

STATEMENT of POLICY and PROCEDURE

Manual:	Finance and Accounting	SPP No.	FN 3.11
Section:	Research	Issued:	Feb 6, 2009
Subject:	INTELLECTUAL PROPERTY	Effective:	Feb 6, 2009
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1 POLICY

- 1.01 The Institute will adhere and enforce the strict intellectual property policy and procedure outlined in this statement.

2 PURPOSE

- 2.01 The purpose of this Statement of Policy and Procedure is to protect the rights of intellectual property developed by inventors at or with the Institute, and to ensure that standard procedures and guidelines are applied in the assessment and commercialization of intellectual property.

- 2.02 The policy will provide a process for commercialization of intellectual property and define expectations and responsibilities of the researchers and of the Institute. It is intended to encourage the creation of inventions, facilitate the commercialization of these inventions, and ensure that the proceeds from the commercialization of these inventions are distributed in a manner consistent with those goals and for the advancement of research at the Institute.

3 SCOPE

- 3.01 This Statement of Policy and Procedure applies to all inventors who work in part or in whole for or with the Institute. All researchers who in the course of their work develop intellectual property are bound by the terms of this policy. Traditional academic works such as books, book chapters, and scholarly articles, are exempted from this policy.

4 RESPONSIBILITY

- 4.01 It is the responsibility of the Office of the Director of Operations to ensure that all required documentation is signed and adherence to this policy and procedure be undertaken by all employees, researchers, scientists, trainees, students, volunteers, directors, managers, post doctoral fellows, clinicians, research assistants, research associates, administrative staff, inventors,

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professors, adjunct professors, individuals holding a tenure track position, technicians or any individual associated or engaged in activities with the Institute.

5 DEFINITIONS

- 5.01 **“Institute”** means Thunder Bay Regional Research Institute or TBRI.
- 5.02 **“Intellectual Property”** or “IP” has the meaning ascribed by the common law and any statute law, both in Canada and internationally, and include without limiting the generality of the foregoing, patents (including use patents), copyright and Copyright IP, trademarks, industrial designs, plant breeder rights, integrated circuit topographies, computer programs, trade secrets, data sets.
- 5.03 **“Invention”** means any new and useful art, process, machine, manufacture or composite of matter, or any new and useful improvement in any art, process, machine, manufacture or composite of matter” (s. 2, Patent Act, P.S.C. 1985, c P-4) and includes related computer software, know-how and new life forms. For purposes of the policy, the term invention applies to inventions whether or not they are patentable, and were created in the course of research related to the researcher's employment at the Institute or involving the use of Institute facilities and/or resources.
- 5.04 **“Inventor”** means anyone who participates in work, study, research or development activities at the Institute, and who invents, conceives, makes, discovers, or improves any intellectual property using, in any way, facilities owned, operated, or administered by the Institute, and/or funds of, or administered by, the Institute includes, but not limited to, individuals with scientific appointments in part or in whole at the Institute, members of professional staff of Thunder Bay Regional Health Sciences Centre working with the Institute, research associates, research assistants, clinicians, technologists, trainees/students, and in some instances non-employees (e.g.

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visiting researchers) who participate in work, study, research of development activities at the Institute.

- 5.05 **“Researcher”** means anyone who participates in work, study, research or development activities at the Institute. The inclusions as are outlined under 'Inventor'.

6 REFERENCES AND RELATED STATEMENTS OF POLICY AND PROCEDURE

None.

7 OWNERSHIP

- 7.01 All intellectual property developed by inventors through work, study, research, or development activities at or with the Institute shall be assigned to the Institute. Ownership shall vest as outlined in partner Master Research Agreements and/or funding agreements. All intellectual property developed in the course of a researcher's professional activity shall be assigned to the Institute; they are vested with the Institute unless these rights have been ceded (in whole or in part) to a third party under a prior written agreement. Inventors may not accept any offer of financial support for the patenting, licensing, or development of intellectual property from a source other than the Institute without the prior consent, in writing, of an Institute signing authority.
- 7.02 All IP that is conceived or reduced to practice, alone or jointly with others, within one year following the termination of employment and which are in any way connected with such employment or which are related to scientific information made available to the researcher as a result of such employment, must also be disclosed.
- 7.03 The Institute does not claim any rights to inventions which have been:

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- a) disclosed prior to an individual becoming an employee of the Institute; or,
- b) made outside the normal course of duties at the Institute, on a person's own time, without the aid of the Institute's resources, and which do not arise from or relate to research carried out at the Institute.

7.04 Required Documentation

Inventors are required to maintain complete, accurate, and dated records of their intellectual property. It is recommended that all researchers engaged in activity which could develop into commercializable intellectual property maintain records of their activity which are dated and kept complete, current, and safe.

7.05 Confidentiality

- (a) It is the responsibility of the inventor and the Institute to use reasonable efforts to prevent disclosure of information which is proprietary to anyone other than those individuals who have a need to know this information for purposes of carrying out their obligations in connection with IP development. Such proprietary information may be any information in whatever form or medium (and includes any copies of such information that the recipient is authorized to make hereunder).
- (b) To protect ownership and other rights, disclosure of unpublished inventions, discoveries or other pertinent information to third parties should be made only after the third party has signed the Institute's standard Confidentiality Agreement and to the extent permitted by such agreement.

