

SANFORD HEALTH CORPORATE POLICY	Intellectual Property
	NUMBER: IP-100
	DEPARTMENT: Sanford Research/USD
ISSUED: 1/1/08	APPLIES TO: All Sanford Health Employees; Non-Employees Hired to Develop Intellectual Property
REVIEWED: 10/09	APPROVED BY: David Link, Executive Vice President
REVISED: 10/09	FORMULATED BY: Vice President of Research

I. INTRODUCTION

This policy governs the ownership, protection, commercialization, and income rights associated with intellectual property developed in support of Sanford Health’s mission. Such intellectual property may include research findings, improvements, trade secrets, trade or service marks, copyrightable works, data, texts, instructional materials, biological materials, chemical compounds, graphics, digital images, software, or other discoveries or inventions.

References to Sanford Health (“SH”) in this policy refer collectively to Sanford Health, its subsidiaries, affiliates and related parties.

II. APPLICATION

2.1 This policy applies to:

- All SH employees.
- Anyone using SH funds, facilities, or other resources to create intellectual property.
- Any non-employee commissioned or hired by SH to develop intellectual property. Ownership of such intellectual property will be determined in writing prior to the non-employee’s contract or appointment with SH.

2.2 This policy applies to intellectual property disclosed to SH after 1/1/08 and/or created or developed, at least in part, with SH resources or on SH time. This policy does not apply to intellectual property registered, copyrighted, or otherwise legally protected prior to an individual’s employment or engagement with SH.

If there are questions about the applicability of this policy, ask the Director of Commercialization prior to the creation of intellectual property to avoid misunderstandings. The Director of Commercialization is the institutional officer in charge of intellectual property matters.

III. OWNERSHIP RIGHTS

3.1 Which intellectual property is owned by the inventor?

- Intellectual property that is unrelated to the employee's scope of employment and was developed entirely on the employee's own time and without use of SH funds, facilities or other resources.
- Intellectual property that was registered, copyrighted or for which patents were filed or issued prior to the start of the inventor's employment or engagement with SH. *However, if a project was initiated prior to employment or engagement with SH, but the inventor continues the project using SH resources, intellectual property is assigned to SH.*
- Intellectual property developed for SH as commissioned work or work-for-hire, which was agreed in writing prior to the non-employee's contract or appointment to be the exclusive property of the inventor.
- Intellectual property that has been released by SH to the inventor in accordance with Section 3.3 of this policy.
- Scholarly, artistic, or literary works, unless such works are produced directly through sponsored funding, are commissioned, or are works made for hire, in which case they are the property of SH.

Note: If the creation of scholarly, artistic or literary works will involve the use of significant SH resources, the inventor and SH should agree beforehand on the appropriate use of resources, recovery of expenses, and/or sharing of benefits from commercialization of such work.

3.2 Which intellectual property is owned by SH?

- Intellectual property that SH employees developed within the scope of their employment with SH.

Note: Works related to an employee's job responsibilities, even if the employee is not specifically requested to create them, belong to SH. Intellectual property can be related to one's job responsibilities if it is created, in whole or in part, for one's use at work, or for use by fellow employees, SH, or SH partners. Such intellectual property should be created substantially at SH using SH facilities, but use of personal time or other facilities to create it will not affect SH's ownership.

- Intellectual property that is developed in whole or in part on SH time and/or with the use of SH funds, facilities or resources.
- Intellectual property developed for SH as commissioned work or work-for-hire, which was agreed in writing prior to the non-employee's contract or appointment to be assigned to SH.
- Intellectual property resulting from research supported by federal, commercial, or third-party sponsors, in accordance with the Bayh-Dole Act, 35 U.S.C. § 202, or the terms of a written agreement with the sponsor, as appropriate.

3.3 When might SH relinquish its ownership rights in specific intellectual property?

If the Director of Commercialization and the Commercialization Committee feel it is in the best interests of the invention, inventor(s), and/or SH, SH may choose

to release its rights in the invention back to the inventor(s) via reassignment or other contractual arrangement.

Note: In the case of intellectual property created in whole or in part through federally sponsored research, release of SH's ownership rights will be made in accordance with the Bayh-Dole Act, and SH may reserve for itself a nonexclusive, royalty-free license to use such intellectual property for education and internal research activities.

