

## CHAPTER VII

### INTELLECTUAL PROPERTY

#### Section 7-1. General Policy.

LSU encourages and expects its personnel to engage in creative, scholarly activities as part of their duties. All LSU Personnel are required to disclose to the appropriate campus officer, at an early date, any discoveries, inventions, and works potentially subject to legal protection under patent, copyright, or other law. The inventor, the inventor's department, and the inventor's campus gain prestige, and in some cases financial benefits, from commercializing an invention or discovery. Such commercialization is consistent with, and complementary to, LSU's academic mission; through such activities, LSU provides new benefits to the public and enhances economic development.

#### Section 7-2. Definitions.

- a. **"LSU Invention"** shall mean an invention or discovery that is either conceived, created, designed, developed, conducted or first reduced to practice, in whole or in part, during activities that: **(1)** are carried on by, or under the direction of, LSU Personnel, regardless of when or where conception or reduction to practice occurs; **or (2)** are supported by funds under the control of LSU; **or (3)** are performed with the use of LSU facilities, equipment, or supplies. The term **"LSU Invention"** shall also include any patent application or issued patent containing at least one claim reading on such an invention or discovery. As a limited exception, the following shall not be considered an **"LSU Invention"**: an invention or discovery that is wholly conceived and wholly first actually reduced to practice during activities that: **(1)** occur during the personal, off-duty time of all involved LSU Personnel; **and (2)** are not supported by funds under the control of LSU; **and (3)** are not performed with the use of LSU facilities, equipment, or supplies; **and (4)** are unrelated to any current or past field or area of expertise, responsibility, or employment of any involved LSU Personnel.
- b. **"LSU Work"** shall mean any original work of authorship that is fixed in any tangible medium of expression, and that is created or produced during an activity that is supported by LSU, in whole or in part. The term **"LSU Work"** shall also include any copyright or other legal rights derived from such a work. The support by LSU may, for example, take the form of financial support, use of facilities, use of supplies, payment of salary, the consideration provided in a particular contract, or otherwise. **"LSU Work"** shall not, however, include any work deemed to be LSU Software.
- c. **"LSU Software"** shall mean any software created or developed, in whole or in part, during activities that: **(1)** are carried on by, or under the direction of, LSU Personnel, regardless of when or where the creation or development occurs; **or (2)** are supported by funds under the control of LSU; **or (3)** are performed with the use of LSU facilities, equipment, or supplies. The term **"LSU Software"** shall also include any source code pertaining to such software; any copyright derived from such software; any patent application or issued patent containing at least one claim reading on such software, or having at least one claim reading on a process or apparatus incorporating such software; and any other legal rights derived from such software.
- d. **"LSU Digital Media"** is a collective term that encompasses all LSU Software, as well as some LSU Works. All LSU Software is considered **"LSU Digital Media."** An LSU Work is considered **"LSU Digital Media"** if it is fixed in a tangible digital medium (including, by way of example, a magnetic tape, a floppy disk, a hard disk, a compact disk, a digital video disk/digital versatile disk/DVD, or an Internet website) that is intended to be used by third parties in digital form or that is intended to be distributed in digital form to third parties for consideration. An LSU Work that is transmitted to a publisher in digital form at the request of the publisher or for the convenience of the author or publisher, but that will not be distributed by the publisher to third parties in digital form (e.g., a conventional printed book whose text is prepared on a word processor) is not considered **"LSU Digital**

**Media.**" However, any digital media that otherwise satisfies the above definition, and that is intended to be distributed to third parties with a printed book (for example, a compact disk read-only-memory packaged with a book) is considered "**LSU Digital Media.**" An LSU Work that is published electronically as part of a peer-reviewed scholarly journal on the Internet shall not be considered "**LSU Digital Media.**" Some "**LSU Digital Media**" will be treated as LSU Works, and some "**LSU Digital Media**" will be treated as LSU Software, as provided in greater detail in Section 7-7(b).

