



# A02.10.03 Commercialization of Intellectual Property

<b>Effective Date:</b> October 8, 2008	<b>New:</b> X
<b>Replaced:</b>	<b>Revision:</b>

### Policy Statement

Douglas College values creation and innovation and encourages members of the College community to create innovative works, inventions and related entrepreneurial products. The College will support the dissemination and commercialization of the products of innovative and inventive activity as widely as possible while respecting applicable laws and ethical principles. The College will act in a manner which benefits the creators, the College, and the wider community, in establishing guidelines that address ownership, disclosure, commercialization and revenue sharing, and dispute resolution.

### Purpose

The purpose of this policy is to establish principles and processes related to the commercialization of original copyright material and intellectual property. It is intended to encourage equitable and mutually beneficial arrangements between the College and creators of intellectual property in order to support dissemination and commercialization.

### Scope / Limits

1. This policy applies to intellectual property created by all College members and by external research contractors, unless there is a written agreement approved by the College that provides otherwise.
2. This policy is subject to any rights or obligations that are specified in current Collective Agreements with respect to ownership and use of intellectual property.
3. This policy is subject to applicable federal, provincial, and local laws and statutes, such as the *Copyright Act*, *Patent Act*, *Trade-Marks Act*, *Plant Breeders' Rights Act*, *Integrated Circuit Topography Act*, the *Industrial Design Act*, and other laws of general application.
4. This policy does not apply to intellectual property created in the course of non-College activities that does not make use of College resources, nor funds administered by the College. This includes but is not limited to outside employment or other activity in an area unrelated to College activities, or activity conducted wholly while on an unpaid leave of absence away from the College.

**Related Policies** ([Administration Policies](#) homepage)

A02.01.01 Conflict of Interest

A08.01.01 College Use of Copyrighted Works

A02.10.04 Integrity in Research and Scholarship

A02.10.02 Research and Scholarly Activity

A04.06.01 Self-Funded Activities

**Definitions**

1. "**Commercialization**" means the creation of commercial processes, products, and services derived in whole or in part from intellectual property with the goal of financial return. The process of taking the intellectual property to market.
2. "**Courseware**" includes textbooks, instructional websites, or other instructional materials, created in either hardcopy or electronic format by a College member in the course of employment with the College or arising from research, scholarly and/or creative activities.
3. "**College Faculty**" means College Employees who are members of the faculty employee bargaining unit for which the Douglas College Faculty Association is the bargaining agent.
4. "**College Employees**" means persons employed by the College including full-time, part-time, and casual and term employees, who are **not members** of the faculty employee bargaining unit for which the Douglas College Faculty Association is the bargaining agent.
5. "**College Member(s)**" includes College Employees, College Faculty and students.
6. "**College Resources**" means College facilities, the College's physical structures, classrooms, research laboratories, equipment, technical facilities, services and personnel, and College services, including the administration of funds received by the College in the form of grants, contracts or any other support provided by the College, affiliated agencies, or partners, or external sponsors.
7. "**Creator(s)**" means the author, inventor, initiator or developer of the intellectual property, including co-creators.

8. "**Overhead**" is based on a percentage of direct costs for a project. Please see the Self-Funded Activity policy for current overhead rates. In situations where a project is funded by sources that do not allow for overhead expenditures, there will be an "overhead-due" amount. In the event that a project results in commercialization, overhead-due shall be called overhead and attributed to the project.
9. "**Direct Costs**" means the College's costs and fees, including overhead as well as legal fees and agents' fees, associated with the acquisition, management and/or commercialization of the intellectual property directly by the College. This includes costs of evaluating the intellectual property, obtaining and maintaining intellectual property protection, preventing unauthorized use or infringement, prototype development, and negotiating and administering licenses or other agreements with third parties, and may include costs incurred prior to the initiation of commercialization. Direct costs may also include research funds where such funds have been provided through research or related grants administered by the College.
10. "**Intellectual Property**" means the result of intellectual or artistic activity created by a College member in a scholarly, professional, or student capacity, including but not limited to inventions, processes, designs, word marks, design marks, logos, slogans, publications (including scholarly publications), educational materials, computer software, original works of art or performing rights, industrial and artistic designs, new plant varieties, confidential information and know-how that can be protected by intellectual property rights such as patent, copyright, trademark, integrated topography, plant breeders' rights and trade secrets.
11. "**Publication**" means making intellectual property available to the public by way of speech, print, paper and electronic or other means.
12. "**Release Time**" means time paid for by the College provided to College members away from their regular teaching or other duties.
13. "**Revenue**" includes all revenues derived in whole or in part from commercialization of intellectual property, which includes but is not limited to proceeds from royalties, profit-sharing, lump sum payments, and monies from the sale of equity shares.

