



Intellectual Property Policy American University of Beirut Mediterraneo

Section 1 - Introduction

This document covers the policy and procedures related to the ownership, distribution, and commercial development of technology produced by American University of Beirut Mediterraneo (AUB Mediterraneo) faculty, staff, students, and others participating in university research programs. University research shall be defined, for the purpose of this policy, to include all research conducted in the course of an inventor's employment with the University (including, but not limited to, the performance of a grant contract or award made to the University by an extramural agency) or with the use of university resources. The ownership rights to the new technology is referred to as "Intellectual Property Rights" (IPR) and includes patents, copyrights, trademarks, and trade secrets. Distribution and commercialization of technology may be accomplished by transfer or licensing of IPR. Responsibility of transfer of AUB Mediterraneo technology for public use and benefit is accomplished solely through the Office of Research.

Section 2 - General Statement

The University has among its primary purposes teaching, research, the expansion and dissemination of knowledge, and the application of that knowledge to advance the common good. It is in the context of advancing the common good that the University supports and encourages efforts directed toward bringing the results of university research and other works in diverse fields of knowledge to public use and benefit and encouraging such creations' commercial development and applications, subject always to protecting the University's rights.

Scholarly activities in a University setting create Intellectual Properties (IPs) i.e. research papers, books, software programs, new inventions, journal articles, etc.. Dissemination of such IPs in the most efficient and effective manner possible is in line with the university mission statement. The identification and optimization of opportunities for the industrial/commercial utilization of some IPs is also part of this mission, as is the protection of the ownership rights of both the individuals and the University. While many IPs are best disseminated by publication and placing in the public domain, there is a significant number that is most effectively handled by protection under the IP laws (i.e., patenting and copyright) and licensing (or other transfer) to private sector entities. Such IPs can provide the University with a financial return to encourage further research and innovation.

All the University's academic staff, non-academic staff, and students ("university members") engaged in service to the University will be required to execute an agreement (substantially in the form of the "Inventions and Proprietary Agreement" located at the end of this policy) acknowledging and implementing this policy. This agreement will remain in force regardless of whether or not the university member leaves the University.

The purpose of this policy statement is to:

1. Promote, preserve, and encourage research, inventions, discoveries, and intellectual works created in the course of the University's research and activities.
2. Establish ownership criteria and resolve ownership questions if such arise.



3. Encourage, assist, and provide rewards to members of the university community for their creation.
4. Establish standards for determining the rights and obligations of the University and creators of intellectual property (e.g., inventors, developers, authors) within the University.
5. Support further research and development by securing for the University a share in the proceeds of such intellectual property.
6. Develop basic guidelines for the administration of the Technology Transfer Policy (under the Section: Procedures for Technology Transfer below).

Section 3 – Definitions

1. Patent: a patent for an invention is the granting of a property right to the inventor of a useful product or process and the privilege to exclude others from making that invention. Patents are forms of intellectual property that cover new inventions or any new and useful improvement of an existing invention. Patents offer inventors monopolies on their creations for specific periods, and thus provide incentives for research and development. Patents are also a means of technological exchange. They are made public specifically to promote the sharing of knowledge.

Three basic criteria for patentability:

- a. The invention must be new (first in the world)
- b. It must be useful (functional and operative)
- c. It must show inventive ingenuity and not be obvious to someone skilled in that area

And three types of patents:

- i. Utility patents: may be granted to anyone who invents or discovers any new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof
 - ii. Design patents: may be granted to anyone who invents a new, original, and ornamental design for an article of manufacture
 - iii. Plant patents: may be granted to anyone who invents or discovers and asexually reproduces any distinct and new variety of plant.
2. Trademark: a trademark is a word, name, symbol, or device that is used in trade with goods to indicate the source of the goods and to distinguish them from the goods of others.
 3. Copyright: copyright is a form of protection provided to the authors of “original works of authorship” including literary, dramatic, musical, artistic, and certain other intellectual works, both published and unpublished.
 4. Licensing: licensing is a form of intellectual property exploitation that allows the inventor or owner of the invention to capitalize on the financial earning power of patents, trademarks, and copyrights by making them available for use in exchange for some level of consideration. Licenses are granted



on an exclusive, sole, or nonexclusive basis, and the rights licensed can be restricted, for example to a specific field of application, or to a geographical area.

