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	EFFECTIVE DATE: 11/21/2016	REVISION DATE(S):
SUBJECT: Inventions and Intellectual Property		

KEY WORDS: Invention, Intellectual Property, Copyright, Patent, Revenue, Trademark

OBJECTIVE/BACKGROUND:

The purpose of this policy is to set forth the terms, conditions, and procedures whereby the University of Maryland Medical System establishes and maintains its interests in intellectual property developed by employees within the scope of their employment or using Medical System resources, taking into account intellectual property laws governing patents, copyrights, trademarks, and other forms of intellectual property. This policy governs the ownership and protection of such property within the Medical System and the compensation or sharing of revenue with inventors, where applicable.


APPLICABILITY:

This policy applies to all employees and agents of any of the UMMS legal entities listed in Corporate Compliance Policy CC1202 Development of Corporate Policies, Attachment A.

Unless otherwise agreed upon in writing, this policy shall not affect the terms of any agreement entered into between an employee and any UMMS legal entity prior to the effective date of this policy.

DEFINITIONS:

Employees	All employees, including but not limited to employed physicians, medical residents and fellows acting within their Scope of Employment as well as other individuals using Medical System resources.
Chief Executive Officer	The Chief Executive Officer of the Medical System or the Executive designated by the Affiliate that employs the inventor or creator.
Intellectual Property Rights	Inventions, Patents, Copyrights, Trademarks, Trade Secrets and any other intellectual or intangible property that is or becomes protectable by law.
Invention	All novel or potentially novel designs, systems, apparatuses, devices, methods, compositions, and/or processes including any patentable invention as defined by patent law, or any other idea or its embodiment that is patentable or potentially patentable.
Medical System Resources	All resources provided unless specified otherwise, in advance and in writing, as a condition of using the resource.
Revenue	Consideration paid in cash or equity by a third party in exchange for specific intellectual property rights. Revenue does not include research support in any form (e.g., sponsored research agreements, restricted grants, unrestricted grants, or equity), and contract income received by the Medical System.
Scope of Employment	All activities related to the field or discipline of the individual's employment, including the general obligation of an employee to do creative work and to conduct research, or related to the employment responsibilities of employees and for which employees

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	receive compensation from the Medical System, where compensation is any consideration, monetary or otherwise, including but not limited to the ability to use Medical System resources.
Sponsored Research Agreements	Grants, contracts, cooperative agreements, and other agreements under which research or development activities will be carried out, or other agreements administered by the Medical System that relate to intellectual property created under the agreement.
Trademark	Any word, phrase, logo, design or other symbol used to identify and distinguish the source of goods and services. As used here, the term includes any trademark, service mark, trade name or trade dress.
Work	A “Work” or “Copyrightable Work” means any original work of authorship that is fixed in any tangible medium of expression, including Software. Examples of Copyrightable Work include but are not limited to journal articles and other scholarly or scientific papers, books, photographs, drawings and diagrams, video materials, software and courseware.

POLICY:

I. Ownership of Intellectual Property

The Medical System owns all Intellectual Property, whether tangible or intangible, developed by an Employee within the Scope of Employment or using Medical System Resources.

A. Copyrights:

The Medical System owns all rights in copyright for Work produced by Employees within the Scope of Employment. The Medical System owns all rights in copyright for Work (1) within the Scope of Employment; (2) created by Employees with the use of Medical System Resources; or (3) made by Employees under Sponsored Research Agreements and as stated in written agreements.


For the purposes of Copyrightable Works, Medical System Resources do not include the routine use of office space or word processors.

B. Patents:

The Medical System owns Inventions created by Employees: (1) within the Scope of Employment; (2) created by Employees with the use of Medical System resources; or (3) made by Employees under Sponsored Research Agreements and as stated in written agreements.

Employees retain patent rights to Inventions conceived and first reduced to practice outside the Scope of Employment and without the use of Medical System resources and not subject to Sponsored Research Agreements or other written agreements.

C. Computer Software:

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The Medical System owns computer programs and software created by Employees: (1) within the Scope of Employment; (2) created by Employees with the use of Medical System resources; or (3) made by Employees under Sponsored Research Agreements and as stated in written agreements.

