

# SOUTH DAKOTA BOARD OF REGENTS

## Policy Manual

**SUBJECT:** Intellectual Property

**NUMBER:** 4.9.1

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### **A. PURPOSE**

The people of the State of South Dakota, through their constitution, made the South Dakota Board of Regents (Board) responsible to control, to develop and to maintain a system of higher education that provides an opportunity for advanced education to all qualified persons, that explores and expands the frontiers of knowledge, that applies learning to enlarge the economic capacity of the state and that serves to improve the quality of life for the people of South Dakota. The public charge to the Board encompasses both the legal custody and protection of all properties acquired by the institutions, including those created in the course of their work by faculty members, other employees and students contributing to sponsored or faculty-directed research, and the duty to assure that such properties are used to advance the missions of the several institutions.

The primary public good realized from most works or discoveries produced by faculty members, other employees and students contributing to sponsored or faculty-directed research derives from their publication or public presentation or performance. Some such intellectual properties created in the course of their work by faculty members, other employees and students contributing to sponsored or faculty-directed research may also have valuable commercial applications. Where commercially valuable intellectual properties are developed within the scope of employment or using public funds or resources, the Board must balance the interests of creators with the interests of the public in benefitting from the commercial use of such properties. Moreover, where commercially valuable intellectual properties arise from federally funded research, the Bayh-Dole Act of 1980 requires disclosure of the property to the granting agency and generally regulates the commercialization of any such property and use of its income.

This policy sets forth the principles and procedures through which the Board balances the rights of creators, the interests of the public and its obligations under federal law in the management of intellectual properties created by faculty members, other employees and students contributing to sponsored or faculty-directed research.

### **B. DEFINITIONS**

- 1. Activities in the course of and as a direct result of employment duties:** Activities in the course of and as a direct result of employment duties includes activities undertaken in discharging responsibilities defined under Board policy, contract or position description, as part of an assignment, or as part of other authorized activities. Activities are performed

in the course of and as a direct result of employment duties even if they have not been specifically assigned where such activities would typically be cited to document professional accomplishment for purposes relating to evaluation, salary enhancement, promotion, tenure or similar recognition of professional accomplishment. Work performed by faculty members, administrators or professional employees in continuation of projects undertaken during the employee's ordinary working hours will be treated as undertaken in the course of and as a direct result of their duties even if performed outside of their ordinary working hours or appointment contracts or while on sabbatical. Work performed by faculty members, administrators or professional employees as paid consultants will be treated as undertaken in the course of and as a direct result of their duties if it involves activities that would otherwise be deemed to be undertaken in the course of and as a direct result of their duties under this definition.

2. **Chief Research Officer:** The Chief Research Officer is the administrator who has authority on behalf of the institution, administrative unit or office to approve agreements under whose terms an external agency or business agrees to fund, in whole or in part, research, including testing or applied research, conducted using personnel or other resources of the institution, administrative unit or office.
3. **Creator and Creators:** The term "creator" and its cognate forms include authors, inventors or others whose creative activity yields results that may be protected as intellectual property.

As used in this policy, the term includes both individual creators and groups of authors or inventors, be they employees or students contributing to sponsored or faculty-directed research, whose collaborative creative activities produced an intellectual property. Persons who develop plant germplasm, including, by way of illustration, varieties, cultivars, lines, populations, are included as creators under this policy, while the institution or administrative unit under Board control that conducts the research will be the breeder for purposes of the Plant Variety Protection Act of 1970. The term "creates" and its cognate forms include authorship, invention, discovery or other creative activities that result in intellectual property

4. **Employee:** For purposes of this policy, employees will include full-time and part-time classified staff members, student employees, exempt staff members, faculty members, graduate assistants and associates, and persons with "no salary" appointments. Visiting faculty members, postdoctoral appointees or other academic professionals who develop intellectual property using facilities or resources controlled by or administered under the authorization of the Board will also be deemed employees, unless there is an agreement providing otherwise. Persons who are not otherwise employees and who come to the institution as guest lecturers, or to teach colloquia, seminars or short courses are not institutional employees for purposes of this policy.
5. **Enabling Disclosure:** An enabling disclosure provides sufficient details of an intellectual property to enable a person skilled in the art to make and use the property without undue further experimentation.
6. **Expectant Interests:** Expectant interests are the future rights that a creator would obtain once an idea has been reduced to a fixed tangible expression or to an invention. Such

interests may be assigned prior to the existence of their expression or invention. *Bd. of Trustees of the Leland Stanford Junior Univ. v. Roche Molecular Sys., Inc.*, 583 F.3d 832, 841–42 (Fed.Cir .2009) (finding present assignment in the language “I will assign and do hereby assign”), *aff’d*, 131 S.Ct. 2188 (2011). If the contract expressly conveys rights in future inventions, no further act is required once an invention comes into being, and the transfer of title occurs by operation of law. *Abraxis Bioscience, Inc. v. Navinta, LLC*, 625 F.3d 1359, 1364 (Fed. Cir. 2010).