5. Trade secrets: a trade secret is a formula, process, device, or item of information used by a business that has economic value because it is not generally known or easily discovered by observation or examination and for which reasonable efforts to maintain secrecy have been made. Trade secrets are a form of intellectual property. Information contained in a patent is not protected as a trade secret.
6. Intellectual Property: it is divided into two groups:
 - a. The traditional results of academic scholarship, i.e. textbooks, literary works, artistic creations, and artifacts.
 - b. The novel results of research such as products, processes, machines, software, biological technology, etc.

Intellectual properties in the first (traditional) group are exclusively owned by the author. Such IPs are considered to make their full contribution to the University's benefit by their creation and by their use in teaching, further development, and enhancement of the University's academic stature. Thus, unless there is explicit evidence that the work was specifically commissioned by the University, the IP rights remain with the author(s) and the University rights are limited to free (no cost) use in teaching and research.

In the second group, the strong presumption of ownership is to the University (with the originator having a right to share in the benefits derived therefrom).

Unless there is convincing and explicit evidence that the IP was developed without the use of university resources and/or facilities (which may include, but is not limited to, any of the following: use of equipment, laboratory, or office space, university time of originator and/or personnel under their control, funds supplied by the University and/or funds originating from sponsored research projects and/or donations to university/affiliated companies, etc.), ownership of the IP rests with the University and the originators are obliged to sign the appropriate legal assignment documents upon request.

Section 4 - Ownership of Inventions

The research and teaching obligations of the University always take precedence over patent considerations. While the University recognizes the benefits of patent development, it is most important that the direction of university research not be established or unduly influenced by patent considerations or personal financial interests.

All patentable inventions conceived or first reduced to practice by faculty and staff of AUB Mediterraneo in the conduct of university research shall belong to the University. The inventor shall cooperate and assist the University in all phases of the patent application process and shall assign such applications or any patents resulting therefrom to AUB Mediterraneo.

In cases in which the University has an ownership interest in an invention and either does not file a patent application within one year, or fails to make a positive determination regarding pursuit of a patent within



one year from the date of disclosure, all of the University's rights shall be reassigned to the inventor upon request, subject only to such external sponsor restrictions as may apply.

In cases in which the University has signed a contract with a sponsor under which intellectual property is produced, the contract may contain specific provisions with respect to disposition of rights to these IPs. If AUB Mediterraneo agrees, the sponsor (1) may specify that the IP be placed in the public domain, (2) may claim reproduction, license-free use, or other rights, (3) may assign all rights to the University, or (4) may share the IP with the University. In those cases where royalty income is realized by the University as described in the agreement between AUB Mediterraneo and the sponsor, the inventors shall appropriately share in the royalty income. The nature and extent of inventor participation in royalty income, however, shall be subject to sponsor and institution regulations. If the invention is owned in part by an outside sponsor, then the University will share in the ownership of the invention to an extent determined by negotiation between the provost (rector) through the Office of Research and the external sponsor.

In the case in which an IP is generated as a result of research funded by a private sector company under a sponsored research project, the IP rights will be defined in the applicable clauses of the sponsored research agreement (as approved by the Office of Research and signed by an authorized officer of the University).

In the case that all IP rights are assigned to the sponsor (private sector, company, etc.), AUB Mediterraneo will retain inventor status on the patent, but will forfeit all rights to exploitation of the IP. However, the rights for AUB Mediterraneo to use the IP for educational purposes in teaching and research will always be retained.