- e. "**LSU Database**" shall mean a digital database that has commercial value, or that reasonably may be considered to have potential commercial value, regardless of whether the database is the subject of copyright, where the database is created or developed, in whole or in part, during activities that are: **(1)** carried on by, or under the direction of, LSU Personnel, regardless of when or where the creation or development occurs; **or (2)** supported by funds under the control of LSU; **or (3)** conceived, created, designed, developed, or conducted with the use of LSU facilities, equipment, or supplies. The term "**LSU Database**" shall also include any source code pertaining to such database; any copyright derived from such database; any patent application or issued patent containing at least one claim reading on such database, or having at least one claim reading on a process or apparatus incorporating such database; and any other legal rights derived from such database, including by way of example any statutory legal protection for a database, whether the statute is enacted before or after the provisions of these *Bylaws* concerning LSU Databases take effect.
- f. "**LSU Mark**" shall mean any trade name, trademark, service mark, design, or trade dress: **(1)** that is associated with LSU, or with any campus or other part of LSU; **or (2)** that is created or produced during an activity that is supported by LSU, in whole or in part; **or (3)** that is created or produced by LSU Personnel and is associated with any other LSU Intellectual Property. The term "**LSU Mark**" shall also include any goodwill associated with any such mark, and any registrations or other legal rights derived from such a mark.
- g. "**Other LSU Intellectual Property**" shall mean any intellectual property, other than an LSU Invention, LSU Work, LSU Software, LSU Digital Media, LSU Database, or LSU Mark, where the events giving rise to the creation of that intellectual property are supported by LSU in whole or in part. By way of illustration only, such "**Other LSU Intellectual Property**" may include plant variety protection applications or certificates; semiconductor mask works; trade secrets; know how; and tangible research property (e.g., semiconductor chips, software, biological organisms, prototypes, drawings, original research records, notebooks, data, and other corporeal property that can be physically or electronically distributed). In interpreting this paragraph, the principles of paragraphs (a) through (f) above shall apply by analogy where appropriate.
- h. "**LSU Intellectual Property**" shall mean, collectively, any LSU Invention, LSU Work, LSU Software, LSU Digital Media, LSU Database, LSU Mark, or Other LSU Intellectual Property.
- i. "**Course Materials**" shall mean any copyrights in underlying educational materials or course content used in the *bona fide* teaching or instruction of a regularly scheduled course for credit offered by LSU, to the extent that an author of those materials, himself or herself, uses those materials in teaching the course; including portions, subsets, drafts, revisions, updates, versions, and instructional components of such materials; whether printed, digital, Internet based, CD/DVD-based, audio- or video-based, or otherwise. "**Course Materials**" may include copyrights in items that would otherwise constitute LSU Works, LSU Software, or LSU Digital Media. "**Course Materials**" shall not, however, include rights in any patent, patent application, LSU Database, LSU Mark, or LSU Invention. "**Course Materials**" shall not include any rights that are derived from a co-author who is not also directly involved in the teaching or instruction of a regularly scheduled course for credit at LSU using those materials.
- j. "**Distributable Royalties**" shall mean any consideration, whether in the form of money, corporate stock or other equity in a business organization, or any other thing of value,

actually received by and in the control of LSU pursuant to an authorized agreement granting any rights in any LSU Intellectual Property, after deduction of LSU's legal, professional and patent expenses directly expended in support of and allocable to that LSU Intellectual Property, except that "Distributable Royalties" shall **not** include:

- (1) Any such consideration received by LSU in reimbursement of or allocated for direct, out-of-pocket expenses paid or owed by LSU to third parties which are directly allocable to the LSU Intellectual Property for which the consideration is received, such as expenses for past, present, or future attorneys fees and other legal expenses, and amounts paid to outside contractors, regardless of whether the authorized agreement expressly provides for such reimbursement; provided that such expenses shall not include any internal expenses of LSU, such as salaries, administrative overhead, building rent, equipment purchases, and similar expenses;
- (2) Any consideration deemed a Research Grant or deemed as Litigation Proceeds, as defined herein; and
- (3) Any amounts received by LSU that are attributable to an LSU Mark.

k. **"Research Grant"** shall mean (for purposes of this Section 7 of the *Regulations of the Board*) any consideration received by LSU under an authorized sponsored research agreement that, along with any other provisions, grants another party any rights in any LSU Intellectual Property, where LSU's disposition of that consideration is restricted by that contract to use for conducting research.

l. **"Litigation Proceeds"** shall mean any money or other property received by LSU as a result of any resolution of a dispute over another's use, infringement, or licensing of any LSU Intellectual Property, whether received by way of judgment, arbitration, or settlement -- and in the case of a settlement, regardless of whether any arbitration or lawsuit has been instituted.