- 7. Institutional Conflict of Interest:** An institutional conflict of interest arises where the financial investments or holdings of the employing institution, administrative unit or office or the personal financial interests or holdings of institutional, unit or office leaders with direct authority over appointments, salaries, promotions or allocation of institutional, unit or office resources, including assignment of graduate students or other trainees, funding or space, for the program that yielded a disclosed creation, might affect or reasonably appear to affect institutional, unit or office objectivity in business and contracting decisions.
- 8. Intellectual Property:** Intellectual property includes works of authorship, inventions and discoveries that may be subject to protection by patents, copyrights, trademarks, service marks, plant variety protection or trade secrets. The term includes results and products of research, scholarly writings or creative activities, such as, laboratory notebooks, databases or other data, records or compilations however formatted or stored, know-how, show-how, processes, unique materials, original data, other creative or artistic works that have value, and the physical embodiments of intellectual effort, such as, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs (including, without limitation, microcode, subroutines, and operating systems), regardless of form of expression or object in which it is embodied, together with any users’ manuals and other accompanying explanatory materials, biological materials, chemicals, other compositions of matter or plants. The term “intellectual property” includes all forms of intellectual property recognized at the time that the policy is adopted, together with any new forms of intellectual property that may be recognized under state, federal or international law, and the omission of a specific definition for such property may not be construed to limit the application of this policy to any such rights.
- 9. Intellectual Property Manager:** The Intellectual Property Manager is the officer or agent who has authority on behalf of the institution, administrative unit or office to manage intellectual property matters, and technology licensing or assignment, at the employee’s institution, administrative unit or office.
- 10. Net Income:** Net income is the difference of gross revenues resulting from a given intellectual property less all costs incurred to obtain and maintain intellectual property protection, domestic and foreign, and to commercialize the intellectual property.
- 11. Publicly Accessible Enabling Disclosure:** An enabling disclosure to, or accessible by, any person or entity is publicly accessible unless the other party is subject to an obligation not to redisclose the property.
- 12. Scholarly Writings:** Scholarly writings include writings and other means of fixed expression through which creators publish reports of their research or scholarship to fellow academics or to the public or which they prepare to further the instruction of students.

Scholarly writings may take the form of books, monographs, publications in professional, trade or popular journals or periodicals, electronic posts, poster board or like presentations, or materials developed for use in instruction, including textbooks, instructional laboratory guides, practice examinations, courseware, multimedia products, and materials prepared for telecommunication or other technologically assisted delivery of instruction. Scholarly writings are not limited to particular media or to particular practices but include such other forms of fixed expression as may be developed in the future for purposes of publishing reports of research or scholarship or for purposes of instruction.

**13. Sponsored Research:** Sponsored research is research supported, in whole or substantial part, by the proceeds of external grants or contracts awarded to the Board or to institutions, administrative units or offices controlled by or administered under the authorization of the Board.

**14. Students Contributing to Sponsored or Faculty-Directed Research:** Students contributing to sponsored research are graduate or undergraduate students, who are not employees, but who have been authorized to participate under the direction of faculty members or other employees in sponsored research or who have been authorized to participate under the direction of faculty members or other employees in other research conducted by the faculty members or employees that uses intellectual properties controlled by or administered under the authorization of the Board.

## **C. POLICY**

### **1. General Statement**

**1.1.** Subject to the exceptions permitted, and on the conditions stated, in §§ C.2 and C.4 of this policy, the Board will own employee created intellectual property developed in the course of performing employment duties or as a direct result of activities supported by funds controlled by or administered under the authorization of the Board or undertaken in facilities or using resources controlled by or administered under the authorization of the Board.

1.1.1. Special rules govern copyrights for creative artistic works and scholarly writings; copyrights vest with creators unless the works or writings arose under the circumstances described in §§ C.2.2. or C.2.4. and subject to retention of a no-cost, non-exclusive, world-wide license to use for nonprofit education, research and any other purposes related to Board operations or programs.