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8 INVENTION PROCEDURES

8.01 Invention Group

It is important that an Invention Group be identified as soon as possible. This group should include all parties who are stakeholders in the invention. The Invention Group must be identified to the Scientific Director from its inception. It is to be assumed in virtually all cases that the Invention Group is led by a lead investigator/principal investigator at the Institute. All key decisions along the invention process should be undertaken by this group. The Invention Group must update the Scientific Director as to the progress and status of a commercializable invention as soon as it changes.

8.02 Disclosure

- (a) Researchers are bound to promptly disclose in writing all novel IP, whether patentable or not, that are conceived or reduced to practice, as a result of research or other work related to employment with the Institute and to execute a written assignment thereof to the Institute.
- (b) An inventor shall disclose an invention to the Institute by completing an Invention Disclosure form and submitting it to the Office of the Director or Research Operations, with copies to Scientific Director, as soon as reasonably possible after the invention is made. The form will provide a process of informing the Institute of an invention, and through this, initiate a process of evaluating the commercial potential of an invention.

8.03 Decision to Proceed

A Commercialization Committee, established by the Institute's Chief Executive Officer, will review the Disclosure form and arrive at a decision as to the course of action to be taken; the assessment period will not normally exceed forty-five (45) days.

8.04 Rights/Licensure

- (a) If rights are sought for any intellectual property which is deemed to be of commercial value, then the IP must be licensed. Legal services are required to obtain the rights to the intellectual property.

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- (b) At the time of each patent application, the Invention Group will be required to formally assign to the Institute all rights and title of such IP and will be required to make known to the Institute all supportive technology related to same. Supportive technology is intended to include any non-patentable invention or discovery that is required and would assist the Institute in achieving the goals of this policy.
- (c) The process of licensing an invention is the responsibility of the Invention Group. The input and approval of the Scientific Director is required in the progress of any licensing agreement. In general, full responsibility for legal protection of the rights, including all legal costs, resides with the Institute as the owner of the rights.
- (d) The Institute is not obligated to protect, develop, market, or license the invention if the Institute is of the opinion at any time or times that such efforts are not warranted. As such, with the written approval of the Scientific Director and an Institute signing authority, the Invention Group may contribute individually to the funding of the process or the group may seek assistance by external sponsors or patenting agencies.

8.05 **Publication**

The Institute requires that the researcher delay the publication date and/or the presentation date of any release that discloses an invention or discovery owned by the Institute until after Canada and/or US patent applications have been filed. This policy does not limit the right of individuals to publish or to make other types of public disclosures (abstracts, text, scientific presentations, presentation of a paper at a conference) except to the extent that it delays the timing of publication or presentation for the purpose of filing for initial patent protection. In no event will the delay be unreasonable (not normally to exceed forty-five (45) days).

8.06 **Commercialization**

- (a) If the decision is made to proceed to commercialization, The Office of the Director of Research Operations will manage the tech-transfer vehicle for the commercialization of the invention. The Institute will conduct and/or

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manage through a third party all commercialization of IP which it owns. The Invention Group will provide input into the commercialization of the rights.

- (b) The Institute will use reasonable efforts to keep the inventors aware of steps being taken by the Institute to commercialize IP created by that inventor, and will report all expenditures and revenue resulting from the commercialization.

8.07 Allocation of Revenues

- (a) In all cases, initial revenues will be used to defray costs which are reasonably deemed to be associated to the patenting process (specifically including the legal costs) but are not part of the normal course of Institute activity. Subsequent Institute net income and/or equity are distributed annually as follows:
 1. 1/3 to the inventor or invention group;
 2. 1/3 to the invention group's Institute department/ division/ discipline/ theme for research purposes to be distributed in consultation with the Scientific Director;
 3. 1/3 to the Institute to be allocated by the Director of Research Operations and Chief Operating Officer.
- (b) Net income is defined as revenue minus expense - with revenue evolved from royalties, licensing and other income received from the assignment, licensing or commercialization of the rights to an invention. The portion of the net income that is distributed to the inventor will be in the form of a cheque or electronic funds transfer and will identify the appropriate reporting for income tax purposes.
- (c) In cases where members of the Invention Group hold appointments at a University or other external institution, the determination of rights and the allocation of revenues arising out of the commercialization shall be subject to the terms and conditions of agreement between the Institutions at the time of disclosure of the invention or in the absence of such an

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agreement, to negotiation between the institutions involved. Ownerships of patents, trademarks, copyright, proprietary and/or intellectual property rights relating to the invention will reside with the Institute unless the rights have been ceded to a third party under a prior written agreement made between both parties. The determination as to the relative levels of support (both financial and physical) by each party involved in the project will be made jointly by each institution.

8.08 Decision to Not Commercialize or Cease Commercialization

In the event that the Institute decides neither to seek patent, industrial design, copyright, or trademark protection for any IP, nor to assign its rights in such IP to a third party, nor to enter into any other form of commercialization, or the Institute decides to abandon activities pursued to date in this area, the Institute shall assign to the inventor(s) all rights to the IP on the following conditions:

- (a) that any expenses incurred by the Institute relating to the patenting and licensing of the IP, including legal costs, shall be reimbursed to the Institute as a first priority of any future revenues that may accrue to the inventor(s) from any sale, licensing or other arrangement, disposition or commercial exploitation of the IP; and,
- (b) the Institute shall receive 25% of the balance of any future net income.

9 ATTACHMENTS

- Appendix A – Completion of an Invention Disclosure Form
- Appendix B – Assignment of Rights to the Institute by An Inventor

Read and Understood:

Date:

Print Name:

Signature: