May 15, 2013

Dear Colleague,

The purpose of this communication is to advise you, as a Cornell academic or graduate student appointee, of a new procedural requirement regarding the university’s Policy 1.5: Inventions and Related Property Rights (http://www.dfa.cornell.edu/dfa/treasurer/policyoffice/policies/volumes/academic/inventions.cfm), and to provide guidance as to how to fulfill this requirement.

As you are most likely aware, a long-standing policy of Cornell University is that all inventions made by an individual with a university appointment in furtherance of his/her university responsibilities, and/or with the use of university resources (including those provided through an externally funded grant, contract, or other type of award or gift to the university) belong to the university, and must be disclosed at the time of invention and assigned to the university. To encourage and reward invention, the university’s policy also stipulates a very significant sharing of any net licensing revenue generated by a Cornell invention with the individual inventor(s). This policy is very similar to that of most if not all research universities.

As you may also know, and as discussed in more detail at the end of this memo, a June 2011 Supreme Court decision (Stanford v. Roche), provided a ruling whereby university inventors could inadvertently and/or incorrectly assign rights to future inventions to a third party, that by policy, belong to the institution. To minimize the possibility of a similar situation occurring with a Cornell invention and to a Cornell inventor, President Skorton has recommended, and the Cornell Board of Trustees has adopted, a procedural amendment to Policy 1.5 whereby all new and all current academic and graduate student appointees are now required to complete a new Inventions and Related Property Rights Assignment form. A copy of this new form is attached for your information.

A web-based procedure has been established to make fulfilling this requirement as simple and as quick as possible. To complete the form, please go to https://sri.cornell.edu/Signatures/ and sign in using your Cornell Net ID and password. Once there, review the form and then click the I Agree button. That will complete the process. Signing (electronically) does not in any way alter the intent or effect of the existing policy with respect to the inventor's or the university’s rights and ownership of inventions, but it does help ensure that the inventor’s and the university’s rights are not put at risk.

If you have any questions or concerns about this matter please feel free to contact the Office of the Vice President for Technology Transfer, Intellectual Property and Research Policy (vp_research@cornell.edu or 607-255-7200).

Sincerely yours,

Robert A. Buhrman

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Background Information Regarding the Revision of Cornell’s Inventions Policy Procedures

A series of court decisions regarding the Stanford University v. Roche Molecular Systems case, culminating in a June 2011 United States Supreme Court decision, has prompted the review of the invention assignment language currently used by Cornell and the subsequent action by the Cornell Board of Trustees to alter that language. Specifically, Cornell’s most recent practice required academic appointees to acknowledge that Cornell owns all rights and title of their inventions and related property rights that result from activity conducted in the course of an appointment with the university and/or using university resources, including but not limited to those resources provided through an externally funded grant, contract, or other type of award or gift to the university. The acknowledgment form that has been employed in recent years does not, however, require actual assignment of rights to prospective inventions to Cornell at the time of appointment, therefore allowing for the possibility that an inventor could, perhaps inadvertently, prospectively assign these rights to another entity before assignment to Cornell at the time of invention disclosure as required by Cornell Policy 1.5: Inventions and Related Property Rights.

The Bayh-Dole Act allows universities to “elect to retain title” to inventions from research funded by the US Federal Government. The June 2011 Stanford v. Roche Supreme Court decision determined that, contrary to Stanford’s assertion, Bayh-Dole does not automatically vest title to such inventions in the university nor does it allow universities to unilaterally take title. It further determined that an employee’s agreement to assign invention rights does not constitute actual assignment of those rights. Therefore, an employee must expressly assign his/her invention rights to the university in order for the university to own and subsequently elect to retain title to an invention.

In the Stanford v. Roche case, the university’s employment contract obtained an employee’s agreement to assign invention rights to Stanford. The employee, however, during a visit to the biotechnology company Cetus, signed an agreement in which he expressly assigned rights to all ideas, inventions, and improvements to Cetus for all subsequent work using Cetus resources including any knowledge gained as the result of that visit. The individual subsequently conducted federally funded research at Stanford that resulted in several inventions that were then patented by Stanford. Roche (to which Cetus was sold) used these same inventions in their HIV test kits. Stanford argued that Roche was infringing on Stanford patents. The Supreme Court disagreed, finding that the prospective patent assignment obtained by Cetus took precedence over the earlier agreement to assign obtained by Stanford. To prevent a repeat of this outcome and to secure the ownership interest needed to comply with Bayh-Dole, universities must obtain express assignment of inventions before any inadvertent, or deliberate, assignment to any other entity occurs.

The procedural revision of Cornell’s patent policy that has been implemented in response to the Stanford v. Roche decision is very similar to steps that have been, or are being, implemented at Cornell’s peer academic institutions.
INVENTIONS AND RELATED PROPERTY RIGHTS ASSIGNMENT

1. I agree to assign and do hereby assign to Cornell University all right, title, and interest in any Cornell Invention as defined in Policy 1.5 made in furtherance of my University Responsibilities and/or with the use of University Resources (including but not limited to the performance of a grant, contract, award or gift made to the University by any external agency), and to comply with the provisions of Policy 1.5 Inventions and Related Property Rights as amended from time to time.

2. I agree to promptly disclose in writing to the University through an enabling Invention Disclosure submitted to the Cornell Center for Technology, Enterprise and Commercialization (CCTEC) any discovery or invention that I make during the term of my University Appointment or with the use of University Resources.

3. I understand that license revenue is shared between the University and inventors in accordance with the revenue distribution section of the Policy 1.5.

4. I am now under no consulting or other obligations to any third person, organization or corporation in respect to rights to inventions that are, or could reasonably be construed to be, in conflict with this agreement.

5. I will not enter into any agreement creating patent obligations in conflict with this agreement.

6. Electronic signatures and those transmitted by facsimile or portable document format (PDF) shall be deemed valid as original signatures. This Inventions and Related Property Rights Assignment shall not be denied legal effect, validity, or enforceability solely because an electronic record and electronic signature may have been used in its execution. Similarly, any photocopy or facsimile of this fully executed Assignment shall have the same legal force as any copy bearing original signatures.

Signed:_________________________________________   Date:__________________________________________
Printed Name:____________________________________  Position Title:___________________________________
Department:_____________________________________