## Procedures and Guidelines

### 1. Ownership of Intellectual Property

#### a) College Faculty

**NOTE:** The material this section below is inserted directly from the PSEA/FPSE Common Agreement 2007-2010 (sections 5.1, 5.2 and 5.3 of the Agreement) and relates specifically to College Faculty

#### 5.1. Copyright Ownership

*The copyright or patent for any work product, including creative work, instructional strategies or curriculum/instructional material, software or any other material or technology that may be copyrighted or patented:*

**5.1.1.** *belongs to the employee(s) [college faculty] where the work product has been prepared or created as part of assigned duties, other than the duties listed in Article 5.1.2 below, and the copyright to all copyrightable material shall be the sole property of the employee(s) [college faculty] and shall be retained throughout his or her lifetime and upon his/her death by his/her heirs or assigns; and*

**5.1.2.** *belongs to the institution where one or more employees [college faculty]:*

- a) have been hired or agrees to create and produce copyrightable work product for the institution, or*
- b) are given release time from usual duties to create and produce copyrightable work product, or*
- c) are paid, in addition to their regular rate of pay, for their time in an appointment to produce copyrightable work product.*

#### **5.2. Employer Rights to Materials Copyrighted by Employee(s)[College Faculty]**

Where the employee [college faculty] holds the copyright pursuant to Article 5.1.1, the institution shall have a right to use his/her copyrighted material in perpetuity for institutional purposes. The institution may amend and update the copyrighted material with the approval of the employee(s) [college faculty] holding the copyright to the material. Such approval will not be unreasonably withheld.

#### **5.3. Employee [College Faculty] Rights to Materials Copyrighted by the Employer**

*Where the institution holds the copyright pursuant to Article 5.1.2, the employee(s) [college faculty] shall have the right to use in perpetuity, free of charge, such copyrighted material. The employee [college faculty] may amend and update the copyrighted material with the approval of the institution holding the copyright to the material. Such approval will not be unreasonably withheld.*

**b) College Employees (non-College Faculty)**

The College owns the intellectual property in all works created by College Employees unless otherwise provided for at law or by a written agreement approved by the College.

**c) College Student**

Students own intellectual property in works developed as part of their normal course requirements, subject to any employment or other obligations between the student and the College, or any external parties that sponsor or support the student in the development of the intellectual property. The College shall have a right to use works developed by students in perpetuity for institutional, commercially non-competitive purposes and may retain prototypes or other original work developed by students using College resources.

**d) College Members** (Faculty, employees and students) may voluntarily assign or transfer their interest in intellectual property to the College to enable the College to assist with commercialization, or for other purposes mutually agreed to; and the College, may accept such assignment or transfer and thereafter may transfer or license its ownership or interest to third parties.

**e)** If the College owns the intellectual property and elects not to pursue commercialization, then the College may, in its sole discretion, agree to transfer its interest in the intellectual property to the creator(s), subject to such terms and conditions as deemed appropriate by the College.

**f)** When students or other supervised persons are involved, the person in the supervisory position is obligated to inform the students or other supervised persons of the intent to commercialize and advise them of all relevant policies with the goal of achieving arrangements that are fair and equitable.