m. **"LSU"** or **"University"** shall mean the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, including all of its campuses, centers, institutions, facilities, and other property.

n. **"LSU Personnel"** shall mean all LSU Supervisors, Officers, Faculty, Staff, Research Associates, Postdoctoral Fellows, Instructors, Graduate Students, and other employees of LSU, whether part-time or full-time. **"LSU Personnel"** shall include, for example: (1) faculty or other LSU Personnel who are on nine-month appointments, who shall be considered **"LSU Personnel"** throughout the calendar year for purposes of this Section 7 of the *Bylaws*, (2) visiting faculty, and (3) adjunct faculty, emeritus faculty, and LSU undergraduate and professional students employed by LSU when those persons act within the course and scope of their employment by LSU. **"LSU Personnel"** shall not include adjunct faculty and LSU undergraduate and professional students when those individuals are not acting as employees of LSU.

### **Section 7-3. Ownership and Management of LSU Intellectual Property**

#### **a. Right to Own and Manage LSU Intellectual Property**

- (1) LSU holds all right, title, and interest to all LSU Intellectual Property in all countries. LSU Personnel shall execute any formal assignments to LSU of all right, title, and interest to any LSU Intellectual Property, and shall execute such other documents and perform such other lawful acts (at no out-of-pocket expense to the LSU Personnel) as may be requested by LSU fully to secure LSU's interest in LSU Intellectual Property.
- (2) As owner of LSU Intellectual Property, LSU may manage, license, patent, register, sell, abandon, or otherwise dispose of any LSU Intellectual Property as

LSU in its discretion sees fit, including but not limited to all decisions concerning potential financial benefits to be derived from any LSU Intellectual Property.

- (3) Only LSU, acting through the procedures set forth in this Section 7, has the authority to enter into any agreement relating to LSU Intellectual Property. Any purported assignment, transfer, license, assertion of ownership, or other disposition of LSU Intellectual Property by the inventor(s) or author(s), without the prior written approval of an LSU official authorized pursuant to these *Regulations*, is void and will not be recognized by LSU -- including, by way of example and not limitation, any such purported assignment or other disposition in a consulting agreement, research agreement, material transfer agreement, or confidentiality agreement.
- (4) If LSU elects not to manage, license, patent, register, sell, or otherwise dispose of any item of LSU Intellectual Property, then on written request from the affected inventor(s) or author(s), in LSU's sole discretion, LSU may, with any required concurrence from a research sponsor, by written agreement with the respective inventor(s) or author(s), relinquish and assign that item to the inventor(s) or author(s), subject to such conditions as the parties find mutually agreeable and to such conditions as may be required by a research sponsor.

b. Each Chancellor or equivalent shall establish policies and procedures for, and identify employees or positions responsible for, the management of LSU Intellectual Property on that campus. Each campus shall be responsible for compliance with all procedures and obligations under the federal Bayh-Dole Act (PL 96-517) or any other applicable laws, regulations, agreements or contracts with respect to the management of LSU Intellectual Property.

c.

- (1) In exceptional circumstances, LSU may waive its rights to certain items that would otherwise be LSU Intellectual Property, in favor of an outside employer of one or more LSU Personnel, if LSU expressly approves in writing and in advance a valid consulting agreement between that employer and the LSU Personnel, and if the consulting agreement expressly states in writing that such items shall become the property of that employer, and if the consulting agreement and all activities conducted under the consulting agreement are in full compliance with the Code of Governmental Ethics and all pertinent rules and regulations of LSU.
- (2) Any such waiver may only be made in writing by the Chancellor or equivalent (or the President, if PM-11 or PM-67 require approval by the President of the related consulting agreement), which authority may not be further delegated, based on a written finding setting forth the reasons that such a waiver is in the best interests of LSU.
- (3) LSU will ordinarily grant to a non-governmental sponsor of funded research at LSU an exclusive right, for a limited period of time, to negotiate with LSU for a royalty-bearing license under inventions that may result from the funded research, under mutually agreeable terms. Royalty rates or other consideration to be paid for a licensed invention will not ordinarily be determined before the invention has been made, except where justified in writing, in light of exceptional circumstances, to be in the best interests of LSU.

d. **Restrictions on Publication**

- (1) Nothing in this Section 7 shall be construed to prohibit or restrict LSU Personnel from publishing in academic channels any material that LSU and those Personnel are otherwise free to publish. LSU Personnel are cautioned that early publication can destroy or impair the legal protection that might otherwise be available for intellectual property, and where appropriate are advised to consult with their

campus technology transfer officers well before the first planned publication to discuss this question further.