Ownership of inventions (if unresolved) shall be determined by the provost (rector) and the Office of Research director/representative in consultation with a technology transfer advisory committee (composition and mandate is detailed in Sections 11 & 12), and their decision shall be final.

The Office of Research, and in consultation with the provost (rector) and the Technology Transfer Advisory Committee shall determine that such discovery or invention be either:

1. Assigned outright to the discoverer or inventor.
2. Transferred to one or more patent management organizations with which the University has contracted for commercial development or marketed by the Office of Research.
3. Forwarded to the outside sponsor if such action is required under the terms of a sponsored project agreement or by law.

Section 5 – Trademarks

The University will wholly own trademarks and service marks relating to goods and services developed at the University.

Section 6 - Reporting and Disclosure

The Office of Research will be responsible for implementing and overseeing this policy. In order to ensure that a proper determination of ownership is made, and in order to comply with governmental and contractual reporting obligations, inventors and creators of creations, or potential creations, whether faculty members, non-academic employees, or students, must promptly disclose a creation during the course of sponsored research (including research funded by a government), or with the use of significant



funds or facilities administered by the University to the Office of Research director/representative by signing the “Invention Disclosure Forms” which may be obtained from the Office of Research. University members may be required to sign disclosure forms in other circumstances, on a case-by-case basis, and may also be requested to sign an authenticity warranty and a keep harmless undertaking. Timely submission of a disclosure to the Office of Research (i.e., before publication or other enabling non-confidential disclosure) may also be critical to the value of the IP and is strongly encouraged.

Principal investigators, project supervisors, department heads, and laboratory directors are responsible for informing all research personnel, whether faculty, nonacademic employees, or students, of their obligations under this policy, including their obligation to promptly report creations. In addition, all applications for sponsored research should indicate the possibility of copyrightable, patentable, or commercial outcomes of the project. It is the University's policy to make arrangements in advance of the development of a creation to settle any potential future controversy regarding ownership. For that, all collaborators are requested to sign a “University Inventors Distribution Agreement” (Appendix I – at the end of this document). Compliance with this disclosure policy is extremely important. Failure to make adequate disclosures within the terms set forth above will be considered as a serious matter, even if such failure is the result of inadvertence. The University, through the Office of Research, the provost (rector), and the Office of Finance administrator/representative, will take appropriate disciplinary action up to and including, but not limited to, withdrawal of funds or resources.

Section 7 - Allocation of Returns from Creations (Royalties Distribution)

The University will first deduct 15 percent from the returns it receives from any exploitation of a creation to cover administrative overhead and then any direct expenses that have been incurred, such as patent filing fees. The remaining income will then be divided equally as follows:

1. Inventor

The inventor shall receive one third (33.3 percent) of the net royalty income. Joint inventors shall share the percentage of net royalty income allocated to the inventor. Any person hired or retained for the purpose of producing an invention shall not be entitled to a distribution of net royalty income with respect to that invention. Net royalty income shall mean gross royalties received by the University, less directly assignable expenses resulting from patenting and licensing the particular invention. The royalty shares for the inventors will continue to be paid to them even after they leave the University or to their lawful heirs in the case of death.

2. University

The University shall receive one third (33.3 percent) of the net royalty income to provide operating funds to cover the cost of service provided to the University with regard to intellectual property matters, and particularly to cover the costs associated with patenting and marketing inventions where royalty income or other cost recovery has not been achieved.

3. Department or Center

The inventors' departments or centers shall receive the remaining third (33.3 percent) of the net royalty income and the inventors will receive 30 percent of this amount as a research budget if they request. If the annual net royalty income for an invention originating from department or a center at the University exceeds 20 percent of the annual budget for that department/center, the excess income shall be retained as endowment for the department/center.

