

BCIT's Intellectual Property Procedures¹

Policy Reference No. 6601, BCIT
Intellectual Property Policy
Category: Research
Department Responsible: VP
Research and International
Most Recent Revision: 2006 05 09

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1. Disclosure of the Creation of Intellectual Property

- 1.1 The creation of potentially valuable inventions and other Intellectual Property (“IP”) at the British Columbia Institute of Technology (“BCIT”) should be disclosed by the Creator(s) to their immediate manager. In the initial stages, informal (i.e. verbal) disclosure is sufficient.
- 1.2 The Creator and Manager should consult the IP Policy and the Client Agreement (if the IP is the result of a research project done for an external client) to determine who owns the IP. If there is agreement between both parties on the question of IP ownership then the steps set forth in the attached flow chart shall be followed.
- 1.3 The Creator and/or Manager may request from the BCIT Technology Commercialization Office (“TCO”) a statement of the Institute’s position on the ownership of the IP. The TCO will respond to such requests within 30 days.
- 1.4 If the Institute has made a commitment to deliver the IP to an external client in accordance with the terms of a Client Agreement, the IP shall be regarded, in the first instance, as BCIT-owned. The TCO will take appropriate steps to transfer the ownership from BCIT to the client once the client’s obligations to BCIT have been fulfilled.
- 1.5 Disagreements on the question of ownership of the IP can be submitted to the Appeals Process described in §9 of this document. Alternatively, unionized employees may approach their union for assistance in resolving disputes.

¹ This document sets out the procedures to implement the “BCIT Intellectual Property Policy”. The terms used herein follow the same definitions as in Section 8 of the “BCIT Intellectual Property Policy”.

- 1.6 The foregoing steps will resolve the question of who owns the IP. At this stage, if the IP is BCIT-owned, the Manager will decide whether or not BCIT is potentially interested in commercializing it. The TCO can provide a preliminary assessment of the financial potential of the IP at this stage. It is understood that a decision by the Institute on whether or not to commercialize may be based on financial or non-financial grounds. If BCIT decides it is not interested in commercializing the IP at this stage it will promptly offer to assign the ownership of the IP to the Creator(s) in accordance with the procedure in §1.9 below.
- 1.7 If the IP is BCIT-owned, and the Institute has decided it wishes to explore its commercialization potential, a formal written disclosure from the Creator(s) will be required, using the form appended to this document. The disclosure form shall be delivered to the Creator's manager, who shall deliver one copy to the TCO. Within 30 days of receiving a formal disclosure, the TCO shall respond to the Creator(s) with an acknowledgement, and shall register the disclosure in its records, noting the date on which it was received.
- 1.8 The TCO will conduct more detailed evaluation of the disclosure (compared to the preliminary assessment mentioned in §1.6) and recommend to the Institute whether to support commercialization. The Creator(s) will be notified of the Institute's decision within a period of 3 months from the time the disclosure is received by the TCO. In exceptional circumstances the Institute may in its discretion extend this time period, and if so, the Creator(s) will be notified accordingly.
- 1.9 Pursuant to §1.8 above, if the Institute decides at this stage that it does not wish to support commercialization of the IP it will offer to assign the ownership of the IP to the Creator(s) in accordance with §6.3 of the Policy. If the Creator(s) agree to accept this offer, the TCO will arrange to promptly conclude the necessary assignment agreement.
- 1.10 Pursuant to §1.8 above, if the Institute decides it wishes to support commercialization of the IP, it will advise the Creator(s) accordingly and then proceed with the actions it deems appropriate to accomplish successful commercialization.

2. Ownership of Intellectual Property

- 2.1 If requested, the Institute will respond to inquiries from members of the BCIT community regarding whether a specific piece of IP is Creator-owned or Institute-owned. Such questions should be submitted to the TCO, whose response, guided by §4.1 and §4.2 of the Policy, will be given within 30 days. Individuals submitting inquiries should supply as much relevant information as possible about the type of IP and the circumstances under which it was created.
- 2.2 The Institute accepts that employees may have created IP prior to, or outside, their employment at BCIT. Employees who wish to claim that the IP they are disclosing under this Policy falls into this category may be asked to present reasonable evidence to support their position. The Appeals Process in §9 is available to help resolve any disagreements that may arise.
- 2.3 Employees who wish to conduct research at BCIT on IP that is their own property, or the property of third parties, have a duty to inform BCIT in a timely manner about what they know of the ownership of the IP, before the Institute invests its resources in developing the IP.
- 2.4 In regard to §4.1.6, the reference to Instructional Enhancement Grants refers to this specific program, as well as future programs that are primarily of a professional development-like nature. In most cases, ownership of IP resulting from such activities will vest with the individuals. However, other programs where BCIT provides support, for example, through strategic research and development funding, prototype development funding, TEK grants, etc. are not primarily for

staff professional development, and therefore the ownership of IP that results from these programs will vest with BCIT.