IV. INVENTOR'S RESPONSIBILITIES

- 4.1 SH must be sure that it can legally protect the inventions created under this policy. Since public disclosure or publication of the idea embodied in the invention bars the filing of a patent application in every country in the world except the United States, where a one-year clock starts running on the right to file a patent application, SH would prefer to know as early as is reasonably possible about an inventor's intent to publicly disclose or publish a description of the invention. Therefore, inventors should complete an Invention Disclosure Report (Appendix B) and submit it to the Director of Commercialization as far as possible in advance of public disclosure or publication (e.g., submission of a manuscript, poster abstract, business plan proposal, etc.).

Note: In almost all cases, proposals for government grants and contracts are kept confidential by the government agency. When the agency intends to make an exception, this fact will be stated in the original announcement soliciting proposals. However, once a grant is approved or a contract is signed, the content of all or part the proposal may made public.

V. SANFORD'S RESPONSIBILITIES

- 5.1 The SH Commercialization Committee reviews invention disclosures to decide whether SH should assert its interest in an invention and the best strategies for commercialization, or release the invention back to the inventor. Because this process may take some time, an inventor may decide to file for intellectual property protection while the Committee's review is still pending. If SH later decides to assert its interest in such intellectual property, the inventor will be reimbursed for reasonable legal expenses. Otherwise, when SH decides to assert its interest in an invention, the Director of Commercialization, with the Commercialization Committee's approval, will decide how, when, and where the intellectual property is to be protected and managed. If the Committee decides to pursue a patent or other legal protection, all costs shall be borne by SH or by a sponsor or licensee.

VI. DISTRIBUTION OF INCOME

6.1 Employee inventors

Any distribution of net income derived from commercialization of SH intellectual property developed by SH employees, subject to applicable

restrictions arising from any grants, contracts or other agreements with outside parties, shall be as follows:

Inventor(s): 50% (may be shared with other individuals or organizations at Inventor's discretion)

SH: 50%

The amount of net income distributed to the inventor will not be affected by termination of the inventor's employment with SH. If an inventor dies, the inventor's compensation will be paid to the inventor's survivors and heirs.

Note: "Net income" is defined as gross revenue less all costs incurred by SH or its agent(s) in commercializing the intellectual property and in obtaining and maintaining intellectual property protection.

6.2 Non-employee inventors

Any distribution of net income derived from commercialization of intellectual property developed by non-employees, such as those commissioned or hired by SH to develop intellectual property, will be determined in writing prior to the contract or appointment with SH.

David Link
Executive Vice President, Sanford Health

This Policy will be reviewed and updated biennially. Major changes and additions will be handled as necessary; all other changes will be handled during the regularly scheduled review and update.

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Appendix A

SANFORD HEALTH

Intellectual Property Assignment Agreement and Policy Acknowledgement

I have read and understand the Sanford Health Intellectual Property Policy No. IP-100 and hereby agree to be bound by its provisions. In consideration of my employment and/or my continued employment at Sanford Health, I hereby agree:

1. That all rights, title and interest, to any intellectual property conceived, authored, invented, or reduced to practice by me in the course of my employment with SH, with the use of SH resources, or as a result of a work-for-hire, shall automatically transfer to SH upon creation of the invention(s) and be subject to the provisions of SH Intellectual Property Policy No. IP-100. This assignment does not apply to and SH shall not claim any interest in material created or registered, copyrighted, or otherwise legally protected prior to employment or engagement with SH.
2. To disclose promptly in writing through an Invention Disclosure Report any intellectual property, and to cooperate with SH to enable SH to obtain, maintain or enforce patents, copyrights, or other legal protection for such intellectual property.
3. To make and maintain adequate and current written records of all such intellectual property to aid in enforcing intellectual property rights.
4. To keep confidential all SH-owned intellectual property, as well as any intellectual property in my possession that is owned by or received from an SH sponsor, vendor, licensor, sponsor or other third party.
5. That this Agreement is part of the terms of my employment or engagement with SH, and that its obligations in regard to my activities shall continue after termination of my employment or engagement.
6. That upon my termination of employment with SH for any reason, or at any time upon the request of SH, I agree to deliver to SH all intellectual property created by me and all materials of any nature in my possession or control which contain SH's intellectual property or confidential information, including any information I received from a SH vendor, licensor, sponsor or other third party.
7. That this Agreement constitutes the entire agreement between myself and SH with respect to its subject matter and may not be modified except by a written document executed by SH and me. I acknowledge and agree that this Agreement will be binding upon me and my agents, successors, and assigns.
8. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. The parties hereby agree that the appropriate courts of the State of South Dakota shall be the sole and exclusive forum for any legal proceeding arising from or relating to the Agreement.

