

Joint Intellectual Property Policy at McMaster, HHS, SJHH

Summary: The Joint Intellectual Property Policy is a *flexible policy* which allows either the University or the faculty creator (at their request) to take ownership of and the lead in commercializing technologies created at McMaster University, Hamilton Health Sciences or St. Joseph's Healthcare Hamilton.

1. Background

- a. *Participating Institutions.* McMaster's Joint Intellectual Property Policy applies to all intellectual property ("IP") created by faculty creators at McMaster University, Hamilton Health Sciences (HHS), and St. Joseph's Healthcare Hamilton (SJHH)
- b. *Scope.* The policy pertains to all inventions created as a result of carrying out research at the University, with the following notable exceptions:
 - Traditional academic and teaching materials (e.g. course/lecture materials and notes, text books, book chapters, journal articles and publications, drawings, etc.),
 - IP developed by students during their coursework and not related to any research funding received by the University from external sources, or
 - IP created through private research that did not use university or hospital resources

2. Decision to Commercialize

- a. *Faculty Control.* The decision to engage in commercialization of IP is entirely within the discretion of the faculty creator(s). A student or staff member may take the lead in commercialization with the endorsement of his or her faculty supervisor.
- b. *Disclosure.* Where the faculty creator(s) of IP intend to commercialize or for IP created under a research contract with a 3rd party, a disclosure of the applicable IP must be submitted to the McMaster Industry Liaison Office (MILO).

3. IP Ownership

Depending on the situation, the following IP ownership scenarios are possible:

- a. *University-Owned.* McMaster will take full ownership of the IP, take the lead in commercialization, and revenue between the university and inventors will be shared as per section 5.a. below.
- b. *Researcher-Owned.* At the request of the faculty creator(s), the IP may be assigned to the inventors, who will take the lead in commercialization, and revenue between the university and inventors will be shared as per section 5.b below.
- c. *Industry Funded Research.* Terms of the agreement from industry-sponsored research contract shall govern IP ownership and rights of the results, which can range from being: IP owned by the industry partner, or IP is owned by the University with an option to a license. MILO will work with the faculty member to ensure the appropriate IP terms are negotiated prior to initiation of the research collaboration with the industry partner. If owned or licensed by the industry partner, then the industry partner will take the lead in commercialization, and revenues received by McMaster in consideration of any such license shall be shared as per section 5.a below.

This interpretation document of the Joint IP Policy was created by MILO (June 29, 2015)

4. Commercialization Process

- a. *University-Owned Commercialization.* MILO will evaluate the commercial potential for IP that is disclosed and present such assessment to the faculty creators. The evaluation will include information regarding the potential commercial utility and IP assessment and a decision will be made on how to proceed with commercializing the technology. Where the University leads commercialization, MILO will manage and take the lead in marketing the IP, negotiating and managing licensing agreements, and assist in securing additional funding to help further develop the invention.
- b. *Faculty- Owned Commercialization.* Where the faculty creator would like to own and take the lead in commercializing the IP, the faculty creators may request an assignment of the IP from the University and proceed with commercialization. MILO will help facilitate these commercialization efforts when requested, subject to availability of resources.
- c. *Industry-Owned Commercialization.* Where the terms of the research contract grant the industry partner ownership or exclusive rights to the IP, MILO will ensure that the research contract agreement (where possible) shall enable the faculty member to retain the right to continue to carry out research in that area. In addition, MILO will seek to identify and facilitate new opportunities for additional research collaborations between the industry partner and the faculty member.

5. Sharing of Revenues/Equity between Inventors and Institutions

- a. *University Owned IP.* All revenues generated from the commercialization of IP by the University are shared 50-50 between the Institutions and faculty/staff/student creators.
- b. *Faculty Owned IP.* Where the IP is assigned to the faculty creators, the Institutions typically receive 25% of the revenues received by the faculty creators, as consideration of the funding and resources provided by the Institutions to support the development of the IP. As such, this percent share of revenue is negotiable, based on the level of institutional resources used in the development and commercialization of the IP.
- c. *Spin-off Company Creation.* In cases where an inventor wishes to start a company based on the IP, the University will typically exclusively license the IP to the McMaster spin-off. The Institutions' percent share in equity in the company is negotiated on a case by case basis, taking into consideration the value of the IP and contributions from the Institutions (if any) towards the creation and development of the start-up company.

6. Distribution of Revenues among the Institutions (McMaster, HHS, SJHH)

- a. Where inventors include faculty, staff, or students from HHS, SJHH, and McMaster, the Institutions' portion shall be distributed as: 25% to HHS, 25% to SJHH, 50% to McMaster
- b. Where inventors include faculty, staff, or students from McMaster and only one of HHS or SJHH, the Institutions portion shall be distributed as: 50% to HHS or SJHH (as applicable) and 50% to McMaster
- c. Where inventors include faculty, staff, or students from McMaster only and no SJHH or HHS facilities are used, the Institutions' portion shall be distributed as: 100% to McMaster