- 2.5 In regard to §4.2.1 and §5.1, management will advise employees in advance if and when the Institute wishes to invoke BCIT ownership of IP that results from work done on release time, or BCIT ownership of course materials that are developed as an assigned portion of the employee(s)' workload.
- 2.6 §4.1.5 of the Policy refers to grants which are awarded to an individual researcher. The defining characteristic of such grants is that they allow the researcher to take their grant with them if they move to another institution. This is the case with certain grants provided by the federal granting councils (e.g. NSERC). Other types of grants are awarded to the institution, and if the individual who won the grant should move to another institution, they would not have the right to take the grant with them.
- 2.7 In regard to §4.2.3 in the Policy, "significant" use of Institute resources would include the use of BCIT students or employees as support staff to develop the work, substantial use of BCIT's specialized or unique facilities and equipment, and other special assistance including research funding provided by or administered by the Institute. Use of BCIT office space, library facilities, ordinary access to computers and networks, as well as paid or unpaid professional development leave would not be regarded as significant.

3. Course Materials

- 3.1 BCIT's policy regarding retail sales of course materials through the BCIT Bookstore is described in BCIT Policy No. 7540 – Procurement and Retail Disposition of Textbooks (and Related Course Materials) to BCIT Students.

4. Identification of All Co-Creator(s)

- 4.1 It is critical that all co-Creator(s) of the IP be identified. This is necessary to ensure the validity of any actions taken by BCIT to achieve statutory protection (e.g. for patent applications) and to ensure the legality of any licensing agreements negotiated with third parties regarding the IP. Creator(s) will be asked to affirm that:
 - 4.1.1 To the best of the Creator(s)' knowledge, information and belief, after due enquiry, they are the sole and original Creators of the IP, and that no-one else has any rights in and to the IP;
 - 4.1.2 If the Creator(s) are a group (i.e. not a single individual), they have reached agreement on how they will divide payments they receive from BCIT from commercialization of the IP and such agreement is provided to BCIT;
 - 4.1.3 No public disclosure, whether oral or written, has been made by the Creator(s) of any confidential information with respect to the IP;
 - 4.1.4 If any other individuals or groups subsequently make claim(s) that challenge the Creator(s)' declaration in §4.1.1 above, then it is the Creator(s)' responsibility to resolve such competing claim(s). If the Institute decides, at its own discretion, that the competing claim has no merit, BCIT will assist the Creator(s) in contesting the claim. If the outcome of such a dispute results in the inclusion of the claimants as co-Creators, then the Institute will re-distribute the Creator(s)' share of Income among all the co-Creators.

5. Confidentiality

- 5.1 The following confidentiality procedures are aimed at protecting the value of IP that is to be commercialized. These procedures are not relevant where commercialization is not at issue.
- 5.2 BCIT personnel shall treat IP disclosures as Trade Secrets by refraining from disclosing any information about the IP to external parties on a non-confidential basis. The IP disclosure form, and the information it contains shall be handled with the same level of care as other confidential information at BCIT.
- 5.3 The foregoing applies in particular to publication of research results in academic or trade journals, and presentations at conferences. Releasing information prematurely in such a manner or at such venues may destroy the value of the IP. Employees wishing to publish their research should advise management of their intentions in advance. Guidance will be provided on how to make an appropriate level of disclosure without diminishing the value of the IP.

6. Commercialization of BCIT-Owned IP

- 6.1 The first step in the commercialization process for BCIT-owned IP is formal assignment from the Creator(s) to the Institute, or formal affirmation that the Creator(s) will not contest BCIT's ownership. This is required in order to proceed with applications for statutory protection (e.g. patent filing) and to engage in negotiations with potential licensees.
- 6.2 If it decides to commercialize, the Institute will assume the out-of-pocket costs associated with the commercialization process, within its means. Creator(s) are not required to share these costs. If Creator(s) wish to share the costs they may do so voluntarily, but they may not subsequently claim a larger share of the Income from commercialization than is stated in §8 of the Policy, nor reimbursement of their voluntary expenditures, unless they have made a prior agreement to this effect with the Institute.
- 6.3 Because each case is unique and must be handled separately, it is not possible for the Institute to make a commitment on how much time will be required to effect successful commercialization of the IP. Similarly, no commitment can be made that will give one commercialization project priority over others. The TCO will prioritize its projects in a manner that is aimed at optimizing the benefit to BCIT as a whole.
- 6.4 Generally, the steps that will be taken by the TCO will include:
 - 6.4.1 Conduct due diligence and develop an appropriate commercialization strategy.
 - 6.4.2 Conduct market research and analysis of the competition and competing creations.
 - 6.4.3 Pursue appropriate IP legal protection (e.g. patenting).
 - 6.4.4 Locate a suitable licensee.
 - 6.4.5 As appropriate, negotiate and conclude a suitable license, with an established external licensee or a new start-up venture. Note that all potential licensees will be considered, including existing companies, new enterprises and enterprises started or owned by the Creator(s).
 - 6.4.6 Monitor licensee's performance and ensure obligations are met.

