



DISCLOSING, PROTECTING, AND COMMERCIALIZING INVENTIONS

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<u>Appendix: Smithsonian Invention Disclosure Form</u>	

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- 1. Purposes** The purposes of this policy are to encourage and aid research at the Smithsonian Institution, to provide financial compensation as well as professional recognition to inventors, to define ownership, distribution, and commercial development rights and responsibilities, and to best serve the public interest. To these ends, this policy encourages disclosure in scholarly publications of the results of Smithsonian research and of inventions and discoveries for their evaluation for possible patenting and licensing.
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- 2. Applicability** This policy applies to all employees (whether paid from federal or trust funds), volunteers, interns, fellows, contractors, or other persons performing work for the Smithsonian or for a sponsored research project of the Smithsonian or with the support or use of Smithsonian resources, all hereinafter referred to as Personnel.

3. Definitions

- a. ***Invention.*** Any invention or discovery which is or may be patentable or which may be commercially licensable. The term “invention” also is meant to include any tangible research and development results whether or not patentable, including, but not limited to, computer programs, biogenic materials, and other creations.
- b. ***Inventor.*** Personnel who have made an invention or discovery. The term “inventor” is intended to include all of the inventors of an invention.
- c. ***Smithsonian resources.*** Facilities, equipment, personnel, and materials paid for from funds administered by the Smithsonian, whether the funds arise from federal appropriations, unrestricted funds, gifts, grants, or contracts, including Smithsonian information not otherwise available to the public.
- d. ***Disclosure.*** The responsibility of Personnel to disclose any invention promptly and completely to their unit director.
- e. ***Unit.*** The Smithsonian museum, research center, or office, or a combination thereof, with which the inventor is associated.

4. General Policy

- a. The Smithsonian Institution claims ownership in all inventions developed by Personnel that are conceived or first actually reduced to practice as a part of or as a result of a Smithsonian-administered program of research including activities within the scope of the inventor’s employment by the Smithsonian, or activities involving the use, to a substantial degree, of Smithsonian resources. An invention shall be considered as resulting from activities “within the scope of the inventor’s employment” whenever his or her duties include research or

General Policy
(Continued)

investigation or the supervision of research or investigation and the invention is relevant to the general field of inquiry to which the inventor was devoted or assigned.

- b. All revenues derived from patents issued or acquired as a result of inventions or discoveries by Personnel or the use of Smithsonian resources shall be the property of the Smithsonian except as otherwise noted in this policy.
 - c. In carrying out responsibilities under this policy, all parties will act in good faith and as expeditiously as possible in advance of any planned publication of, or filing patents for, an invention.
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5. Responsibility of Personnel

- a. Personnel shall disclose all inventions to the appropriate unit director in a reasonably prompt manner, using the *Smithsonian Invention Disclosure* form.
- b. Personnel shall not
 - 1. discuss or sign patent agreements with outside persons or organizations which may abrogate the Smithsonian's rights and interests as stated in this policy or which otherwise conflict with this policy
 - 2. use the name of the Smithsonian Institution or the inventor's unit in connection with any invention without prior written authorization from the Smithsonian's Office of General Counsel.
- c. Upon request, the inventor will sign any document that is either required to apply, pursue, and defend a patent or that otherwise furthers the rights of the Smithsonian in the invention and its commercialization.

Responsibility of Personnel
(Continued)

- d. When the Smithsonian assigns its interest in a patent or invention to the inventor, the inventor will grant to the Smithsonian a non-exclusive, royalty-free license and will comply with the requirements of paragraph 7.c below under Revenue Sharing.

6. Responsibility of the Smithsonian

- a. The inventor's unit director shall
1. notify the inventor promptly that the Smithsonian will proceed with patenting or commercializing an invention
 2. notify the inventor promptly whenever the Smithsonian decides not to pursue or to abandon the pursuit of patenting or commercializing an invention
 3. ensure that all administrative actions required by this policy are carried out promptly and efficiently
- b. Subject to these responsibilities, the Smithsonian may, at any time, decide not to pursue or to abandon the pursuit of patenting and/or commercializing an invention in which it has an interest. This is consistent with paragraph 9.c below.

7. Revenue Sharing

- a. **Payments.** The Smithsonian Institution shall share with inventors revenue that it receives from patents or inventions that it pursues or commercializes; however, specific provisions of grants or contracts may govern rights and revenue distribution. Consequently, revenues received, if any, from such inventions may be subject to payments of royalties to grantors, sponsors, or other external parties consistent with the terms of those grants or contracts.

