



**KENTUCKY  
COMMERCIALIZATION  
VENTURES**

# IP Policy Guide

*an initiative of*

 **KSTC**



## CORE PROFICIENCIES FOR SUCCESSFUL INTELLECTUAL PROPERTY POLICY IMPLEMENTATION

An effective Intellectual Property (IP) policy is paramount for a university or college (institution). It establishes a framework to govern the creation, ownership, protection, and utilization of intellectual property within and outside the institution. The following eight core proficiencies demonstrate how an IP policy can work for the institution and its stakeholders by establishing rights, obligations, and expectations. These core proficiencies provide an outline of objectives to achieve and how to do so. This document is being provided to institutions and is available online to serve as a guide for the creation and implementation of an effective IP policy.

The document itself is divided into four proficiencies under “DIRECTION,” and four additional proficiencies under “RESULTS.” The core proficiencies are intended as a catalyst for institutions to commercialize innovation, achieve ROI for their stakeholders, and encourage ongoing creativity. Several Appendices with additional information follow the proficiencies. At the outset, please note that while this document provides helpful information, the treatment of this topic is at a general level. The information contained here is not addressed to specific situations involving intellectual property and is not intended as a substitute for legal or other professional advice.

### DIRECTION

#### 1. Providing Internal Clarity

*Define: Taking planned, purposeful steps to establish proper and productive expectations for all stakeholders. As with the other core proficiencies, this definition is likely being advanced when the following “validators” are met:*

##### Validators:

- Establishes a framework to govern how intellectual property is created, owned, protected, and used in light of the unique goals, values, and needs of the institution.
- Fosters alignment between the IP Policy objectives and the institution’s mission, values, regional environment, resources, and research capabilities.
- Delineates framework for patent ownership, invention disclosure, and management of patentable inventions, copyrightable works, and other protectable IP.
- Addresses the rights, expectations, and responsibilities of all stakeholders with clear guidelines on procedures and decision-making for IP management.
- Considers the interests of students with respect to ownership, assignment and royalties concerning their contributions to IP.
- Cross-references, and otherwise maintains internal coherence with, other existing policies or contractual commitments of the institution to prevent conflicts with IP-related activities.
- Develops a communication strategy to inform and ensure understanding by faculty, staff, and students about the existence, implementation, and developments related to the IP Policy.
- Establishes standard procedures and criteria for revising the Policy, whether due to changes in strategic direction, legislative and regulatory requirements, feedback received, or other factors.



## 2. Meeting Expectations for Governance and Compliance

*Define: Directing efforts within recognized boundaries.*

### Validators:

- Ensures alignment with institutional values and mission.
- Resolves IP-related disputes and conflicts.
- Oversees and manages Policy enforcement and compliance auditing.
- Establishes structured committees and regulatory frameworks to govern IP.
- Furthers Policy review and adaptation to new legal/technological changes while remaining vigilant for potential conflicts or gaps in an existing Policy.
- Facilitates compliance with government regulations and legislative requirements.
- Fosters human subject and ethical research compliance.
- Addresses and guides protection over proprietary data and trade secrets.

## 3. Establishing and Managing Partner Agreements

*Define: Producing mutual value in beneficial relationships.*

### Validators:

- Attracts industry partnerships to promote knowledge exchange and enable commercialization of innovative discoveries.
- Effectively manages the contractual and professional relationships with partner institutions to ensure that relevant policies and IP rights are expressed clearly and aligned with mutual interests and policies.
- Secures additional research funding through royalties and equity in spin-offs.
- Promotes and curates feedback from third parties involved with the institution, such as entrepreneurs, investors, and licensees.
- Establishes cycles for the ongoing and comprehensive review of existing contractual agreements, being mindful to consult with legal counsel and obtain a lawyer's assistance as needed with respect to negotiating and drafting these agreements.