- 6.4.7 Consultation with the Creator(s) will take place throughout this process, and their input and suggestions will be welcomed.
- 6.5 In accordance with §7.4 of the IP Policy, BCIT will give favourable consideration to Creator(s) who wish to undertake commercialization of BCIT-owned IP themselves. Such requests should be made in writing to the VP Research & International (“VP”), accompanied by an appropriate business plan and evidence that Creator(s) have the resources to execute said plan. In such cases the Institute shall be entitled to receive a 20% share in the Income from Commercialization realized by the Creator(s), and reimbursement of any costs of commercialization incurred prior to the time when the responsibility for commercialization is transferred to the Creator(s). When such a request is accepted, the Institute will normally license the IP to the Creator(s). The terms of the license will stipulate that expenditures in support of commercialization of the IP are the responsibility of the Creator(s), and any commercialization expenditures that have hitherto been supported by the Institute will cease.

7. Creator-Owned IP

- 7.1 Provided they have the rights to do so, Creator(s) can deal with their IP in any way they wish, including releasing it into the public domain, donating, licensing or selling it to others.
- 7.2 Creator(s) are free to voluntarily offer their IP rights to BCIT via the TCO. If accepted, it will be handled under the same terms, and with the same relative priority, as Institute-owned IP. The first step will be a requirement that the Creator(s) assign the ownership of the IP to the Institute.

8. Sharing of Income

- 8.1 The Institute will share Income with the Creator(s) in accordance with §8 of the Policy.
- 8.2 Creator(s) who prefer a sharing agreement with the Institute based on Gross Revenue rather than Income are free to negotiate such an arrangement with the TCO. In such cases, the TCO will calculate an appropriate sharing ratio by estimating the proceeds and commercialization costs.
- 8.3 Payments to the Creator(s) from commercialization will be made quarterly, within 30 days of the end of each calendar quarter.
- 8.4 Payments will be made in Canadian funds or equivalent. Revenue received in other than Canadian funds will be recorded at the rate of exchange in effect at the date of receipt.

9. Appeals

- 9.1 Actions undertaken by the Institute which a member of the BCIT community feels are inappropriate or unfair may be appealed by submitting a request in writing to the Vice President Research and International.
- 9.2 The Vice President Research and International will respond to the appeal by taking the following steps, to the extent required, until resolution is achieved:
- 9.2a. Informal mediation, conducted by the Vice President Research and International or a designate. Following consultation with the parties, the Vice President Research and International will recommend a course of action. If the recommendations or the results of

