



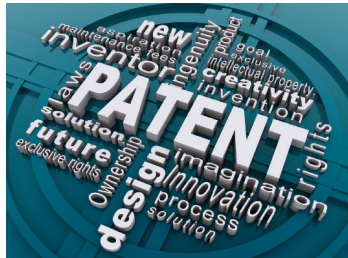
August 17, 2016

Message from UUP President Fred Kowal

Update on SUNY's Proposed Patent Policy Changes Title J, SUNY Board of Trustees Policies

Since April 2015, UUP has been involved in efforts to address the proposed patent policy changes SUNY announced a month before. During the fall of 2015, we gathered member input through chapter meetings, campus Senate meetings, and phone interviews with patent holders.

We also received written comments and suggestions from concerned UUP members through emails and a UUP web portal created for this purpose. UUP also reviewed patent policies at 40 top research universities/university systems in the United States for comparative purposes.



Following the collection of member input, UUP met repeatedly with SUNY between July 2015 and June 2016 to present our members' concerns about SUNY's original proposal and to propose changes. Those meetings resulted in a number of revisions that addressed many of

these concerns. The meetings concluded in June and the SUNY Board of Trustees passed a resolution to begin the formal rulemaking process by publishing the proposed SUNY Patents and Inventions Policy for the purposes of seeking public comment.

The proposed revision of the SUNY Patents and Inventions Policy has now been published in the NYS Register for public comment. The public comment period closes Aug. 27, 2016. The proposed revision can be found on pp. 22-24 at the following link:
<http://on.ny.gov/2b4iWJq>

Highlights of Modifications to Patent Policy Submitted to the SUNY Board of Trustees, June 2016

Scope of Patent Policy

The new policy clarifies that the Patents and Inventions Policy does not impact current SUNY Copyright Policy in any way by stating that "Creative and Course Content is beyond the scope of this Policy." Creative and course content is owned by the personnel who create it.

SUNY's March 2015 proposal included language which created significant confusion about the impact of this policy on ownership of creative and course content which is subject to copyright.

Royalty Income

Creator/inventor share of royalties is 45 percent of the first \$100,000 of **net royalty** and 40 percent of net royalty thereafter. *SUNY's March 2015 proposal was 40 percent of net royalty.*

Application of the above royalty split will generally be applied to Computer Software and Non-Patentable Intellectual Property "created in the performance of academic or research activities and obtained by or through SUNY or assigned to or as directed by SUNY ..."

SUNY's March 2015 proposal left distribution of royalties from computer software and other non-patentable IP to campus president discretion.

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Definition of Net Royalty

Net royalty is "Royalty less reasonable out-of-pocket expenses incurred by SUNY and not reimbursed by licensees for the evaluation, marketing, development, protection, maintenance, and enforcement of the subject Intellectual Property."

This clarified that expenses which may be deducted from royalties must be out-of-pocket and unreimbursed by licensees. SUNY's March 2015 proposal lacked clarity on this point.

Distribution of SUNY's share of patent royalties

All net proceeds after payment of creator/inventor share and other costs shall be used for the support of SUNY's research program consistent with federal Bayh-Dole Act. Distribution of the campus share of net proceeds is based on local campus policies and procedures.

SUNY's March 2015 proposal did not specify that the campus share of net proceeds must be distributed pursuant to campus policies and procedures.

Campus-level transparency in distribution of SUNY's royalty share

The creator/inventor can request an accounting of the distribution of SUNY's royalty share on the campus.

SUNY's March 2015 proposal did not contain this provision.

Release and Waiver

SUNY must determine whether to retain title to intellectual property within one year of the creator's/inventor's disclosure. If SUNY elects not to retain title or fails to

make such an election within one year, title must be returned to the creator upon written request

SUNY's March 2015 proposal contained no time limit on SUNY's ability to retain ownership without electing to proceed with patenting and development.

Creator Ownership of Independently Developed Intellectual Property

The procedure for declaring creator ownership of IP developed outside the scope of SUNY employment is separated from substantive terms regarding creator ownership to avoid implication that failure to submit an External Invention Disclosure Form might adversely affect ownership rights.

SUNY's March 2015 proposal lacked clarity on this point.

Applicability/Effective Date

Intellectual Property which a creator has fully disclosed and assigned to SUNY prior to the effective date of the new Patent Policy will continue to be subject to the prior Patent Policy.

SUNY's March 2015 proposal did not contain this provision.

Innovation and Policy Board

Composition of the Board shall remain five members, three of whom must be members of the Academic staff. No change in Board procedures will take place without prior discussion with UUP.

This was not included in SUNY's March 2015 proposal.