1.1.2. Students contributing to sponsored research or faculty-directed research, as described in § B.14., will be deemed to be gratuitous employees, and insofar as concerns their use or creation of intellectual properties, they will enjoy rights to share in revenues guaranteed creators under this policy and be charged with all responsibilities of employees under this policy.

**1.2.** Where an intellectual property owned by the Board generates income from its licensing or assignment, the creator will be guaranteed a minimum share of net income as provided in § C.9. of this policy.

## **2. Ownership of Intellectual Property**

### **2.1. Board Owned Intellectual Property**

- 2.1.1. Subject to the exceptions provided in this policy, the Board owns intellectual property.
- 2.1.1.1. created or reduced to practice by employees in the course of or as a direct result of their employment duties;
- 2.1.1.2. created or reduced to practice, in whole or substantial part, by employees
- in the course of sponsored research, or
  - in facilities or using funds or other resources controlled by or administered under the authorization of the Board, unless such facilities or resources are available without charge to the public or unless all applicable use fees were fully paid; or
- 2.1.1.3. created or reduced to practice, in whole or substantial part, by students contributing to sponsored or faculty-directed research.

### **2.2. Scholarly Writings or Creative Artistic Works**

- 2.2.1. In order better to assure the beneficial use of knowledge about creations, and in order to encourage research and study that expand knowledge irrespective of potential commercial value, the Board ordinarily waives title to copyrights for scholarly writings and creative artistic works. This grant of title is subject to the exceptions and limitations of this section and § C.2.4., below:
- 2.2.1.1. Where a work arises from research or scholarship funded by a duly approved agreement that requires public access to manuscripts accepted by a peer reviewed publication, the grant hereunder of copyright ownership to creators is contingent upon compliance with such public access requirements.
- 2.2.1.2. Where a scholarly writing or creative artistic work has been specifically commissioned by the employing institution, administrative unit or office, or where the scholarly writing or creative artistic work was undertaken in performance of a contract with a third party on behalf of the employing institution, administrative unit or office, the Board will assert title to the intellectual property.
- 2.2.1.3. The Board retains a no-cost, non-exclusive, world-wide license to use for nonprofit education, research and any other purposes related to Board operations or programs any scholarly writings or works created or used by the employees for the purpose of instruction, including courseware, multimedia products and materials prepared for telecommunicated or other technologically assisted delivery of instruction, by whatever means now in existence or hereafter developed. This license to use copyrightable works for nonprofit

education, research and any other purposes related to Board operations or programs permits the Board to copy, to distribute (including by broadcast or otherwise to remote locations), to display, to perform (including the digital audio transmission of sound recordings), or to make limited derivative use of a property for internal purposes incidental to activities involved in instruction, research, governance or accountability conducted at institutions, administrative units or offices controlled by or administered under the authorization of the Board.

### **2.3. Individually Owned Intellectual Property**

Where the Board has no ownership in a property created by an employee or student who contributed to sponsored or faculty-directed research, the creator may request that the Intellectual Property Manager provide a written disclaimer of Board ownership claims to the property.

### **2.4. Exceptions for Approved Externally Sponsored Research**

If, prior to their acceptance, the Chief Research Officer has reviewed and approved the terms of an agreement with an external agency, entity or person to provide all or part of the funding for research conducted at the institution, administrative unit or office, rights to intellectual property produced as a result of the research will be determined by the terms of the specific agreement.

2.4.1. Absent such prior approval by the Chief Research Officer, rights to intellectual property, including scholarly writings or creative artistic works, created as a result of sponsored research will reside with the Board.

2.4.2. Where an entity in which institutional employees have financial interests seeks to fund research at an institution on the condition that it obtain title to any resulting intellectual properties, the Executive Director of the South Dakota Board of Regents, or that officer's designee, must specifically approve the agreement.

2.4.2.1. Employees have financial interests in an organization if they would be deemed to have an interest under BOR Policy 4.9.3 (Conflict of Interest) or 4.9.4 (Investigator Financial Disclosure).

2.4.2.2. Approval by the Board for either the creation of an entity under applicable South Dakota law or for affiliation with such an entity does not exempt any agreement between the institution and the entity from the provisions of this subsection.

