

PFIC NETWORK, INC. Patent and Invention Policy

The PFIC Network, Inc. (“PFIC”) patent and invention policy at largely stems from the Bayh-Dole Act, also known as the Government Patent Policy Act of 1980 (see excerpt below), which was enacted largely to stimulate economic and entrepreneurial activity by promoting the commercialization of inventions stemming from federally-funded research. Specifically, the provisions of the Bayh-Dole Act allow grant recipients to retain ownership of as well as manage the patenting and licensing for such inventions. Further, the grantee is mandated to comply with the sponsored research specifications by the government, industry partners, or non-profit entities that require the reporting of innovations.

PFIC Policy

PFIC seeks to incentivize inventors—researchers, staff, and grant recipients—and the commercialization of innovations while continuing to invest in future research that builds the pipeline of inventions. PFIC’s patent policy defines the covered inventors and details of the intellectual property and provides the structure by which PFIC supports the life cycle of novel ideas/technologies (patent prosecution, licenses, distribution of royalties, etc.).

‘Invention’ or ‘Inventions’ shall mean any of the following: (a) new and useful art, process, machine, manufacture, or composition of matter, or any new and useful improvement in any art, process, machine, manufacture, or composition of matter, whether or not patentable; (b) computer software; (c) research data or research tools, including but not limited to biological material and other tangible research material; and (d) proprietary information, know-how, and any patents, copyrights, or trademark(s) related to any of the foregoing items.

This Inventions Policy covers all Inventions that are made or developed using, in any way, facilities owned, operated, or administered by the PFIC and/or funds of, or funds administered by, PFIC. In practical terms, the use of PFIC resources can be defined as, but are not limited to, the following: (a) all or part of the work was supported by research grants or sponsored research funds (including subgrants) provided and/or administered by PFIC; (b) all or part of the work was performed in a PFIC-owned or operated facility, laboratory, or other PFIC infrastructure; and/or (c) all or part of the work made use of proprietary software or other applications, data, or research materials provided by PFIC unless there is an agreement to the contrary.

Ownership

PFIC has a modern, flexible invention ownership policy that is ‘Inventor’s Choice.’ If PFIC resources (e.g. facilities and/or funding provided and/or administered by PFIC) were used in the creation or development of the invention, PFIC’s Inventions Policy applies. At the time of creation, inventions are co-owned by the Inventor and PFIC (joint-ownership).

An exception to joint ownership is if the rights to an Invention were granted to a third party under a prior separate written agreement, such as a sponsored research agreement or a material transfer agreement.

Once an invention is disclosed, Inventors and PFIC shall negotiate in good faith to determine whether the Inventor shall assume full ownership and responsibility for patenting and commercialization (Inventor-owned), or shall assign the Invention to PFIC (PFIC-owned). Following a review, if PFIC accepts the invention into its portfolio, PFIC shall be responsible for managing patent expenses and associated revenues. PFIC will also work with Inventors to determine a commercial path for the technology.

For either inventor-owned or PFIC-owned technology commercialization, Inventors have the obligation to disclose their inventions to PFIC. Disclosing an Invention is a requirement before selling, licensing, or otherwise assigning the invention or encumbered copyright material.

Revenue Sharing

Revenues from commercialization and licensing can include upfront fees, minimum annual royalties, milestone payments, earned royalties, and/or equity in a startup company. Whether commercialization is Inventor-led or PFIC-led, PFIC's share of proceeds supports its employees, programs, and departments; covers costs; and advances PFIC's charitable and research mission.

For Inventor-owned technology, net revenues from license fees, royalties, and/or equity are shared 75%/25% between the Inventor(s) and PFIC.

For PFIC-owned technology, net revenues from license fees, royalties, and/or equity are shared 60%/40% between the Inventor(s) and PFIC.

Bayh-Dole Act (35 U.S.C. §§ 200-212) Excerpt

The Bayh-Dole Act specifically states that it is the policy and objective of the Congress to use the patent system to:

- Promote the utilization of inventions arising from federally supported research or development;
- Encourage maximum participation of small business firms in federally supported research and development efforts;
- Promote collaboration between commercial concerns and nonprofit organizations, including universities;
- Ensure that inventions made by nonprofit organizations and small business firms

- are used in a manner to promote free competition and enterprise;
- Promote the commercialization and public availability of inventions made in the United States by United States industry and labor;
 - Ensure that the Government obtains sufficient rights in federally supported inventions to meet the needs of the Government and protect the public against nonuse or unreasonable use of inventions;
 - Minimize the costs of administering policies in this area.