Employees own software and computer programs authored outside the Scope of Employment and without the use of Medical System resources and not subject to Sponsored Research Agreements or other written agreements.

D. Trademarks, Service Marks, and Trade Dress.

Trademarks, service marks, and trade dress may be created in association with an underlying license for another form of Intellectual Property, such as a patent (“associated with other Intellectual Property”), or independently, such as a Medical System logo or symbol (“independently created”).

Associated with Other Intellectual Property. The Medical System owns a trademark, service mark or trade dress if it is associated with other Intellectual Property owned by the Medical System.

Independently Created. The Medical System owns trademarks, service marks, and trade dress that are independently created by Employees within the Scope of Employment unless the Medical System agrees otherwise in writing.

Commercialization. The Medical System may commercialize or license its trademarks, service marks, and trade dress.

Registration. The Chief Executive Officer or designee shall approve registration of trademarks or service marks, at the state or federal level.

PROCEDURE:


I. Disclosure of Inventions to the Medical System.

A. Disclosure

Employees shall disclose Intellectual Property that is subject to Medical System ownership to the Chief Executive Officer or designee in a timely manner, fully, and in writing. When uncertain about the Medical System’s rights, Employees shall disclose.

B. Assignment

An employee who has created or invented Intellectual Property that is subject to Medical System ownership, upon request, shall execute promptly all contracts, assignments, oaths, declarations, waivers or other legal documents necessary to vest in the Medical System, or its assignees, any or all rights to any patents, copyrights, trademarks, patent applications, copyright applications, trademark applications, computer programs, or software relating to the Work.

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C. Continued Cooperation

At the Direction of the Chief Executive Officer or designee, Inventors and Creators agree, as consideration for their employment or continued employment and without further consideration, to communicate with the Medical System, or its licensees, assignees, or other third parties, any facts known with respect to the Intellectual Property, and to testify in any legal proceeding.

II. Seeking Protection of Intellectual Property

A. Timely Evaluation.

The Medical System shall evaluate Intellectual Property disclosed in accordance with this policy and shall do so with reasonable promptness and in good faith. The Medical System shall decide whether to seek legal protection of its ownership rights, such as filing for patent or copyright or trademark protection, the scope of patent or copyright or trademark protection, and whether and how to pursue, limit, or abandon commercialization. The Medical System may at any time decide not to pursue or to abandon the pursuit of patenting and/or commercialization of any Intellectual Property in which it has an interest.

B. Timely Information.


The Medical System may inform creators and inventors in a timely manner about substantive decisions regarding protection, commercialization and/or disposition of Intellectual Property. Terms of agreements which constitute proprietary business information may be treated as confidential by the Medical System in accordance with applicable law. The Medical System may notify creators or inventors promptly when it decides either not to pursue, or to abandon pursuit of, all efforts to commercialize Intellectual Property.

C. Commercialization by Creators or Inventors.

The Medical System, at its discretion and consistent with the public interest, may license Intellectual Property to the creators or inventors on an exclusive or non-exclusive basis. In such cases, creators/inventors must demonstrate technical and business capability to commercialize the Intellectual Property. Agreements with creators or inventors shall be subject to review and approval of conflict of interest issues in accordance with applicable Medical System policy.

D. Assignment of Ownership.

The Medical System may assign ownership of Intellectual Property to the creators or inventors as allowed by law, subject to the rights of sponsors and to the retention by the Medical System of a license which at a minimum shall grant the Medical System the right to use the Intellectual Property on a perpetual, royalty-free, and non-exclusive basis. The Medical System may retain more than the minimum license rights, and the assignment or license may be subject to additional terms and conditions, such as Revenue sharing with the Medical System or reimbursement of the costs of legal protection. The Medical System shall negotiate promptly, upon written request by

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the creators or inventors, the transfer of the Medical System’s interest in any Intellectual Property, subject to any legal obligation to offer its interest to a sponsor, licensee, or another institution with rights to the Intellectual Property before it can agree to negotiate the transfer of the Medical System’s interest in Intellectual Property to the creators.

E. Compensation/Sharing of Revenue.

The Medical System provides compensation to inventors or creators as specified in Sections III and IV of this policy.