## **3. Procedures**

### **3.1. Assignment of Present and Expectant Intellectual Property Rights or Interests**

All faculty members, professional employees, graduate research assistants or other employees whose duties involve the use of institutional resources to research or to develop properties that may be subject to protection as intellectual properties will enter into an agreement at the time of hire assigning, to the Board all right, title and

interest, whether present or expectant, in intellectual properties developed in the course of performing their employment duties or as a direct result of activities supported by facilities or resources controlled by or administered under the authorization of the Board.

- 3.1.1. Execution of this agreement is an essential condition of employment.
- 3.1.2. Employees will obligate themselves to disclose creations when required under this policy and to execute and to deliver all documents and to do any and all things necessary and proper to perfect, to register, to license, or to convey any properties determined to belong to the Board under the policy.
- 3.1.3. The obligations will be continuing and will survive the termination or interruption of employment or transfer within an institution or between institutions or administrative units or offices governed by the Board.
- 3.1.4. Employees will acknowledge the Board's right to change its Intellectual Property Policy at any time in such manner as may be provided under law, which may consequently alter employee rights and obligations with respect to properties that may be invented or authored.
- 3.1.5. It will include an undertaking that, if such policy changes require the execution of a new agreement to assign intellectual property rights, the employee will accept and execute such documents when requested to do so. Required changes would be of prospective application only and would have no affect on rights that have vested prior to the date of the new agreement. For purposes of prospective application of changes, rights will be deemed to have vested at the time that a report has been disclosed to the Intellectual Property Manager.
- 3.1.6. Students contributing to sponsored or faculty-directed research will be deemed to be gratuitous employees, and prior to being allowed to participate in the research, they will be required to execute an agreement assigning to the Board all right, title and interest, whether present or expectant, in intellectual properties they may develop in the course of, or as a direct result of, their participation in sponsored or faculty-directed research activities.

### **3.2. Cooperation in Protecting and Managing Intellectual Properties**

Employees or students contributing to sponsored or faculty-directed research who create intellectual property owned by the Board will cooperate fully with the Board to assist in determining the ownership of an intellectual property and in perfecting or protecting rights to intellectual properties owned by the Board, including, without limitation, such actions as may be needed to maintain the confidentiality of intellectual property in the form of results and products of research, scholarly writings or creative activities. The provisions of paragraphs 3.2.3., 3.2.4., and 3.2.5. of this section apply only to employees and not to students contributing to sponsored or faculty-directed research.

- 3.2.1. Employees or students contributing to sponsored or faculty-directed research will execute such declarations, assignments, or other documents as may be

necessary in the course of intellectual property evaluation, patent prosecution, or protection of patent or analogous property rights, to assure that title in such inventions shall be held by the Board or by such other parties designated by the Board as may be appropriate under the circumstances.

- 3.2.2. Individuals who leave the employment of the Board or students contributing to sponsored or faculty-directed research who are graduated, transfer or otherwise cease enrollment remain under continuing obligations to abide by the provisions of this policy insofar as they require actions to assist in determining the ownership of a intellectual property or in perfecting or protecting rights to intellectual properties, including, without limitation, such actions as may be needed to maintain the confidentiality of intellectual property in the form of results and products of research, scholarly writings or creative activities.
  - 3.2.2.1. The Board will bear costs incidental to securing the assistance of individuals who have left the employment of the Board or students contributing to sponsored or faculty-directed research who are graduated, transfer or otherwise cease enrollment.
  - 3.2.2.2. Such costs will number among those to be recouped from gross revenues before any income is distributed to creators.
- 3.2.3. When employees involved in research projects leave the Board's employment, they may request permission to take copies of intellectual property in the form of results and products of research, scholarly writings or creative activities for projects on which they have worked. Such requests will be submitted to the Chief Research Officer, and will not unreasonably be denied. Original research data must be retained at the employing institution, administrative unit or office by the principal investigator.
- 3.2.4. If a principal investigator leaves the Board's employ, and a project is to be moved to another institution or to an agency or research or business entity, ownership of the intellectual property in the form of results and products of research, scholarly writings or creative activities may be transferred with the approval of the Chief Research Officer, and, subject to the provisions of any governing approved sponsored research agreement, with written agreement from the principal investigator's new employer that guarantees:
  - 3.2.4.1. its acceptance of custodial responsibilities for the intellectual property in the form of results and products of research, scholarly writings or creative activities, and
  - 3.2.4.2. that it will provide the Board, access to the intellectual property in the form of results and products of research, scholarly writings or creative activities, should that become necessary for any reason.
- 3.2.5. In unusual cases (for example, but without limitation, when intellectual property in the form of results and products of research, scholarly writings or creative activities must be used for a patent application filed by the Board or when intellectual properties are subject to an ongoing inquiry or



investigation), it may be necessary for the original intellectual property to be retained by the employing institution. In cases of intellectual property in the form of results and products of research, scholarly writings or creative activities used for a patent application, a separate written agreement will be signed which preserves the creator's right to access and copy (where practical) such intellectual property.