Section 8 - Licensing Policy



The University recognizes that protection of proprietary rights in the form of a patent or copyright are often necessary - particularly with inventions derived from basic research - to encourage a company to risk the investment of its personnel and financial resources to develop the invention. In some cases, an exclusive license may be necessary to provide an incentive for a company to undertake commercial development and production. Non-exclusive licenses allow several companies to exploit an invention.

The University may, in certain circumstances, license an existing patent or invention on an exclusive or non-exclusive basis for a reasonable period up to the full term of the patent. An exclusive license will be offered if the invention provides a public benefit. All licenses must include march-in rights if the licensee does not adequately perform.

Section 9 - Requests for Waiver

A request for waiver for any of the articles in this Technology Transfer Policy must be forwarded to the Office of Research. Such request must include a description of the articles to be waived and a full explanation of the reasons for the waiver, keeping in mind that the university education, research, and public benefit mission should be satisfied. All faculty or staff members engaged in the research that the waiver will cover must approve the request.

The provost (rector) and the Office of Research director/representative, in consultation with the Technology Transfer Advisory Committee, shall review the request for waiver and their decision shall be final.

Section 10 - Patenting and Patent Management Agencies

Office of Research may make suitable arrangements consistent with the Technology Transfer Policy with patenting agencies or patent management agencies or firms for the purpose of obtaining services and advice with respect to the patentability of inventions, obtaining of patents, management and licensing of any such patents, and patent protection.

Section 11 - Technology Transfer Advisory Committee

The provost (rector) and the Office of Research director/representative will establish an advisory committee for advice with respect to the implementation of AUB Mediterraneo Technology Transfer Policy, evaluation of patentability potential of the invention, IP protection action, waiver requests, policy amendments, ownership of inventions, and any other matters as necessary.

The Advisory Committee shall be chaired by the provost (rector) and consists of the following members:

1. Office of Research director/representative (ex-officio).
2. Patent lawyer.
3. Industry/commercial/marketing experts (from AUB Mediterraneo or private sector).
4. Comptroller Officer/Administrator
5. Representative from the Suliman S. Olayan School of Business (OSB)
6. Expert representative faculty members from various faculties as needed.

Inventors and faculty members expert(s) in the field of the technology will be invited to become members on the advisory committee for the specific technology disclosed only. Members shall have professional background and expertise spanning the University's fields of endeavor, experience in patent and copyright



matters, experience and interest in the economic/marketing aspects of technology transfer, and personal contacts that they can draw on to assess technical and economic merit of individual IPs.

Each member should have the desire to be involved and the background and experience to contribute. The provost (rector) shall make all appointments. All members may be reappointed. Interim appointments to serve incomplete terms shall be upon recommendation of Office of Research administrator/representative.

Section 12 - Authority and Responsibility of the Committee

1. Review research contracts with industry and/or private investors that include intellectual property clauses in variance to AUB Mediterraneo's Office of Research.
2. Review all invention disclosures submitted by faculty and/or staff members.
3. Make recommendations concerning the patentability potential of a disclosed invention.
4. Make recommendations on potential licensing of a disclosed invention.
5. Make recommendations on the ownership of a disclosed invention.
6. Evaluate the patent application and make recommendations on its value concerning merit or promotion as part of the faculty evaluation process.
7. Review requests for waiving provisions of the Office of Research.

Section 13 - Administration of University Intellectual Property and Dispute Resolution

This policy will be interpreted and administered by the Office of Research which will also establish procedures for such administration and will review, devise, and revise relevant agreements to be signed by the university members and the creators/inventors. The Office of Research will have the responsibility for resolving disputes concerning the interpretation and application of this policy and recommending changes therein, from time to time, as experience suggests the need for such changes. Inventors or creators may submit appeals to the Technology Transfer Advisory Committee regarding any of the Office of Research decisions within 30 days of issuance. In such an event, the committee will review the appeal and will submit to the Office of Research and the provost (rector) its final decision.

