
- e. In the event that a Creator changes Departments within the MUSC Enterprise, future distribution

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of the Department shares shall remain in the originating Department. If a Department ceases to exist, their shares shall accrue to the Angel Fund until and unless the Creator joins a new Department,

- f. In the event that a Creator, or in the case of a Student Creator, when their mentor, leaves the employment of the MUSC Enterprise or terminates research operations, then fifty percent (50%) of any remaining balance of Laboratory shares and future Laboratory shares from Net Proceeds shall be redistributed to the Angel Fund and the remaining fifty percent (50%) will be distributed proportionally among the Department, MUSC and College according to the table in 7.4 with the stipulation that these funds be solely used to support further growth of intellectual property and technology transfer initiatives at the MUSC Enterprise.
- g. For Student or Visitor Creators, the Laboratory, Department, and College shares shall be payable to the Laboratory, Department, and College of the Student’s mentor or the Laboratory, Department, and College of the Visitor’s sponsor, respectively.
- h. In the event that equity is received from the commercialization of Intellectual Property, equity shall not be considered Net Proceeds until the equity can be freely tradable or liquidated. MUSC and/or FRD shall not be responsible or liable for any valuation fluctuations of equity.
- i. Creators are responsible for any tax consequences associated with their receipt of Net Proceeds.
- j. In the event FRD is a third-party not-for-profit entity, MUSC can cause FRD to make payments on MUSC’s behalf pursuant to the schedule.
- k. Angel Fund: The proceeds designated for the Angel Fund shall be paid to FRD with its own budget line and be used to further the development of emerging MUSC-owned Intellectual Property as approved by FRD’s Board of Directors. The Intellectual Property Committee shall be periodically informed by FRD regarding the use of these funds.

#### D. Faculty Cooperation

- 1. The Creator will use reasonable effort to cooperate and assist, at no expense to the Creator, in the commercialization efforts of FRD. The Creator shall execute appropriate documentation for the protection of the Intellectual Property.
- 2. Potential conflicts of interest that a Creator has with respect to Intellectual Property and its disposition under this Policy shall be disclosed by the Creator pursuant to appropriate MUSC Enterprise policy(ies).

#### E. Intellectual Property Committee

- 1. Membership: The Intellectual Property Committee (“IPC”) shall be a standing committee and consist of members appointed by FRD and approved by MUSC, MUHA, and MUSCP. Members shall be chosen from the various colleges and departments of the MUSC Enterprise which generate

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disclosures of Intellectual Property. One member shall be designated by the Vice President for Research as the Chair. A student shall also be appointed to the committee by the Vice President for Research.

2. Duties: The IPC shall:
  - a. Provide advice to the MUSC Enterprise and FRD regarding implementation of this Policy, and undertake a periodic review of the Policy making recommendations for any revisions, if needed;
  - b. Encourage compliance with this Policy through education of potential Creators of Intellectual Property, and through periodic meetings with those persons and entities responsible for implementation of this Policy.
3. Meetings: The IPC shall meet as needed and at such other times as requested by the Vice President for Research, FRD, the Chair, or by at least 1/3 of the committee members.
4. Dispute Resolution Procedures
  - a. A Creator, FRD or MUSC Enterprise administration can request the IPC mediate a dispute arising under this Policy.
  - b. If a mediated resolution amongst the parties is not obtained, the Committee can make a recommendation to the Vice President for Research for a resolution of the dispute.
  - c. Mediation of a dispute under this Policy shall not be required and shall not be considered to be part of any required administrative remedies available to an employee or student of the MUSC Enterprise.

#### IV. Definitions \*\*

“Intellectual Property” as used herein is broadly defined to include inventions, discoveries, know-how, show-how, trade secrets, processes, unique materials, tangible results of research, copyrightable works, original data, and other creative or artistic works. Intellectual property includes, but is not limited to, that which is protectable by statute or legislation, such as patents, copyrights, trademarks, service marks, trade secrets, mask works, and plant variety protection certificates. It also includes the physical embodiments of intellectual effort including, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, biological materials, chemicals, other compositions of matter, plants, and records of research.

“Copyrightable Works” means copyrightable works as defined under the laws of the United States, including 17 U.S.C. 101 et seq.

“Traditional Academic Copyrightable Works” means a subset of Copyrightable Works created independently and at the Creator’s initiative for traditional academic purposes. Examples include manuscripts for scholarly journals, class notes, textbooks and supplemental materials, theses and dissertations, videos, digital video disks (dvds) containing audio, video, and/or interactive simulations as well as non-interactive demonstrations, compact disks

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containing audio, video and/or interactive simulations, as well as non-interactive demonstrations, articles, non-fiction, fiction, poems, musical works, dramatic works including any accompanying music, pantomimes and choreographic works, pictorial, graphic and sculptural works, or other works of artistic imagination that are not created as (a) an institutional initiative or (b) with MUSC Resources. Specifically excluded from this definition are software works.

“Creator” means an Employee, Student or Visitor who, individually or jointly with others, creates Intellectual Property and (1) meets the criteria for inventorship under United States patent laws and regulations; (2) meets the criteria for author if the Intellectual Property is a work of authorship qualifying for protection under United States copyright laws and regulations; or (3) is determined to have otherwise made a substantive intellectual contribution to the development of Intellectual Property and is named on the applicable Intellectual Property disclosure form.

“MUSC Resources” means the material use of facilities, supplies, materials, or other resources of the MUSC Enterprise, with the exception of its library collections and other resources that are freely available to the public. MUSC Resources do not include “incidental uses” of resources as that term is described in the MUSC Policies and Procedures for Employee Involvement in Entrepreneurial Activities.

“Net Proceeds” means the net amount received by MUSC or its designee from the sale, licensing or other disposition of any Intellectual Property, initially owned, pursuant to this Policy, in whole or in part by MUSC, after deduction of all costs reasonably attributable to the protection and distribution of such Intellectual Property, including any reasonable expense of patent or copyright prosecution, maintenance, interference proceedings, litigation, marketing or other dissemination and licensing.

“Employees” means full-time and part-time faculty (of all ranks and status as outlined in the MUSC Faculty Handbook) and all levels of full-time and part-time staff employed by the MUSC Enterprise.

“Students” means full-time and part-time students of all levels including those in training, such as post-doctoral fellows and residents.

“Visitors” has the definition given in Section II above.

## **V. Related Policies \*\***

1. MUSC/MUHA Industry Relations Policy and Conflict of Interest Policies:  
<https://web.musc.edu/about/coi/coi-policies>
2. MUSC Enterprise Policies and Procedures for Employee Involvement in Entrepreneurial Activities

## **VI. Applicable Laws and/or Regulations \*\***

1. Bayh-Dole Act (P.L. 96-517, Patent and Trademark Act Amendments of 1980)

## **VII. References (Internal and External) and Citations \*\***

N/A

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**VIII. Distribution and Communication Plan**

**IX. Appendices (e.g. forms, procedures, i.e., the “who, when, how” the policy will be implemented, FAQs) \*\***

N/A

\* **Policies become effective on the date of publication**

\*\* **If not applicable, enter NA**

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