This Agreement shall be effective as of the date written below.

Signature _____

Printed Name _____

Date _____

Appendix B

SANFORD HEALTH Invention Disclosure Report

Description of Intellectual Property: The purpose of this report is to provide a complete description and documentation of your invention; serve as the basis for evaluation of patentability and commercial potential by Sanford Health’s Commercialization Committee; and serve as the basis for preparation of a patent application. Please provide as much information as possible to facilitate the review, analysis and protection of your intellectual property.

Inventorship: Under U.S. law, inventors are those who make a creative contribution to the invention—either in the original conception or in bringing the original conception to fruition—not those who simply perform experiments without contributing any creative element. Please list all individuals who directly contributed in conceiving or developing the invention (including non-Sanford personnel). All individuals who made any inventive contribution must be listed for a valid patent to be filed.

Assignment: Each inventor signing this report agrees to assign all right, title and interest in the disclosed intellectual property to Sanford Health and acknowledges that the Sanford Health Intellectual Property Assignment Agreement and Policy Acknowledgement has been signed prior to or concurrent with this disclosure.

THIS IS A CONFIDENTIAL, PROPRIETARY, NON-PUBLIC DOCUMENT. ITS CONTENTS MAY NOT BE COMMUNICATED IN ANY WAY WITHOUT THE CONSENT OF SANFORD HEALTH. SANFORD HEALTH AND THE INVENTOR(S) SIGNING THIS INTELLECTUAL PROPERTY DISCLOSURE FORM AGREE TO HOLD THE CONTENTS OF THIS DOCUMENT IN STRICT CONFIDENCE.

INVENTION SUMMARY
Title of invention:
What was the date of the first written record of the invention?
When was the invention shown to work?
Technical abstract of the invention (attach any data, experimental procedures, publications or drafts, and any drawings)

What are the benefits of this invention over existing technologies? (include any unusual features)
What are other uses of this invention that may be realized in the future?

NON-CONFIDENTIAL DISCLOSURE
Have you disclosed this invention to anyone in a non-confidential manner?
If so, when and to whom?
Are any public disclosures pending? If so, when and to whom?

INVENTOR INFORMATION (Please include the names of all Sanford and non-Sanford personnel who contributed to this invention. If Sanford personnel were employed elsewhere during any part of the creation of the invention, provide the employer's name and address, and the dates of employment there.)
Inventor A:
Full Name
Title and Department Affiliations
Citizenship
Work Address
Work Phone Number
Home Address
Home Phone Number
Cell Phone Number
Email Address

Inventor A's Signature	Date
Inventor B:	
Full Name	
Title and Department Affiliations	
Citizenship	
Work Address	
Work Phone Number	
Home Address	
Home Phone Number	
Cell Phone Number	
Email Address	
Inventor B's Signature	Date
(Expand as necessary for more inventors)	

Percent Intellectual or Creative Contribution to the Invention				
Inventor A	Inventor B	Inventor C	Inventor D	Inventor E
%	%	%	%	%

FUNDING, MATERIALS AND THIRD-PARTY INVOLVEMENT
Was this invention developed with the use of federal and/or non-federal funds? If so, provide the sponsor and contract/grant name and numbers.
Are any agreements in place or being processed that are related to the invention (e.g., Material Transfer Agreements, Confidentiality Agreements, Sponsored Research Agreements, Consulting Agreements; etc.)? If so, provide the name(s) of the other party to the agreement and the agreement date.

Send the completed, signed form and all attachments to the Sanford Health Director of Commercialization.

Receipt by Director of Commercialization:

Signature

Date Received

IDR # _____ - _____