## 4. Generating Interest

*Define: Promoting a desire by all stakeholders to embrace and engage with the IP policy.*

### Validators:

- Raises awareness to educate administration, faculty, staff, and students on the strategic importance of IP, through case studies, success stories, and lessons learned.
- Organizes departmental seminars, guest lectures, and interviews with IP managers and staff to illustrate the practical relevance of IP.
- Provides internal educational sessions on IP for researchers and students that integrate with basic IP courses in the program curricula.
- Leverages input from IP managers and staff through news announcements, website and intranet postings, newsletters, handbooks, brochures, emails, meetings, department seminars, guest lectures, videos, and the like to illustrate the practical relevance of IP.
- Promotes IP-related activities and networking opportunities among stakeholders that highlight the strategic importance of IP.
- Improves the IP Policy by archiving reviews and feedback from users to promote further dialogue based on continued experience and learning.



## RESULTS

### 5. Creating ROI

*Define: Building a foundation for desired outcomes that helps guide the decisions and actions of stakeholders.*

Validators:

- Promotes industry partnerships that lead to expanded grant funding, enhanced applied research opportunities and reputation, and additional research funding through royalties and equity in spin-offs.
- Fosters industry partnerships by clearly protecting background, foreground, and derivative IP.
- Demonstrates commitment to academic innovation and pursuit of social and economic impact through cutting-edge research and inventions.
- Incentivizes the co-creation, over multiple sectors of the institution, of a thriving academic and research environment.
- Establishes a balanced and forward-thinking IP Policy that balances the needs of all stakeholders and paves the way for continued excellence in research and commercialization.

### 6. Benefitting Contributors

*Define: Promoting a desire on the part of contributors to expand the IP portfolio of the institution.*

Validators:

- Maintains an environment that encourages innovation, creativity, and collaboration among faculty, staff and students.
- Rewards appropriately the institution and its members for their contributions, which in turn incentivizes further research and development.
- Provides examples of royalty distributions and allows colleagues autonomy to determine levels of contribution while providing sufficient context and guidance to arrive at equitable decisions or resolve disagreements as they may arise. [Note: An example royalty distribution is contained in the sample policy referenced in Appendix 5.]

### 7. Building Reputation

*Define: Expanding the visibility of the institution to attract positive attention and results.*

Validators:

- Advances regional competitiveness by promoting technology licensing and spin-offs to foster economic development through academic commercialization.
- Fulfills fiduciary duties by managing IP assets prudently and responsibly.
- Enhances reputation and ranking by effectively managing IP, thus attracting the highest quality of faculty, staff, research/industry partners, financing institutions, and students.
- Heightens the institution's profile through association with industry partners.



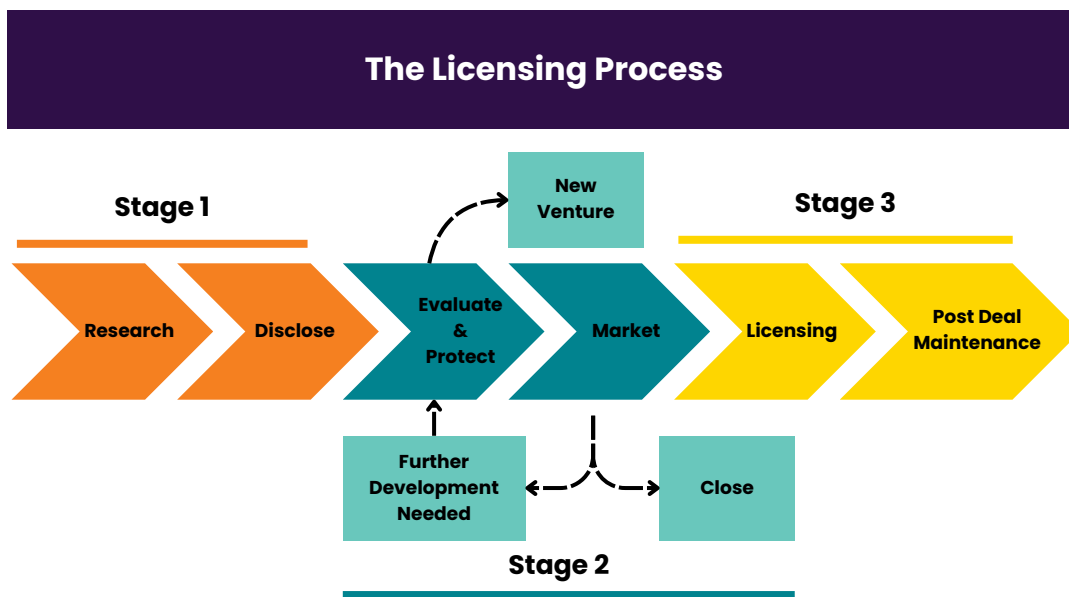
## 8. Advancing Societal Interests

*Define: Recognizing and acting upon the goal for all projects to make a positive impact.*

### Validators:

- Meets societal challenges by developing innovative solutions with regional impact.
- Upholds social responsibility by addressing concerns related to commercialization and ensuring ethical management of IP.
- Promotes the sharing of ideas between entities, especially when there is potential to advance societal objectives.