(2) As a matter of University policy, LSU shall not normally accept restrictions or prohibitions on publications, other than a requirement for delaying publication for a reasonable period of time, from research sponsors and intellectual property licensees. Before LSU can consent to any such restrictions on publication, both of the following conditions must be satisfied and documented: (1) the restrictions are tailored to be the least restrictive conditions which will satisfy the legitimate concerns of the sponsor or licensee, and (2) all LSU Personnel likely to be affected by the proposed restrictions have consented to the restrictions.

#### **Section 7-4. Allocation of Distributable Royalties**

##### **a. Distribution to Inventor or Author**

(1) Forty percent (40%) of all Distributable Royalties as defined in Section 7-2(j) shall be paid or transferred to the respective inventors or authors within thirty days of receipt by LSU, unless a different schedule is otherwise agreed in writing by LSU and the inventor(s) or author(s).

(2) For as long as LSU receives such Distributable Royalties, payment of this allocation of Distributable Royalties shall continue to the respective inventors or authors, regardless of whether they continue employment at LSU, or to their heirs, as applicable.

(3) Provided, however, that the Chancellor or equivalent of the appropriate campus (or campuses) may direct that no part (or a reduced part) of Distributable Royalties shall be paid or transferred to the inventors where those Distributable Royalties are attributable to one or more Plant Patents or Plant Variety Protection Certificates.

(4) Further provided, that upon the written request of any inventor or author, all or part of that inventor's or author's share of Distributable Royalties may be (1) retained by LSU to support research under the direction of that inventor or author, or (2) paid to any other LSU Personnel who made a non-inventive contribution to the LSU Intellectual Property, according to a written agreement. Assessing and managing any personal tax implications of any such requests shall be the sole responsibility of the inventor or author.

(5) In recognition of the administrative costs that are associated with distributing small Distributable Royalty payments, the following procedures shall be used where applicable:

(a) At any time when the cumulative total of undistributed Distributable Royalty payments received on account of a particular license of LSU Intellectual Property in a given fiscal year is less than \$1,000, the Distributable Royalties for that license shall not be distributed as otherwise provided, but shall instead be held by the University until the end of the current fiscal year.

(b) If, at any time during the fiscal year, the cumulative undistributed total reaches \$1,000, then the accumulated Distributable Royalties shall at that time be distributed as otherwise provided herein.

(c) At the end of each fiscal year, if LSU is holding a cumulative total in undistributed Distributable Royalty payments on account of a particular license of LSU Intellectual Property during the preceding fiscal year of less than \$1,000, then 100% of those undistributed Distributable Royalty payments shall be allocated to the Office of the President.

**(d)** Upon the written request of any affected inventor or author, made within six months of the close of the fiscal year, the inventor's or author's forty percent (40%) share of such Distributable Royalties described in part (c) above shall be paid to the respective inventor(s) or author(s), and the remaining sixty percent (60%) shall be retained by the Office of the President.

**(e)** LSU shall not be required to honor any such request from an author or inventor received either before the close of the fiscal year or more than six months after the close of the fiscal year. A separate written request must be made for each license and for each fiscal year.

**b. Distribution to the Office of the President, the LSU LIFT Fund and the Campus**

- (1)** Five percent (5%) of all Distributable Royalties shall be allocated to the Office of the President.
- (2)** Five percent (5%) of all Distributable Royalties shall be allocated to the *LSU LIFT (Leveraging Innovation for Technology Transfer) Fund* in the Office of the President for support of proof-of-concept grants to faculty at any LSU institution in furtherance of commercial development of inventions.
- (3)** Fifty percent (50%) of all Distributable Royalties shall be allocated within the appropriate campus as directed by the Chancellor or equivalent of that campus.
- (4)** None of the allocation of Distributable Royalties to either the Office of the President or to the campus may be allocated directly to any individual.
- (5)** In accord with LSU's obligations under the federal Bayh-Dole Act and with LSU's commitment to investing in its researchers and advancing discoveries to benefit the public, all allocations of Distributable Royalties to the Office of the President, to the LSU LIFT Fund or to a campus will be used only in further support of scientific research, education and commercialization activities.