Revenue Sharing
(Continued)

In addition, consistent with paragraph 9.f below, the Smithsonian Institution also may contract with outside persons or organizations for obtaining, managing, and defending patents, and any royalties or expenses contractually committed to such persons or organizations will be deducted before the inventor's share is distributed.

- b. After payments of any royalties or expenses, as provided for in the preceding paragraph, the net revenues that are received from a patent or invention will be applied first to reimburse the Smithsonian, the inventors, or other parties for any specific, incremental expenses incurred by it/them in obtaining and maintaining the patent and in marketing, licensing, and defending the patent or licensable invention. After provision for such expenses, the remaining revenues shall be shared as follows:

Inventor	35%
Museum, Research Unit	35%
Smithsonian	30%

Applicable laws, regulations, or provisions of grants or contracts may, however, require that a lesser share be paid to the inventor. No single inventor may receive more than \$100,000 in royalties in any year while an employee of the Smithsonian Institution or an employee of a federal agency.

- c. If the inventor receives an assignment of the invention or patent, the inventor shall pay the Smithsonian fifteen percent of the net proceeds above \$25,000 that the inventor receives from all sources from this patent or invention.

8. Special Cases The Smithsonian recognizes that special cases will arise that are not specifically covered by or may justify waivers of this policy. Such cases may be submitted by the inventor's unit director for resolution to the appropriate Under Secretary/Director or designee.

- 9. Administration**
- a. After receiving an invention disclosure from an inventor, the unit director shall convene an ad hoc Patent/Invention Advisory Committee consisting of the director, the inventor, a representative from the Office of General Counsel (OGC) a representative of Smithsonian Business Ventures, and, if requested by the inventor, a non-Smithsonian advisor chosen by the inventor. The purpose of the first meeting is to determine the Smithsonian's interest in and the commercial potential or other beneficial use of the invention.
 - b. If the Committee determines that the invention has the potential to result in revenues exceeding the patenting costs, or if there is a need to protect the invention for future use by the Smithsonian, OGC will be asked to proceed with a preliminary patent search. The responsibility for payment for preliminary patent search will be determined, on a case-by-case basis, pursuant to an agreement between the museum or research unit and the appropriate Under Secretary/Director. In some cases, a potential licensee or a patent processing office with which the Institution has contracted may agree to cover some or all costs associated with filing of the patent. Recovery of these costs may be required before distribution of royalties to the Smithsonian and/or the inventor.

Administration
(Continued)

- c. If the Committee determines that the invention has no potential to result in revenues exceeding the patenting costs, then the Committee may recommend to the Under Secretary/Director or designee that the Smithsonian waive its rights to the invention pursuant to paragraph 5.d above.
- d. If the preliminary patent search reveals no serious impediment to the potential for producing revenues in excess of the patenting costs, then OGC will proceed with a complete patent application. The inventor shall diligently support OGC in preparing the application by providing specifications, claims, drawings, etc., and will assist counsel to respond to questions or actions by the United States Patent and Trademark Office Examiner, until the patent is issued.
- e. Pending and after the issuance of the patent the Patent/Invention Advisory Committee shall continue to meet for the purpose of seeking commercialization partner(s).
- f. The Smithsonian, through OGC, may enter into contracts with third parties in connection with the administration of this policy and any identified inventions or proposed or developed patents.

10. Delegations

Upon written justification to the appropriate Under Secretary/Director, any museum or research unit may request a delegation of authority to exercise the waiver provided for in paragraph 9.c.

11. Supplemental Agreement

This policy is a term and condition of employment or association with the Smithsonian. The Smithsonian may require Personnel who conduct applied research of any kind specifically as part of their assignments to acknowledge their obligations under this policy by signing a supplemental patent agreement in a form determined by the Smithsonian's Office of General Counsel.

NOTE:

A few important but non-substantive editorial changes for clarity were made in the 05/08/03 edition of this directive to create the present document. The changes were approved by the Office of General Counsel, the Office of Government Relations, and the Office of the Under Secretary for Science

CANCELLATION:

SD102, February 28, 1975

INQUIRIES:

Office of the Under Secretary for Science

RETENTION:

Indefinite. Subject to review for currency 24 months from date of issue