

Policy Title:	Employee Share in Royalty Income
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Governing Body:	State of Oregon, OUS, SOU	Policy Number:	FAD.043
Policy Contact:	Director of Business Services	Date Revised:	
Custodial Office:	Business Services	Date Approved:	8/8/12
Approved By:	President, SOU Cabinet	Next Review:	Aug 2015
Related Policy:	OAR 580-043-0011, ORS 351.070		

A. Purpose

To document the University's policies and procedures around the sharing of royalty income generated from patents and copyrights.

B. Definitions

Board = State Board of Higher Education.

Educational and Professional Materials = Educational and professional materials, whether or not registered for copyright, that result from the instructional, research or public service activities of the institution.

Inventions and Technological Improvements = Any invention or improvement in technology conceived or developed using institutional facilities, personnel, information or other resources.

Royalty Income = Compensation received by SOU resulting from the sale of items generated from inventions, license agreements, educational and professional materials development, patents, and copyrights.

C. Policy Statement

The sale of faculty publications through the SOU Bookstore and other venues:
Faculty place materials they have developed on sale at the SOU Bookstore for sale to students to enhance the materials available for use in the classroom. The sale of these materials will be at the cost of materials plus a reasonable markup, as defined by the SOU Bookstore.

At the employee's discretion, any profits, after accounting for all costs, can be:

- 1) Fully awarded back to the department, and placed in an index for use by the department. If awarded back to an SOU department, the use of the funds will be at the discretion of the department Chair, and will not be taxable to the employee.
- 2) Paid out to the employee, not to exceed the amounts as specified in OUS OAR 580-043-0016. Amounts paid to the employee will be processed through the Payroll Office, and will be included in the employee's W-2 reported compensation.

This policy may be revised at any time without notice. All revisions supersede prior policy and are effective immediately upon approval.

D. Policy Consultation

Department of Justice
OUS Vice Chancellor for Finance and Administration
OUS Controller's Office
SOU Bookstore
SOU Payroll Office
SOU Human Resources Office
SOU Business Services

E. Associated Procedures or Other Information

The Oregon Administrative Rules contain OARs filed through February 15, 2011

OREGON UNIVERSITY SYSTEM

DIVISION 43

POLICIES RELATING TO INVENTIONS, LICENSE AGREEMENTS, EDUCATIONAL AND PROFESSIONAL MATERIALS DEVELOPMENT, PATENTS, AND COPYRIGHTS

580-043-0011

Employee Responsibilities and Rights

- (1) As a condition of employment, all Board and institution employees shall agree to assign to the Board rights to:
 - (a) Any invention or improvement in technology conceived or developed using institutional facilities, personnel, information or other resources; and
 - (b) Educational and professional materials, whether or not registered for copyright, that result from the instructional, research or public service activities of the institutions.
- (2) Employees shall be responsible for disclosing to designated institutional representatives all inventions, technological improvements and educational and professional materials conceived, developed and/or produced during the conduct of normal activities.
- (3) Employees shall be responsible for cooperating and assisting Board and institutional representatives responsible for patenting, licensing, registering for copyright, publishing and generally assisting public access to new knowledge resulting from employee activities.
- (4) Employees shall be eligible to share in net royalty income from each invention or separate improvement thereof, an amount not to exceed:
 - (a) 40 percent of the first \$50,000, 35 percent of the next \$50,000, and 30 percent of all additional net royalty income received by the Board for inventions and technological improvements; and
 - (b) 50 percent of net royalty income from educational and professional materials.
- (5) For the limited purposes of administering the policies under division 43, persons acting in the following capacities shall be entitled to the benefits and subject to the responsibilities of said rules: graduate teaching assistants, graduate teaching fellows, graduate research assistants and student employees.

Stat. Auth.: ORS 351.070

Stats. Implemented: ORS 351.070

Hist.: HEB 8-1978, f. & cert. ef. 12-5-78; HEB 9-1980, f. & cert. ef. 8-20-80; HEB 1-1982, f. & cert. ef. 4-20-82; HEB 1-1993, f. & cert. ef. 2-5-93; HEB 5-1996, f. & cert. ef. 12-18-96

580-043-0016

Institutional Responsibilities

To manage inventions, technological improvements and educational and professional materials developed by employees, institutions shall:

- (1) Apply Board-adopted policies and procedures.
- (2) Encourage employee activities that lead to new knowledge.
- (3) Actively seek applications for new knowledge developed by employees.
- (4) Anticipate and comply with conditions in contracts, grants and agreements with sponsoring agencies.
- (5) Recommend to the Vice Chancellor for Finance and Administration or designee contractual agreements, patent applications and equitable sharing of net royalty income.

Stat. Auth.: ORS 351.070

Stats. Implemented: ORS 351.070

Hist.: HEB 8-1978, f. & cert. ef. 12-5-78; HEB 1-1986, f. & cert. ef. 1-17-86; HEB 10-1990, f. & cert. ef. 7-26-90; HEB 1-1993, f. & cert. ef. 2-5-93; HEB 5-1996, f. & cert. ef. 12-18-96

The Policy Contact, defined above, will write and maintain the procedures related to this policy and these procedures will be made available within the Custodial Office.