**c. Distribution and Management of Equity**

- (1)** Corporate stock or other equity shares within Distributable Royalties which comprises the inventor's allocation as described above shall be transferred to the respective authors or inventors as soon as reasonably practicable after LSU is legally able to transfer title to such equity, and until that time LSU shall be the sole owner of such equity. LSU shall have no liability in the event the value of such equity changes before it is distributed to the inventors or authors.
- (2)** All stock or other equity owned by LSU as LSU's portion of Distributable Royalties shall be managed and disposed of by the President, in consultation with the Chair and Chair-Elect. The President shall have the authority to perform all acts that a stockholder or other equity holder lawfully may perform under applicable law. The President or his designee shall regularly review all equity that LSU has acquired as LSU's portion of Distributable Royalties, to decide when it should be held and when it should be sold or otherwise transferred. The President is authorized to confer with one or more financial professionals in reaching these decisions, and to rely on the advice of such professionals in making these decisions. The President shall notify the affected campus(es) prior to selling stock or other equity, except where exigent circumstances prevent prior notice.
- (3)** To avoid potential conflicts of interest, the appearance of conflicts of interest, and potential liability:
  - (a)** No LSU Personnel shall act as an officer, director, manager, or the like in any business entity in which LSU acquires stock or other equity under this Section 7; except that where the pertinent contract granting the business entity rights in LSU Intellectual Property has been approved under the provisions of LSU's Permanent Memorandum 67, the affected

inventor(s) or author(s) may hold such managerial roles in the business entity in their personal capacities, but not as representatives of LSU; and

- (b) LSU shall not otherwise attempt to influence the management or operation of any such business entity in which LSU owns equity. Exercising any voting rights associated with equity owned by LSU shall not be considered to be prohibited by this subsection. In exceptional circumstances, the President, after consultation with the Board Chair and Chair-elect, may authorize a departure from this requirement; upon a written finding that doing so will be in the best interests of LSU.
- (4) Any equity owned by LSU as LSU's portion of Distributable Royalties shall not be further distributed within LSU, but instead shall be managed by the President. Any cash benefits received by LSU arising from such equity ownership (for example, cash dividends, or proceeds from the sale of the equity) shall be distributed within LSU in the same relative proportions as other Distributable Royalties; except that the inventor(s) shall receive no portion of any such cash, because the inventor(s) will ordinarily have already received 40% of the equity originally received by LSU under Section 7-4(b)(1).

**d. Distributions Involving Multiple Parties**

- (1) Distribution to Multiple Inventors or Authors. When more than one inventor or author is entitled to share in Distributable Royalties, the inventors or authors as a group shall receive the forty percent of Distributable Royalties specified above, and the allocation of Distributable Royalties among those individuals will be determined as follows. That inventor's share of Distributable Royalties shall be distributed equally among the inventors or authors unless either: (i) all affected inventors or authors unanimously agree in writing on a different distribution, **or** (ii) if the affected inventors or authors are unable to reach unanimous agreement on a different distribution, then in proportions and under procedures established by the President based upon the merits of the individual case. This allocation by the President shall be final and unappealable.
- (2) Distribution to Multiple Entities. Where more than one entity is entitled to share in Distributable Royalties, the allocation of Distributable Royalties will be determined as follows:
  - (a) By contract, negotiation, litigation or otherwise, LSU and any party not affiliated with LSU shall resolve any apportionment between LSU and that other party. Only LSU's part of this apportionment shall be considered Distributable Royalties.
  - (b) In the absence of any agreement by LSU to the contrary, each unique invention, related patent, patent application or other form of uniquely identifiable intellectual property associated with a particular license which generates Distributable Royalties will be presumed to have contributed equally to those Distributable Royalties.
  - (c) The respective contributions to Distributable Royalties from different departments or campuses will be presumed to be the sum of the contributions for the inventors associated with each department or campus. If one inventor has appointments with more than one department or campus, each such department or campus will be deemed to participate equally in the departmental or campus contribution to Distributable Royalties associated with that inventor, unless the invention clearly resulted from work done in association with only one department or campus.