#### **4. Disclosure of Intellectual Property with Potential Commercial Value**

**4.1.** Each creator of an intellectual property that may have commercial value and that may be subject to Board ownership under §§ C.2.1., C.2.2. or C.2.4. of this policy shall file a written enabling disclosure of the intellectual property with the Intellectual Property Manager prior to making any publicly accessible enabling disclosure. The requirements of this section, apply, by way of illustration and without limitation, to submission for publication or public presentation any scholarly writing that reports the intellectual property, submission of grant applications, disclosure in conversation or informal communications with colleagues, release to the public domain, attempts to patent, to license, to distribute or to manufacture of the intellectual property commercially or any other action that makes the property available to the public.

4.1.1. The disclosure to the Intellectual Property Manager will be in writing, whether in paper or electronic form; will consist of a full and complete description of the subject matter of the discovery or development; will identify any research sponsors; and will be signed and dated by each person claiming to be a creator of the property.

4.1.1.1. The disclosure must have sufficient detail to permit the determinations whether the Board will retain title to the intellectual property, how the intellectual property will be protected and how it may be licensed or otherwise introduced into commerce.

4.1.1.2. Accordingly, the disclosure must be made sufficiently in advance of prospective publication, release or commercial use to permit timely filing of a patent application, copyright registration or other appropriate form of intellectual property protection in the United States and in foreign countries.

4.1.2. Because expectant interests have been assigned to the Board in compliance with § C.3. of the Policy, the intellectual property will be presumed to be owned by the Board throughout the disclosure review process, unless the Intellectual Property Manager determines that the most reasonable use of the intellectual property will be its publication or release to the public domain.

4.1.2.1. The Intellectual Property Manager will schedule meetings with the creators to discuss the disclosure and the screening evaluation and assessment and to discuss options and processes for securing the rights to the intellectual property in order to proceed with commercialization.

4.1.2.2. Creators will comply with the written recommendations of the Intellectual Property Manager prior to submitting for publication

scholarly writings that report the intellectual property, to other release of it to the public domain or to any attempt to license, to distribute or to manufacture of the intellectual property commercially.

4.1.2.3. The Intellectual Property Manager will not unreasonably delay or interfere with continued research or publication of the research results where such activities are consistent with protection of the intellectual property.

4.1.3. The process of evaluating a disclosure involves a cooperative endeavor between creators and the Intellectual Property Manager. Both creator and Intellectual Property Manager will work together to determine how an intellectual property aligns with prior art, third party patents, copyrighted material or other existing third-party intellectual property rights, and to consider options for modifying or developing further the disclosed intellectual property to avoid conflicts with existing third party rights, to meet expectations of prospective commercial licensees for the development of properties or otherwise to prepare the intellectual property for protection or commercialization.

4.1.3.1. To facilitate the evaluation of a disclosure, creators will furnish such additional information and execute such documents as may be reasonably requested by the Intellectual Property Manager.

4.1.3.2. The Intellectual Property Manager will periodically communicate with the creators who made the disclosure about the status of the disclosure review and provide them reasonable information on the status of any measures taken to protect or to commercialize the property.

**4.2.** Where the disclosed intellectual property arose from research, scholarly writings or creative artistic activities conducted in cooperation or jointly with another institution, administrative unit or office controlled by or administered under the authorization of the Board, the Intellectual Property Manager for the institution, administrative unit or office that received the disclosure will contact the Intellectual Property Managers from each other institution, administrative unit or office to coordinate the review of the disclosed intellectual property.

4.2.1. The institution, administrative unit or office that received and administered outside funding to support the research, scholarly writings or creative artistic activity, or that supplied the largest portion of internal funding for the project, will assume primary responsibility for evaluating, protecting or commercializing any intellectual property arising from the work.

4.2.1.1. If this institution elects not to protect or to commercialize an intellectual property, it will share its analysis with the Intellectual Property Managers for the cooperating institutions, administrative units or offices, and they may determine whether to pursue protection or commercialization of the property.