**g)** If commercialization is anticipated and there is more than one creator, a written agreement among the creators regarding ownership and revenue sharing should be

concluded before negotiations related to commercialization are commenced with third parties.

- h) Where research or other intellectual endeavour is subject to an agreement between the College and a sponsor that contains clauses restricting copyright or other intellectual property, all such property shall be handled in accordance with the agreement. In negotiating such agreements the College shall strive to negotiate the least restrictive arrangements possible consistent with the College and individual author's commitment to the widest possible dissemination of the results of intellectual endeavours. In all cases, all members of the College community who will be involved in sponsored research will be informed of any restrictions relating to intellectual property and will be able to make informed choices as to their participation.

## **2. DISCLOSURE**

- a) A creator of intellectual property at the College must disclose any intellectual property subject to ownership by the College if she or he believes that there may be commercial potential. This disclosure must proceed as soon as possible after the decision to commercialize the intellectual property has been made, or as soon as research or other creative results demonstrate applications of a commercial potential.
- b) Creators who intend to commercialize intellectual property in which they have copyright or patent under A.1.a. above, that were developed using College resources, must disclose this as soon as possible after the decision to commercialize the intellectual property has been made, or as soon as research or other creative results demonstrate applications of a commercial potential. This disclosure must be done whether the Creator intends to commercialize his/her intellectual property independent of, or with the support of the College.
- c) Disclosures cited above will be by the creator to their immediate supervisor (Dean, Director or Vice President). Disclosure must be in writing and must occur prior to the commencement of any commercialization activities, including discussions with third parties.
- d) In the cases where the intellectual property is developed under a contract or other arrangement that the College enters into with the sponsors, the ownership of intellectual property will be part of the negotiated agreement. Individuals from the College who participate in the work will be informed of the arrangements for the

intellectual property in advance and may thereby make an informed choice about their participation in the research. The agreement will specify all arrangements made about the sharing of any proceeds with those who contribute to the development of the intellectual property.

### 3. COMMERCIALIZATION AND REVENUE SHARING

- a) Creators may elect to pursue the commercialization of his/her intellectual property without the assistance of the College. When this is done, the College will not share in the proceeds but will expect to recover the cost of its investments in the project or projects that led to the creation of the intellectual property.
- b) Creators are free to commercialize intellectual property they own without involving the College where **no College resources were used** in the development of the intellectual property. Creators may request the College's assistance in commercializing, or may decide not to commercialize their intellectual property.
- c) Should the individual wish to seek the assistance of the College in pursuing patents or other protection and subsequent commercialization, the College and the creator shall enter into an agreement to share proceeds among the parties.
- d) Subject to any Agreement provisions entered into by the College, the College has the right to a share of revenue earned from commercialization of intellectual property developed using College resources. Revenue sharing will be in accordance with the College policy on Self-Funded Activities:
- e) All net earnings (funds over and above direct and indirect costs of the contracts) will be proportionately allocated as follows and described in the Self-Funded Activity Policy:
  - i. first \$5,000 to the creator;
  - ii. 50% of remaining balance to creator;
  - iii. balance to general College revenues.
- f) For the purposes of determining the allocation of revenue, either the College or the creator may require the other to provide an accounting of all revenues and funds received and expenses incurred with regard to intellectual property covered by this policy.

g) The College and/or its designate shall be responsible for the reporting and the administration of the proceeds of commercialization provided to creators and other third parties, as applicable.

h) **Dispute Resolution**

- i. If a dispute arises among creators regarding their relative contributions to the creation of intellectual property that cannot be settled by the individuals involved, the advice and assistance of the Faculty Dean and/or other administrative equivalent will be sought.
- ii. Disputes between the creator(s) and the College regarding the provisions of this policy which cannot be resolved through informal means shall be remitted to binding arbitration pursuant to the appropriate the Collective Agreement or the *British Columbia Commercial Arbitration Act* where the dispute relates to the application thereof.