(d) The unique circumstances of individual cases involving multiple entities may require an unequal distribution of Distributable Royalties. Deviation from the equal distribution provided for in subsections (b) or (c), above, may be made either: (i) by unanimous written consent of all affected entities, or (ii) if the affected entities are unable to reach unanimous agreement on a different distribution, then in proportions and under procedures established by the Chancellor or equivalent, or if more than one campus is involved, by the President, based upon the merits of the individual case. This determination shall be final and unappealable.

e. **Distributions in Special Circumstances**

- (1) A Research Grant shall be administered by LSU in accordance with the terms of the contract establishing the Research Grant, and in accordance with any applicable laws, rules, and regulations. Authors and inventors shall not be entitled to any portion of a Research Grant, except in some cases for that portion of a salary that is customarily paid from such a source, and then only in accordance with the terms of the contract establishing the Research Grant.
- (2) Litigation Proceeds shall be administered and distributed as follows. That unit of the LSU System which funds expenses related to litigation or other means of dispute resolution related to LSU Intellectual Property first shall be entitled to recover double its legal and other associated expenses, before any other distribution of Litigation Proceeds. After such recovery of double expenses, any excess Litigation Proceeds shall be treated as Distributable Royalties and allocated accordingly.
- (3) If LSU directly sells research materials (not including agricultural products) to third parties, in greater than nominal quantities and for more than a nominal charge; **and** if those research materials incorporate an LSU Invention (patented or unpatented) that is not in the public domain at the time (for example cell lines or laboratory animals that are not otherwise publicly available), **and** if LSU therefore has no agreement with a third party as to royalties attributable to the LSU Invention; then in such a case LSU and the inventors shall agree in writing as to a reasonable royalty rate to be imputed to net sales of the research materials. The agreed-upon royalty rate and any proceeds arising therefrom will be treated thereafter as Distributable Royalties for all purposes.
- (4) Activity conducted by LSU for educational, research, or non-commercial purposes shall not give rise to any "Distributable Royalties."

**Section 7-5. General Requirements for Licenses and Other Agreements**

- a. As a matter of policy, LSU will not license or otherwise encumber rights in future LSU Intellectual Property whose conception is not complete as of the date the license or other encumbrance is executed; except for the strictly limited rights that may be granted to a sponsor of funded research respecting inventions resulting from the funded research, as provided in greater detail in Section 7-3(c)(2).
- b. As a matter of policy, LSU shall require that each licensee of rights in LSU Intellectual Property may not *assign* or *transfer* the licensed rights without LSU's express prior written approval, which LSU may agree, in its sole discretion, not to unreasonable withhold. Further, LSU shall require that a licensee may *sublicense* the licensed rights in LSU Intellectual Property only if (i) the sublicense agreement includes express provisions requiring the sublicensee to abide by the terms of the license between LSU and the licensee, (ii) the sublicense agreement specifies that no sublicensee shall issue any further sublicenses without the express written consent of LSU, and (iii) the licensee

agrees to provide LSU with copies of each sublicense, and all subsequent amendments thereto, within a reasonable time period from date of execution of such documents.

- c. As a matter of policy, LSU shall require each licensee of LSU Intellectual Property, and ordinarily each sublicensee, to obtain reasonable levels of liability insurance or to have adequately capitalized self-insurance, in an amount to be included in the license or other agreement and to be determined in view of the reasonably perceived risks presented by the particular technology being licensed. This insurance coverage shall commence no later than the date when the first commercial sale under the license is made, or the date of the first clinical trials of a human drug or medical device, whichever is earlier, and shall continue in effect until the expiration of all applicable periods of prescription or statutes of limitation. LSU shall be named as an additional insured in each such insurance policy. On a case-by-case basis, after reviewing all pertinent facts, the requirement of liability insurance may be waived where LSU assigns all rights in LSU Intellectual Property to another party, with LSU retaining no residual rights or residual share of royalties; except that in such a case LSU may retain a nonexclusive right to practice the assigned intellectual property right for experimental, educational, or noncommercial purposes.
- d. As a matter of policy, LSU shall require that each licensee and assignee, and ordinarily each sublicensee, of LSU Intellectual Property shall indemnify LSU against claims and lawsuits arising as a result of activities related to the licensed or assigned intellectual property, whether the claim or lawsuit arises under tort law, products liability law, intellectual property law, or otherwise, the indemnity to include reasonable costs of litigation and attorneys' fees.
- e. As a matter of policy, LSU does not ordinarily permit brokerage of LSU Intellectual Property. Rather, LSU expects LSU's licensees to be directly active in developing and commercializing licensed LSU Intellectual Property. Exceptions to this policy will be permitted only upon the written authorization of the Chancellor or equivalent upon a written finding that exceptional circumstances exist such that brokerage of a particular LSU Intellectual Property is in the University's best interests.
- f. In circumstances where LSU assigns or waives certain intellectual property rights in favor of the authors or inventors, whether under Section 7-3(a)(4), Section 7-7.a, or otherwise, then, unless there is an authorized written agreement by LSU that expressly provides otherwise, in each such case the assignment or waiver shall be without representation or warranty from LSU of any kind, including no warranty or representation as to validity; scope; enforceability; inventorship; authorship; title; or absence of infringement of third party patents, copyrights, trademarks, or other third party rights. As examples: (1) In such a case it shall be an author's sole responsibility to obtain any necessary copyright clearances from third parties; and (2) In such a case it shall be an inventor's sole responsibility to obtain any necessary patent licenses from third parties. Furthermore, authors and inventors in such cases are cautioned that the waiver or assignment of such intellectual property rights by LSU does not include the right to use any LSU Mark.
- g. Except as otherwise expressly provided herein, any substantial deviation from the general policy requirements set forth in this Section 7-5 must be approved by the President, upon a written recommendation from the Chancellor or equivalent which documents that the deviation is in the best interests of LSU and is adequate to protect LSU's interests.