## Appendix 1 Stages of IP Development



### Stage 1

Pre-Disclosure conversations (Prior to submitting an Invention Disclosure Form)

- When someone says, "I think I have an idea that..."
  - Reach out to your Technology Commercialization Office (TCO) contact
  - If you don't have a contact, reach out to a KCV Licensing and New Ventures Manager (LNV)
  - You and your LNV will discuss your idea and develop defined next steps

Submitting an Invention Disclosure Form (IDF)

- When the discussion becomes, "I have an idea that..."
  - Submit an IDF using your university or KCV portal
  - Once submitted, you will be assigned a LNV and move to Stage 2



## Stage 2

### Evaluate & Protect

- You and your LNV will review the IDF and discuss commercial applications for the technology
- You and your LNV will discuss the appropriate time to obtain legal advice/assistance directed to IP protection
- If a Patent or other IP protection would be needed in order to commercialize your technology:
  - LNV will perform a prior art search and review findings with you
  - File Provisional application if appropriate
- You and your LNV will discuss the marketing strategy, such as:
  - Reach out to existing companies
  - Create a startup

### Market

- Collaboratively identify and connect with potential partners
- Initiate scientific discussions with inventors and interested partners
- LNV works with inventors and partners to move into Stage 3

### Further Development Needed

- KCV IMPACT fund, Mid-South REACH fund, NSF I-Corps programs, coaching, incubation, accelerator awards

### Close

- If the technology is unable to progress to Stage 3
  - The technology can be marked as inactive until circumstances change which require the technology to be reactivated
    - New market opportunity emerges, new data is generated that addresses commercialization concerns raised by potential partners
  - Inventors can request assignment of the technology
    - KCV has a standard assignment agreement
    - Your LNV can walk you through this process
    - Federally funded technologies have additional requirements that your LNV can walk you through

## Stage 3

### Licensing

- LNV will connect with the inventors to develop an appropriate Licensing Strategy that supports their academic and commercialization goals
  - Exclusive vs. Non-Exclusive
  - Grant worldwide rights or territory specific (US only)
  - Create Field Limitations (limit applications the technology can be used for)
  - Retain rights to perform research, publish, or collaborate with others
- KCV will lead the licensing negotiations on behalf of the PIs
- KCV will provide regular updates on the deal negotiation status



## Appendix 2 Representative Types of Agreement

- Standard NDA/CDA
- Standard Inter-Institutional Agreement (IIA)
- Standard License Agreement
- Standard Material Transfer Agreement (MTA)
- Standard Small Business Technology Transfer (STTR) IP Agreement
- Standard Sponsored Research Policies and Agreements
- SBIRs and CRADA and Teaming Agreement (for working with Government funding agencies)
- Standard Term Sheet (e.g., for investments or faculty-involved startups)
- Uniform Biological Transfer Agreements (UBMTA's)

## Appendix 3 Glossary of Terms

**Assignment:** a contract in which one party conveys full ownership rights in an asset to another party. For example, when an inventor, author or contributor conveys all of their rights in a certain IP to the institution where they work.

**Copyright:** an expression of an idea in a tangible medium including but not limited to visually, audibly, tactilely, and encoded.

**Data:** proprietary data is increasingly referred to as the fifth form of IP, necessitating specific legal protection under both contracts and trade secret law. An individual data policy can address data ownership, data usage rights, data security, and data sharing agreements.

**Data Use Agreement (DUA):** a contract that establishes terms, conditions, and restrictions over the exchange and use of data between parties.

**License:** a contract in which an owner of IP authorizes another party to use the IP in exchange for consideration, often in the form of royalties and other payments.