Section 14 - Procedures for Technology Transfer

It is imperative not to advertise, display, or publish information on your invention too soon. Public disclosure of your invention before filing will make it impossible to obtain a valid patent. These procedures apply to the Technology Transfer Policy of the University.

1. Patent Agreement

Each faculty or staff member involved in university research shall execute a Inventions and Proprietary Information Agreement (Appendix II - at the end of this document) acknowledging that all such research is subject to the terms of AUB Mediterraneo Technology Transfer Policy, and shall agree to cooperate with the University or its designee in the assignment to the University of patent rights in inventions or discoveries conceived or first reduced to practice during such research, and the preparation and prosecution of patent applications, as may be required, in order to implement its provision. Principal investigators should remember that they may not obligate the patenting for inventions of project staff, unless such staff have signed a patent agreement prior to commencing work.



2. Disclosure of Invention

All potentially patentable inventions must be disclosed to the University. Potentially patentable inventions include any new or useful process, device or apparatus, article of manufacture, composition of matter (including chemical compounds, microorganisms, and the like), asexually propagated plant, or related improvement to any of the foregoing, or a new use for a known material or device. Such inventions should be reported as soon as possible after conception of the idea to Office of Research.

The technology transfer process begins with a disclosure of an invention. This is accomplished by submitting an “Invention Disclosure Form”. This form provides information necessary for the University to evaluate patentability, inventorship, assignment obligations, the desirability of obtaining patent coverage, and patent obligations to research sponsors. This information is confidential and should be kept confidential by the inventor.

Once the inventor submits the Invention Disclosure Form to the Office of Research, the disclosure is logged in, assigned a reference number, and a record of the invention created including the inventor(s) involved, sponsors, and public disclosures and/or publications. Invention disclosures are reviewed to determine patent obligations owed to sponsors of research. Because of the confidential nature of inventions, inventors should not report inventions directly to sponsors. The Office of Research will use the information submitted to determine the preliminary patentability potential of the invention.

The advisory committee shall meet with the inventor(s) to discuss the invention and make a preliminary evaluation of feasibility, novelty, potential applications, and possible markets. A patent and literature search to evaluate the uniqueness of the invention and a marketability survey of the literature and industry contacts is then conducted to determine whether the invention is patentable (new, useful, and not an obvious improvement on an existing invention) and whether it is licensable (will a company pay the University for the right to commercially practice the invention). The Advisory Committee shall make decisions about which inventions will be patented or licensed in less than six months, otherwise the rights to the invention will be assigned back to the inventor.

3. Function of the Advisory Committee

The committee will meet to decide about the fate of the invention. Six months are allowed for the committee to decide on the patenting manner that will be adopted.

4. Royalty Distribution

In the case of a patent owned by the University, and in recognition of the efforts and contributions of the inventor, total net royalty income shall be distributed as detailed in the section “Allocation of Returns from Creations (Royalties Distribution”.



UNIVERSITY INVENTORS DISTRIBUTION AGREEMENT

This agreement is made by and between Inventor 1 -----, Inventor 2 -----, Inventor 3 -----, Inventor 4 ----- (collectively the “inventors”);

Whereas, the inventors are jointly involved in a project entitled “-----” funded under -----; and

Whereas, an invention may be made and conceived while the inventors are acting under the auspices of the American University of Beirut Mediterraneo, and whereas any inventions and resulting patents are subject to the provisions of the University Patent Policy; and

Whereas, pursuant to the Patent Policy, the inventors have assigned their respective individuals and joint rights to the invention to the University; and

Whereas, pursuant to the Patent Policy which prescribes the conditions and requirements for distribution of royalties and other income by the University to inventors, including the requirements that there be an agreement among joint investors setting forth the appropriate formula for distribution of income, if any, among such inventors, the inventors wish to set forth a formula for distribution of income between themselves.