**4.3.** If the Intellectual Property Manager elects not to file a patent application or otherwise protect or commercialize an intellectual property which has been disclosed to the Intellectual Property Manager, this decision and its rationale will be communicated promptly to the creators who made the disclosure.

4.3.1. If creators or others request that the Board permit them to file a patent application or to have assigned to them the Board's rights, the Board may, at its sole discretion and under conditions it deems appropriate, grant such permission and assign or license to such person or persons some or all of its rights to such information and to inventions deriving therefrom.

4.3.2. In exercising its discretion, the Board shall take the following items into account: the public interest; the interests of sponsors, including the provisions contained in an agreement with a sponsor executed prior to the initiation of the research activity which led to this discovery; the interests of the creator and the relevant institution, unit or office; the avoidance or management of conflicts of interest; and such other considerations as it deems appropriate.

4.3.3. In every case in which an intellectual property is released to its creators or others, the Board will retain minimum license rights in the form of a no-cost, non-exclusive, world-wide license to use for nonprofit educational, research and any other purposes related to Board operations or programs. A no-cost, non-exclusive, world-wide license to use creations other than copyrightable works for educational and research purposes authorizes the Board to produce, reproduce, modify and use the creation, and any patent that may relate to or incorporate the creation, in nonprofit educational, research or institutional programs conducted at institutions, administrative units or offices controlled by or administered under the authorization of the Board.

4.3.4. The Board may retain more than the minimum license rights as provided in § C.4.3.3. above, and the assignment or license may be subject to additional terms and conditions, such as revenue sharing with the Board or reimbursement of the costs of statutory protection, when justified by the circumstances of development.

4.3.5. Where an intellectual property is released to its creator subject to a revenue sharing requirement,

- the Board's share will not exceed fifteen percent of net income; and
- the creator will be required to allow inspection of records and books documenting income generated by the intellectual property.

## **5. Authority and Responsibility of Intellectual Property Manager**

**5.1.** The Intellectual Property Manager for an institution, administrative unit or office controlled by or administered under the authorization of the Board may exercise on behalf of the Board, and for the purposes outlined in this policy, any power reserved to the Board herein and may execute on its behalf such filings, instruments or papers as may be necessary to proper and faithful exercise of such powers.

- 5.2.** The Intellectual Property Manager will be responsible for communications with creators. These responsibilities include:
  - 5.2.1. outreach activities to inform faculty members and other employees about intellectual properties policies and commercialization opportunities and procedures;
  - 5.2.2. communications with creators who have submitted preliminary notices of research results or formal disclosures about the status of the review process, and
  - 5.2.3. communications with creators about the status of efforts to protect or to commercialize an intellectual property.

## **6. Resolution of Disputes**

With the exception of claims involving ownership of intellectual properties, employees may have recourse to such grievance procedures as pertain to their employment classification to resolve disputes concerning rights that arise under this policy. The Executive Director of the Board of Regents will review and provide for the resolution of disputes involving ownership of intellectual properties or involving the application of this policy to students contributing to sponsored or faculty-directed research.

- 6.1.** A written appeal specifying the basis in policy and fact for the disagreement with the determinations of the Intellectual Property Manager must be filed with the Executive Director within the fifteen working days of the date of the challenged determination.
- 6.2.** Within eleven working days from the date of filing, the Executive Director may refer the matter to the chief executive officer of the institution, administrative unit or office charged with evaluating the disclosure, for additional review and resolution.
- 6.3.** If the Executive Director elects not to refer the matter to the pertinent chief executive officer within eleven days of the original filing, or if the matter has been not been resolved within twenty-one working days of date of referral, the Executive Director will appoint a hearing examiner to conduct a hearing, if necessary, and to make recommendations to the Board of Regents concerning the disputed ownership.
- 6.4.** The conduct of the review by the hearing examiner will comply with the standards and procedures set forth in BOR Policy 4.3.1 or 4.4.9, and the Board action may be appealed to the Circuit Court of the Sixth Judicial Circuit in Hughes County as provided under SDCL ch 1-26.
- 6.5.** The Executive Director may delegate responsibility to resolve disputes.
- 6.6.** The parties to a dispute may agree in writing to extend or to waive time periods established under this policy or BOR Policy 4.3.1 or 4.4.9.
- 6.7.** For purposes of this policy, an appeal, notice or writing will be deemed to be filed with the Executive Director if it is addressed to the Executive Director with copies to the System Vice President for Research and the Administrative Assistant of the Executive Director. Filings may be made by mail, personal delivery or electronically. The filing date will be the date of postmark, if mailed, the date logged upon delivery

in person to the Administrative Assistant of the Executive Director, or the date of transmission, if submitted electronically.