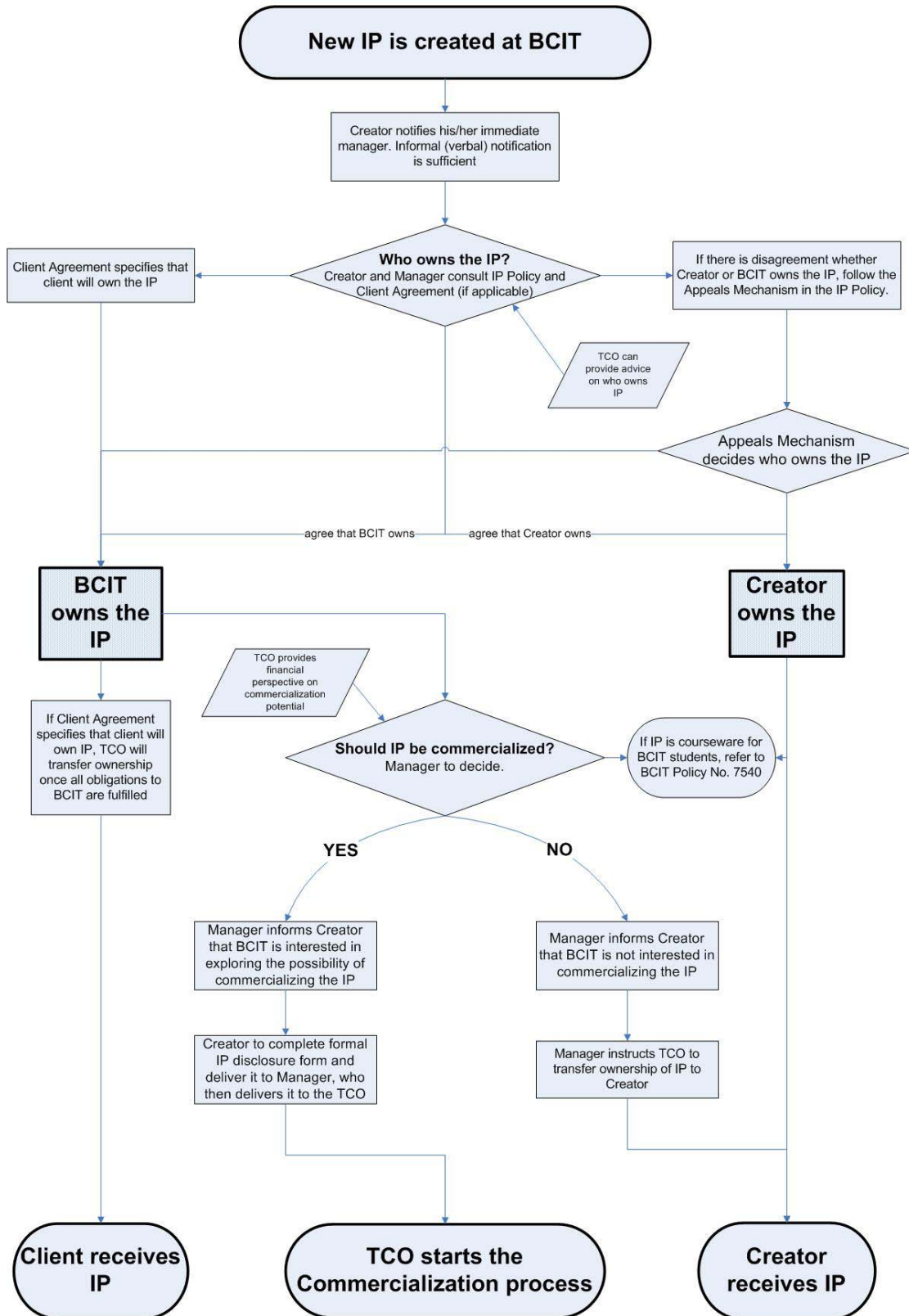
the Vice President Research and International's actions do not resolve the issue, the process shall move on to step 9.2b.

- 9.2b. Formal mediation, using a mediator selected by agreement between the Institute and the appellant, with the costs of engaging such a mediator being shared equally by the Institute and the appellant. The mediator shall conduct discussions with the parties concerned and recommend a course of action to resolve the issues. If there is no mutual agreement on the selection of the mediator, or the mediator's recommendations fail to resolve the issue, then the process shall move on to step 9.2c.
- 9.2c. Confidential arbitration, using a single arbitrator selected by agreement between the parties, under the provisions of the Commercial Arbitration Act (British Columbia) and the rules of the British Columbia International Commercial Arbitration Centre, as from time to time amended or substituted. If the Parties cannot agree on an arbitrator within 10 days after referral of a matter to arbitration then the single arbitrator shall be appointed by the British Columbia International Commercial Arbitration Centre. The decision of the arbitrator will be final and binding on the Parties. The costs of the arbitration will be apportioned between the Parties, or against any one or more of the Parties, as the arbitrator may decide.

10. Contract Research for External Clients

- 10.1 In accordance with §4.2.2 of the Policy, ownership of intellectual property created by BCIT employees conducting contract research is vested, in the first instance, with the Institute. Clients can acquire or license such intellectual property, subject to negotiation with the Institute. Intellectual property that belongs to the client, and is made known to BCIT for the purpose of conducting the project, remains the property of the client.

IP Procedures – Initial Steps



BCIT Intellectual Property Policy Disclosure of the Creation of Intellectual Property

The following creation was developed during, or as a direct result of, research or other activities involving BCIT support and/or facilities and/or equipment, and is reported in accordance with the BCIT Intellectual Property Policy:

Title: (Subject)

Problem Statement: (What problem does this creation solve?)

Type of Creation: (e.g. apparatus invention, process invention, computer software, etc.)

Description: (include text and diagrams as required - use separate sheets if necessary)

Names of all co-Creator(s) and their status at BCIT (employee, student, other):

Signed: _____

Date: _____

Name: _____