



## **PATENT AND LICENSING POLICY SUMMARY**

### **OBJECTIVE**

To define and outline the policy of the British Columbia Cancer Agency and the British Columbia Cancer Foundation concerning the development of patents and licensing agreements for inventions by any Agency and/or Foundation (BCCA/BCCF) employee or associate who utilizes BCCA/BCCF facilities and/or funds.

### **PURPOSE**

To encourage public use and commercial application of the research and development carried out at the BCCA/BCCF while protecting the rights of the inventor(s) and the BCCA/BCCF. Invention includes any novel and useful idea relating to data bases, computer programs or equivalent circuitry, biotechnology and genetic engineering products, compositions of matter, drugs, methods, processes, devices, machines, and all other products of research which may be licensable.

### **DISCLOSURE**

While investigators are encouraged to discuss and publish research results as soon as it may be fully reasonable and possible, investigators should be aware that premature publication of an invention may make it impossible to secure patent protection. Accordingly disclosure of the invention to the Director of Research Administration should be made before publication or public disclosure in order that appropriate action may be taken to protect the invention. A decision will be made within six weeks as to whether BCCA/BCCF wishes to undertake to protect and promote the invention. If BCCA/BCCF does not select this alternative, the inventor will be free to patent and market the invention at his/her own expense.

### **ROYALTIES**

If BCCA/BCCF elects to undertake the protection and promotion of the invention, net income will be shared 50% by BCCA/BCCF and 50% by the inventor(s) after BCCA/BCCF recovers its direct costs. Of the BCCA/BCCF portion, 66.6% will be distributed to BCCA/BCCF and 33.4% to the inventor's division/department. If BCCA/BCCF does not elect to protect and promote the invention, BCCA/BCCF will assign its rights to the inventor typically in exchange for a percentage of gross sales of the invention. In this case, 20% of BCCA/BCCF funds will be distributed to BCCA/BCCF and 80% to the inventor's division/department.

All funds distributed to BCCA/BCCF will be used to support research, including overhead costs of research.



## **BCCA/BCCF PATENT AND LICENSING POLICY**

### **1. POLICY**

#### **1.1 Public Use – Commercial Application of Research**

It is the policy of the British Columbia Cancer Agency and British Columbia Cancer Foundation (BCCA/BCCF) to encourage public use and commercial application of research and development carried out at the BCCA/BCCF while protecting the rights of the inventor(s) and the BCCA/BCCF.

#### **1.2 Definition of Invention**

For purposes of this Policy, invention includes any novel and useful idea relating to data bases, computer programs or equivalent circuitry, biotechnology and genetic engineering products, compositions of matter, drugs, methods, processes, devices, machines, and all other products of research which may be licensable.

### **2. PATENTING OR LICENSING ALTERNATIVES**

All inventions by BCCA/BCCF employees or associates which result from the use of BCCA/BCCF facilities or funds are the property of BCCA/BCCF unless there are prior arrangements to the contrary with a sponsor of the research. In recognition of the inventor's contribution to research, the inventor is entitled to share in the proceeds of the research as outlined below. With consideration of how best to facilitate public use and commercial application of the invention, BCCA/BCCF may at its discretion chose one of the following:

#### **2.1 Alternative 1 – BCCA/BCCF**

To undertake appropriate patenting and/or licensing or other marketing arrangements using the services of patent agents, attorneys or other consultants, or submit the proposal to a patenting corporation which has experience in evaluating inventions with regard to their potential for patenting. All costs relating to patenting and licensing procedures shall be borne by the BCCA/BCCF however where licensing and/or other marketing arrangements yield royalties or other revenues, BCCA/BCCF will recover its direct costs before payments are distributed.

#### **2.2 Alternative 2 – Inventor(s)**

To assign BCCA/BCCF's rights in the invention to the inventor(s) with or without royalty or other provision. Under this option BCCA/BCCF will contract to forego its rights typically in exchange for a percentage, usually 1-2% of gross sales of the invention; the inventor(s) is free to patent and market the invention in his/her own time and at his/her own expense. In the event the inventor proceeds on his/her own to obtain patent protection or commercialization of the invention, the inventor's activities in that regard will be wholly separate from BCCA/BCCF and BCCA/BCCF will not assume any legal



liability in respect of such patenting or commercialization activities. BCCA/BCCF's name will not be used in connection with any invention without its prior written consent.