## **7. Resolution of Allegations Involving an Institutional Conflict of Interest**

An employee who believes that an institutional conflict of interest might affect or might reasonably appear to affect institutional, unit or office objectivity in business and contracting decisions may request that the Executive Director review the circumstances and determine whether to reassign responsibility to evaluate a disclosure and to initiate appropriate action.

- 7.1.** A request for assistance must set out a specific factual basis for the belief that, if proven, would establish the existence of financial interests that might affect or reasonably appear to affect institutional, unit or office objectivity in business and contracting decisions.
- 7.2.** An employee may not rely upon mere conclusions, general allegations and speculative statements to establish a factual ground for the claim that financial interests that might affect or reasonably appear to affect institutional, unit or office objectivity in business and contracting decisions. Employees must cite specific facts and circumstances known to them first hand or to another first hand who is willing to testify to their existence or established through official governmental publications or other published documents whose authenticity and reliability cannot reasonably be doubted, together with such factual inferences as may be drawn from such facts.
- 7.3.** The decision of the Executive Director will be final.
- 7.4.** The Executive Director may delegate responsibility to review and to provide for management of matters involving alleged institutional conflicts of interest.

## **8. Development of Administrative Guidelines and Procedures**

The Executive Director will establish a System Intellectual Property Council to be constituted, to operate and to report in the same fashion as the Discipline Councils established pursuant to BOR Policy 1.3.5. The System Intellectual Property Council will prepare information, analysis, and recommendations to help assure that employees have ready access to information about services and support available to intellectual property creators to help them to understand their opportunities and responsibilities under the policy; to provide system administrators and the Board with their insight into substance and administration of intellectual property policies from the perspective of intellectual property creators; and to address such other matters as the Executive Director may determine.

- 8.1.** Each university chief executive officer will appoint at least one member to the System Intellectual Property Council from among the established intellectual property creators on the institutional faculty.

## **9. Allocation of Revenues**

All revenues generated from the licensure, sale or use of intellectual properties by or on behalf of the Board will be allocated according to the following priorities:

- 9.1.** Gross revenues will be applied first to reimburse each institution, administrative unit or office that incurred expenses to cover taxes or other governmental fees, charges or

assessments and commercially reasonable direct costs to develop the property and to realize the property's commercial value.

- 9.2.** Fifty percent of the net income remaining will be allocated, to the creators.
  - 9.2.1. Where creators contribute personal funds or personal resources to the cost of creating an intellectual property owned by the Board, the creators' share will be increased to reflect the proportion of funds or resources that they can document having contributed personally.
  - 9.2.2. Where two or more employees collaborate in the creative activities that produce an intellectual property, they will share all rights granted to a creator under the policy. The co-creators remain free to decide among themselves how any revenues will be allocated. If the co-creators notify the Intellectual Property Manager in writing that they are unable to agree upon a basis share of revenues, the creator's share of revenues will be placed into an escrow account for payment once any such disputes have been definitively resolved. If the co-creators fail to provide the Intellectual Property Manager written notice about revenue sharing before the payment of revenues becomes due, the creator's portion of net income in equal shares among the co-creators.
  - 9.2.3. Employees who have acquired rights to share in the income generated by intellectual properties owned by the Board will continue to enjoy such rights when they leave the employment of the Board.
- 9.3.** Net income remaining will be allocated first among institutions, administrative units and offices in proportion to their respective contributions to creation of the intellectual property, where they may be used exclusively for the direct support of research, education, scholarship or creative artistic activity.
- 9.4.** The chief executive officer of the institution, administrative unit or office will be responsible for the use of net income allocated to an institution, administrative unit or office.
  - 9.4.1. These net income may be expended consistently with the requirements of the Bayh-Dole Act of 1980 to support research or scholarship or educational activities that directly support research or scholarship, including expenses related to compliance, intellectual property management and technology transfer.

## **FORMS / APPENDICES:**

None

## **SOURCE:**

BOR June 1997; December 2002; January 2004; June 2005; August 2011; March 2012; December 2020 (Clerical); October 2023 (Clerical).