**Material Transfer Agreement (MTA):** a contract that governs the transfer of materials between two or more parties and the use of such material after it is transferred.

**Non-Disclosure Agreement (NDA):** a contract that restricts the disclosure of Confidential Information that one party discloses to the other.

**Nonprovisional Patent Application:** a U.S. patent application that contains at least one claim to be examined by the USPTO for patentability, and is capable of becoming a U.S. patent if the subject matter is allowable.



**Patent:** a legal right granted by a government agency that creates a right to exclude others from making, using, selling, or importing an invention for a limited time.

**Prosecution:** the act of applying for and being granted rights to patents, copyrights, and trademarks.

**Provisional Patent Application:** a type of U.S. patent application that lasts for only 12 months and is used to document an early effective filing date for the subject matter described in the application. The effective filing date can be claimed in a later nonprovisional patent application (defined above) or other suitable patent application filing.

**Sponsored Research Agreement (SRA):** a contract providing funding in exchange for performing a research project(s) and providing results or other deliverables.

**Trademark:** a form of legal protection over distinctive symbols, logos, and names, which acts as a source identifier. A separate trademark policy may define ownership, proper usage, and enforcement of trademark rights.

**Term Sheet:** a (usually) non-binding statement of primary terms and conditions under which parties will enter into a more definitive contract.

**Trade Secret:** confidential, non-public information that provides a competitive advantage to an organization or individual, is valuable because it is not publicly known, and is subject to reasonable efforts by the owner to protect its secrecy.

**Undergraduate Student IP:** IP created by a student acting as an employee of the institution or otherwise paid for their time.

## Appendix 4 Exemplary Considerations

### I. Preparation for IP Policy Development

- Assemble an IP Policy team with diverse expertise, including IP professionals, legal experts, and institutional representatives.
- Define the objectives of the IP Policy, which should align with the institution's mission, values, research capabilities, regional environment, and available resources.
- Engage with stakeholders, such as faculty, students, researchers, and external partners, to gather input and feedback on IP Policy needs and expectations.

### II. Drafting the IP Policy

- Utilize available tools and resources, such as the IP Policy Template and Guidelines for Customization from WIPO.





- Consider IP Policies from other universities and research institutions as examples but avoid partial or full adoption without modification.
- Determine royalty distribution percentages for stakeholders, contributors, inventors, or authors.
- Customize the policy to reflect specific institutional needs and interests.
- Ensure proper and consistent formatting and watermark the draft with "draft" before approval.

### III. Formal Review

- Verify the draft IP Policy's compliance with legislative and regulatory requirements, seeking expert advice if necessary.
- Cross-reference and align the draft policy with the institution's existing policies (e.g., conflict of interest, confidentiality, sponsored research, government responsibilities, export control, copyright, and student policies) and strategic plans.
- Finalize the draft IP Policy, incorporating feedback and ensuring consistency with best practices, strategic directions, and regulatory requirements.

### IV. Final Approval

- Determine the appropriate entity or individual(s) responsible for endorsing the IP Policy.
- Understand the role of the institution's governing body (e.g., Board of Directors or Trustees) in the policy development and approval process.
- Follow the institution's established approval procedure to obtain final approval for the IP Policy.

### V. Post-Policy Considerations

- Put into action the 8 core proficiencies for successful intellectual property policy implementation.
- Assign responsibility for overseeing enforcement to a designated officer. Conduct regular audits on the effectiveness and compliance with the IP Policy, verifying that its provisions are followed, conflicts of interest are managed, reasoned explanations are provided, and disagreements are resolved.
- Regularly monitor, evaluate, and improve the IP Policy by archiving reviews and feedback from users.
- Establish a standard procedure for revision including the criteria for revision, such as changes in strategic directions, legislative and regulatory requirements, or feedback received from users.
- Purposefully revisit the policy at planned intervals (e.g., 4-5 years) to consider updating.

## Appendix 5 Sample Policy

An example policy, with future revisions (if any), can be accessed at this [LINK](#).



## Appendix 6 Collaboration

Kentucky Science and Technology Corporation thanks Wyatt, Tarrant & Combs and Intellectual Property attorneys Stephen C. Hall and Max E. Bridges for their contributions to the guidance on IP Policy implementation and core proficiencies set out here.

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