III. Compensation for the Development of Certain Intellectual Property

A. Employees of Clinical Engineering, Information Services & Technology (“IS&T”), and Related Roles.

For patent applications originating from clinical engineers, IS&T Employees and Employees in related roles, distributions are as follows:

For each non-provisional patent application filed by the Medical System with the United States Patent and Trademark Office (“USPTO”) for a new invention, provided that the Inventors fully cooperate in the preparation of the patent application, the named Inventors will collectively receive a \$2,500 Application Award that is equally divided among the Inventors.

If the USPTO completes its examination of the patent application and issues a Notice of Allowance, the Inventors will collectively receive a \$2,500 Issuance Award that is equally divided among the Inventors. No additional award will be distributed for patent applications filed outside the United States.

If the Cumulative Lifetime Net Revenue resulting from the Intellectual Property exceeds Fifty Thousand Dollars (\$50,000.00), then the Chief Executive Officer or his designee may agree to distribute Net Revenue as set forth in Section IV(c).

IV. Proceeds from Certain Intellectual Property


The cumulative net lifetime revenues received by the Medical System for the sale or licensing of Intellectual Property developed by Medical Residents, Fellows, or other inventors not otherwise covered by Section III shall be distributed as set forth in this Section IV.

A. Exceptions

(1) Contract. When a third party contract dictates apportionment of Revenue different from that specified in this policy, the terms of the agreement govern.

(2) Equity. Equity shall be distributed in accord with Section IV.E.

B. Deductions from Revenue

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The Medical System shall make the following deductions from Revenue before distributing net revenues:

- (1) Project Specific Costs. The Medical System will deduct any amounts required to reimburse any expenses incurred by the Medical System in obtaining and maintaining the patent or copyright or trademark and in developing, marketing, licensing, and defending the patent or licensable invention or creative work, including but not limited to attorneys' fees.

C. Distribution of Net Revenue

Net Revenue is the Revenue remaining after deductions under IV.B (1). Cumulative Lifetime Net Revenue is distributed as set forth in Table I. In the event that the Medical System does not utilize the UMB Office of Technology Transfer ("OTT") to establish and maintain its interest in Intellectual Property, the 30 percent indicated in Table I below will be distributed to the Medical System. The Medical System may, in its sole discretion, negotiate a distribution arrangement that includes a distribution of certain Net Revenue to the Inventor or Creator's department provided, however, that any such arrangement must be memorialized in writing and signed by the Chief Executive Officer:

Table I:


Cumulative Net Lifetime Revenues	To Creator / Inventor	To the Medical System	To UMB OTT or the Medical System
Up to \$500k	50%	20%	30%
Above \$500k	35%	35%	30%

D. Timely Distribution.

The Medical System shall distribute Revenue due Creators and Inventors under Section IV.C of this policy at least annually. Distribution will be made along with a statement of related income and expenses.

E. Equity

- (1) Issuance of Shares. Equity may be issued separately to the Medical System and the creators or inventors.
- (2) Distribution of Shares. Equity in a commercial venture received as consideration for Intellectual Property rights shall be shared equally between the Medical System and the creators, unless a different distribution is negotiated in an agreement signed by the Medical System and the creators of the relevant intellectual property.

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- (3) Timely Distribution. When the Medical System receives all shares directly, as soon as practicable after the Medical System receives equity, and subject to the creators receiving any conflict of interest exemptions that must be granted and complying with any conditions for those exemptions, the Medical System shall transfer equity shares to the creators. The Medical System and creators shall have independence in their exercise of equity holder privileges within the constraints of law, policy, and contractual agreements.

V. **Miscellaneous Provisions**

A. Authority to Subcontract

The Medical System may enter into contracts with third parties in connection with the development, administration, and protection of its intellectual property.

B. Special Cases


- (1) Issues not addressed. Special cases will arise that are not specifically covered by this policy. In such cases, the Chief Executive Officer may make a decision on how to proceed.
- (2) Policy waivers. Only the Chief Executive Officer may waive any provision of this policy.

POLICY OWNER:

Corporate Compliance & Business Ethics Group

APPROVAL:

Executive Compliance Committee Approved Initial Policy: 11/21/2016

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ATTACHMENT A

Medical System affiliates covered by the UMMS Inventions and Intellectual Property Policy.

Medical System Entity	Designated Contact
University of Maryland Medical Center	Chief Operating Officer