## 2.2 Alternative 3 – University

BCCA/BCCF (in the case of 2.1) or the inventor(s) (in the case of 2.2) may choose to enter into an arrangement with the University of British Columbia, Simon Fraser University, the University of Victoria or other similar educational establishments in which the inventor(s) have academic appointments to bear the costs and take on the responsibility of developing the patents and licensing or otherwise marketing the invention. Alternatively, a university with whom the inventor has no affiliation could be chosen, if that institution has specialists in the field and can facilitate the process. Under the alternative both BCCA/BCCF and the inventor will assign their rights in the invention to such university or educational establishment.

## 3. PROCEDURE

### 3.1 Disclosure

When any work at BCCA/BCCF results in an invention or discovery which might be considered patentable or marketable, the inventor is expected to report the work to the Director of Research Administration before publication or public disclosure in any other manner in order that appropriate action may be taken to protect the invention. This is not intended to interfere with publication of research results; however inventors should be aware that publication of the details of an invention before a patent application is filed may make it impossible to secure patent protection. The inventor's report should contain a full written description of the invention in such form as the Director of Research Administration may from time to time require. The inventor should also notify the division chair or department head in which the individual is located when such disclosure is made.

### 3.2 Time Frame

Agency administration, through the Director of Research Administration, will decide within six (6) weeks whether or not alternative 2.1 is chosen by BCCA/BCCF, in consultation with the inventor(s), the patent committee, and with the aid of expert advisors. Failure to notify the inventor in writing of this decision will result in BCCA/BCCF foregoing alternative 2.1, thereby permitting the inventor to proceed with alternatives 2.2 or 2.3.

### 3.3 Agreement – BCCA/BCCF – Inventor(s)

The Director of Research Administration will cause a formal Agreement to be drawn for signature by the Agency and inventor(s) formalizing assignment of the invention before BCCA/BCCF proceeds with patenting or licensing arrangements. The assignment of the invention by the inventor(s) to BCCA/BCCF (or possibly a university under alternative



2.3) or vice versa will be completed at this stage according to the alternative chosen by BCCA/BCCF.

### 3.4 Mutual Assistance

If alternative 2.1 is chosen, the cooperation of the inventor(s) in the development and marketing of the invention will be critical after completion of the agreement between the inventor(s) and BCCA/BCCF. The inventor(s) will assist in ensuring that written description of patent filings are complete and accurate and will sign legal documents from time to time relating to the filing and maintenance of patents and development of inventions.

Even if BCCA/BCCF does not elect alternative 2.1, and assigns their rights with respect to the invention to the inventor(s) with or without royalty or other provisions (alternative 2.2 or 2.3) BCCA/BCCF will provide advice and encouragement to the inventor(s) employed by or associated with BCCA/BCCF who wish to patent and market the invention, albeit without financial commitment from BCCA/BCCF.

## 4. DISTRIBUTION OF ROYALTIES

### 4.1 Sharing of Royalties

4.1.1 Option 1: Whereby BCCA/BCCF assumes expense of patenting and/or licensing inventions (BCCA/BCCF selected alternative 2.1):

Net income derived from the commercialization of inventions will be distributed such that the inventor(s) will receive 50% of the net income and the BCCA/BCCF will retain 50% of the net income. Net income is defined as gross income less all direct costs associated with the protection and promotion of the invention. Of the BCCA/BCCF portion, 66.6% of the net income will be distributed to BCCA/BCCF and 33.4% will be distributed to the division/department(s) of the inventor(s).

4.1.2 Option 2: Where inventor(s) assumes expense of patenting and/or licensing inventions (BCCA/BCCF selected alternative 2.2):

Any funds which BCCA/BCCF receives according to alternative 2.2 will be distributed as follows: 80% of the royalties will be distributed to the division/department of the inventor(s) and 20% to BCCA/BCCF.

4.1.3 Whereby the university assumes the costs and handling of the patent or invention (alternative 2.3 was selected):

The funds will be distributed as per the agreement between the university and the BCCA/BCCF or the inventor as the case may be while taking into account any existing agreements between the university and BCCA/BCCF. Typically, the



inventor will receive 50% of the net income as defined above and the university and BCCA/BCCF will share the balance equally. The BCCA/BCCF portion of net income will be distributed 66.6% to BCCA/BCCF and 33.4% to the division/department(s) of the inventor(s).