## **Section 7-6. Uniform Process for Managing Technology Transfer at LSU**

Except as otherwise provided in the Bylaws, and notwithstanding any other provisions of these Regulations, all purchases, sales, transfers, assignments, or licenses (collectively, "Commercialization") of LSU Intellectual Property made by any campus or institution of the LSU System shall be conducted in accordance with the following uniform process.

### **a. Presidential Approval of License Agreements**

License agreements shall require approval and execution by the President, which authority may be further delegated at the discretion of the President, pursuant to Article VII, Section 8.B.2 of the Bylaws, as is deemed to be in the best interests of LSU.

**b. Standard Forms, Reporting, and Procedures**

- (1) Standard templates for the commercialization of LSU Intellectual Property have been developed and may continue to be developed and refined through use. Each campus or institution shall use these templates in all transactions related to the commercialization of LSU Intellectual Property and shall justify deviations from the template as necessary.
- (2) Actions related to the Commercialization of LSU Intellectual Property shall be reported to the President and the Board, in a format, on a timeframe, and with information prescribed by the President after consultation with the Board. Such reporting requirements may be fulfilled by any such entity as is designated to manage that activity.
- (3) All license agreements submitted by a campus for approval and execution by the President or his designee shall be accompanied by a certification from appropriate campus officials and a checklist which provides:
  - (i) a description of any potential conflicts of interest and a certification that all applicable disclosure forms required by any LSU policy have been executed, or a certification that no such potential conflicts are known to exist; and
  - (ii) a description of the due diligence performed to evaluate the commercial potential of the LSU Intellectual Property which is the subject of the proposed agreement; and
  - (iii) a description of the due diligence activities performed to evaluate the proposed licensee; and
  - (iv) a description of any significant deviations from the standard template agreements and justification for such changes.

**Section 7-7. LSU Works, LSU Software, LSU Databases, LSU Digital Media, and Course Materials.**

The various provisions of Sections 7-3 through 7-6 shall apply to LSU Works, LSU Software, LSU Databases, and LSU Digital Media. In addition, the provisions of this Section 7-7 shall also apply to LSU Works, LSU Software, LSU Databases, and LSU Digital Media, but not to other forms of LSU Intellectual Property. This Section 7-7 shall also apply to Course Materials.

- a. Notwithstanding the provisions of Section 7-3(a) above, LSU releases to the respective author(s) all of LSU's interest in any copyright to a book, article, lecture, thesis, dissertation, other literary work, work of art, Course Material, or musical composition that would otherwise be an LSU Work; except that LSU's interest shall not be so released: (i) if LSU publishes the work itself; **or** (ii) if LSU publishes or produces a derivative work based on that work, where the derivative work is an audio, video, or digital production or broadcast, including by way of example video recordings of lectures, other recordings of lectures, distance learning activities, or other course-related activities; **or** (iii) if LSU is required to deliver the work to a third party under a research contract or other contract between LSU and the third party. This release of certain rights to the author(s) does not apply to LSU Software or to LSU Databases. LSU reserves a nonexclusive, paid-up, royalty-free right to distribute copies of Course Materials, theses and dissertations, both internally and to third parties, whether by electronic means, microfilm, or otherwise.