Now, Therefore, pursuant to provisions of the Patent Policy, and subject to any local and federal patent regulations which may limit the University’s distribution of income, the inventors hereby agree to the following distribution formula for any patent royalty income with respect to the invention which is or becomes payable to the inventors pursuant to the Patent Policy. Specifically, any such income due the inventors shall be allocated and distributed to each of the named individuals (their designated legal representative(s) or heirs) as follows:

--- % to -----
Name Department Signature and date

--- % to -----
Name Department Signature and date

--- % to -----
Name Department Signature and date

--- % to -----
Name Department Signature and date

This agreement shall be binding upon each of the inventors and their heirs and assignees.



INVENTIONS AND PROPRIETARY INFORMATION AGREEMENT

Name (please print or type) _____

Status _____

In consideration of:

1. My present or future employment at the American University of Beirut Mediterraneo ("AUB Mediterraneo")
2. My participation in research at AUB Mediterraneo
3. Opportunities made or to be made available to me to make use of AUB Mediterraneo funds or facilities
4. Opportunities to share in royalties and other inventor's/author's rights outlined in the Intellectual Property Policy applicable on the date of this agreement dated _____ (the "Policy")

I agree:

1. To report and disclose promptly, and I hereby assign to AUB Mediterraneo, all right, title, and interest to all inventions, discoveries, copyrights, copyrightable works, (including software, architectural or artistic designs, musical or dramatic works), mask works, trademarks, and trade secrets conceived, invented, authored, or reduced to practice by me, either solely, or jointly with others, which:
 - a. Were carried out having all or part of the costs paid from university funds or funds administered by the University.
 - b. Are a direct result of my duties with the University.
 - c. Result in whole or in part from the utilization of significant university resources, human or otherwise, and/or facilities.
 - d. Are specifically commissioned by the University as a "work made for hire", are created pursuant to written agreement with the University, providing for the transfer of any creation or ownership to the University, or are developed at the direction of the University.
 - e. Are developed in the course of, or pursuant to, a sponsored research or similar agreement, including a government grant.
2. To execute all necessary papers and otherwise provide proper assistance, at AUB Mediterraneo's expense, during and subsequent to my affiliation with AUB Mediterraneo, to enable AUB Mediterraneo or its nominees to obtain, maintain, or enforce on behalf of itself or its nominees, patents, copyrights, or other legal protection for such creations.
3. To prepare and maintain for AUB Mediterraneo adequate and current written records of all such creations.
4. To deliver promptly to AUB Mediterraneo when I leave AUB Mediterraneo, for whatever reason, and at any other time as AUB Mediterraneo may request, copies of all written records referred to in paragraph 3 above, as well as all related memoranda, notes, records, schedules,



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plans, or other documents, made by, compiled by, delivered to, or manufactured, used, developed, or investigated by AUB Mediterraneo or me, which will, at all times, be the property of AUB Mediterraneo.

5. Not to disclose to AUB Mediterraneo or use in my work at AUB Mediterraneo (unless otherwise agreed in writing with AUB Mediterraneo) any proprietary information of any of my prior employers or of any third party. Such proprietary information includes, without limitation, any trade secrets or confidential information with respect to the business work or investigations of such prior employers or other third party.
6. This agreement and any dispute relating to it will be governed by the Federal Law of the United States of America and the Law of the State of New York. Both parties irrevocably consent to jurisdiction in the courts in the State and County of New York.
7. This agreement replaces all previous agreements relating in whole or in part to the same or similar matters that I may have entered into with AUB Mediterraneo. It may not be modified or terminated, in whole or in part, except in writing, signed by an authorized representative of AUB Mediterraneo. Discharge of my undertakings in this agreement will be an obligation of my executors, administrators, or other legal representatives or assignees.
8. I represent that, except as identified on the reverse side hereof (if applicable), I have no agreements with, or obligations to, others in conflict with the foregoing.

Signature (to include first name in full)

Witness (Name and Signature)

Date

Place