#### 4.1.4 Use of Funds by BCCA/BCCF

Under any of the above options, BCCA/BCCF share of funds will be used to support research activities and/or the related overhead costs (up to a maximum of 10% of these funds). Available funds will be distributed on a competitive basis (internal grants) through a peer-review process. The Director of Research Administration will have the administrative responsibility for supervising the handling and distribution of such funds.

#### 4.2 Collaborative Research

In the case of collaborative research, the inventors' share of income will be divided among themselves (including co-developers who may not legally be inventors but who must be named to be eligible as recipients of a portion of the income). An account of the revenue will be made by the BCCA/BCCF to the inventors from time to time but not less frequently than annually.

### 5. ADMINISTRATION OF POLICY

#### 5.1 Director of Research Administration

The responsibility for the administration of the Policy lies with the administration of the Agency through the Director of Research Administration.

#### 5.2 Patent Committee

The patent committee is composed of the Director of Research Administration and at least two (2) scientists who have experience in the patenting process. The committee's role is to assist and advise the BCCA/BCCF and/or the inventors on the methods for seeking patents or licenses.

#### 5.3 Employees

Staff responsible for work which might give rise to a patentable invention should ensure that no one associated or familiar with the material involved releases any unauthorized information. If appropriate, those associated with such a project may be asked to sign a brief agreement to this effect. Supervisors whose work may lead to a patentable invention should be aware that there are strict rules with respect to notes, record keeping, etc. and that rules regarding disclosure differ from country to country.



## **6. CATEGORIES OF EMPLOYEES AND/OR ASSOCIATES OF THE BCCA/BCCF COVERED BY THIS PATENT POLICY**

Many employees have affiliations with other institutions such as the University of British Columbia (UBC), Simon Fraser University (SFU), University of Victoria (UVic) and hospitals, each of which may have policies regarding intellectual property. The following is intended to cover most of the existing BCCA/BCCF staff affiliations, while recognizing that new or unusual affiliations may exist or develop which should not be used as a means to circumvent this policy and the spirit thereof. In any such case the individual(s) will be assigned to the closest specific group.

- 6.1 Employees of BCCA/BCCF with no UBC/SFU/UVic appointment. Included in this category are technicians and post-doctorals who are paid from BCCA core funds or grants signed and administered through BCCA/BCCF.
- 6.2 Employees of BCCA/BCCF with some honorary/adjunct, non-salaried association with UBC/SFU/UVic who may also:
  - Carry some grants through UBC/SFU/UVic and/or
  - Teach undergraduate or graduate courses, or part thereof and/or
  - Supervise graduate students of UBC/SFU/UVic.
- 6.3 Technicians and post-doctoral fellows whose salaries are from grants administered by UBC/SFU/UVic.
- 6.4 Graduate students of UBC/SFU/UVic whose experimental work is carried out at BCCA/BCCRC (whether paid from grants through BCCA and/or UBC/SFU/UVic).
- 6.5 Employees of BCCA/BCCF on scholarships/fellowships administered through UBC/SFU/UVic; BCCA/BCCF staff who receive compensation for duties at a given university.
- 6.6 Employees of UBC/SFU/UVic whose work place is primarily at BCCA/BCCRC; students registered at the university in question, under (co)supervision of BCCA/BCCF staff.

## **7. DISPUTES AND ARBITRATION**

- 7.1 In the event of disagreement between the BCCA/BCCF and the investigator(s) as to their respective rights, such dispute shall be determined by arbitration under the provisions of the Commercial Arbitration Act of British Columbia.

**APPENDIX “A”**

*(Attached to and forming part of the BCCA/BCCF Patent Policy)*

**Definition of Gross Revenue**

Gross revenue derived from the Sales of the Invention shall mean the aggregate invoiced price of products based on the Invention, less trade class discounts and rebates, quantity or cash discounts allowed or paid by Licensor or its sub-licensees; credits or allowances given or made on account of returns or rejections; insurance; transportation of freight; and sale or excise tax and other governmental charges or duties imposed on the import of products. When the product is exported, the net F.O.B. price shall be considered as the Gross Revenue derived from Sales of the Invention.