The release of rights to Course Materials only applies to the extent that an author or co-author himself or herself uses those materials in the *bona fide* teaching or instruction of a regularly scheduled course for credit at LSU, and does not extend to rights that are derived from a co-author who is not involved in the teaching or instruction of a regularly scheduled course for credit at LSU. The release of rights to Course Materials may include copyrights in items that would otherwise constitute LSU Works, LSU Software, or LSU Digital Media; such a release does not, however, include rights in any patent, patent application, LSU Database, LSU Mark, or LSU Invention.

- b.** Prior to submitting any LSU Digital Media to an entity outside LSU, the author(s) shall first submit a disclosure of the LSU Digital Media to an office or committee on the author(s)' campus to be appointed by the Chancellor or equivalent or the Chancellor's designee. The disclosure shall include a detailed description of the proposed LSU Digital Media, a copy of the LSU Digital Media, or both, and shall also include a statement specifying what resources (Personnel, funds, equipment) were used to prepare the LSU Digital Media. The office or committee designated by the Chancellor or equivalent shall then determine, on a case-by-case basis, whether the LSU Digital Media shall be treated as an LSU Work or as LSU Software for purposes of these *Bylaws*, including whether or not an express, written release of copyright to the author(s) is appropriate by analogy to Section 7-7(a). In deciding this question, the office or committee shall consider such factors as whether the LSU Digital Media more closely resembles an electronic version of a traditional printed book, versus a work substantially enhanced with multimedia; the extent to which University resources and Personnel were used; the extent to which the resources and Personnel of an outside party such as a publisher were used; and any other factors that the committee or office considers relevant in reaching an equitable decision.
- c.** If LSU publishes an LSU Work or LSU Database itself, or if LSU directly provides others access to an LSU Work or LSU Database in exchange for consideration received directly by LSU, and if LSU therefore has no agreement with a third party concerning royalties attributable to the LSU Work or LSU Database, then twelve-and-one-half percent (12.5%) of the net sales attributable to the LSU Work or LSU Database shall be treated as Distributable Royalties for all purposes. For example, the respective author or authors (as a group) shall be entitled to receive a total of  $40\% \times 12.5\% = 5.0\%$  (five percent) of such net sales as the authors' portion of Distributable Royalties.
- d.** If an LSU Work, LSU Database, LSU Digital Media, or Course Material is used by the University as part of course instruction, including without limitation Course Materials posted on the Internet and Course Materials used in distance learning, then the author(s) of the LSU Work, LSU Database, LSU Digital Media, or Course Material shall not be entitled to receive any portion of any tuition, fees, or other amounts received by LSU on account of that course, regardless of whether an author is substantively involved in the teaching of that course. LSU shall be free to use the LSU Work, LSU Database, LSU Digital Media, or Course Material as part of the course instruction in LSU's discretion. By contrast, if LSU should receive any royalties on account of an LSU Work, LSU Database, or LSU Digital Media -- for example, royalties for videotapes, audiotapes, or digital media licensed to a third party for distribution independently of the LSU course -- then those royalties will be treated as Distributable Royalties for purposes of Section 7-4 above.

#### **Section 7-8. Confidential Materials.**

LSU System and LSU Campus officials are authorized to protect the confidentiality of materials that are exempt from the Louisiana Public Records Law, pursuant to La. R.S. 44:4(16) or otherwise, to the full extent permitted by law. The President, the Chancellor or equivalent, the technology transfer officer for each campus, and any other individual designated by the President or by the Chancellor or equivalent, may certify in writing that particular materials that have been requested under the Public Records Law are subject to a particular statutory exemption under the Public Records Law.

**Section 7-9. Miscellaneous.**

- a. Nothing herein shall be construed to alter, amend, or in any way affect either PM-11 or PM-67, or the policies and procedures set forth therein, which are required by La. R.S. 42:1123(9) and (10).
- b. In the event of any conflict between the provisions of this Section 7 and any other provisions of the *Regulations* of the Board of Supervisors or any Permanent Memorandum, the provisions of this Section 7 shall control.
- c. Nothing herein creates any rights, procedural or substantive, in any third parties.