



POLICY ON INVENTIONS AND SOFTWARE

History:

Approved:

Senate
Board of Governors

April 20, 2017
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Minute IIB2
Minute 16.1

Full legislative history appears at the end of this document.

SECTION 1. SCOPE

1. Principles and Objectives

This policy sets forth the rules applying to the ownership of, and rights to, intellectual property in the form of Inventions and Software developed by McGill University academic staff, administrative and support staff, students, as well as any other physical person working or doing research at or under the auspices of the University. The rules applicable to the ownership and rights to intellectual property (other than Software) covered by copyright are dealt with in the Policy on Copyright.

The primary functions of the University are education, research, and the creation and dissemination of knowledge. The University affirms the principles of wide freedom of research and of free publication of the information generated. In some cases, obtaining intellectual property and transferring it to the private or public sector offers an optimal means of ensuring that University research positively affects the lives of Canadians and the world. Where this is the case, the University supports and encourages Inventors who so desire to pursue intellectual property protection and to seek appropriate transfer of the underlying knowledge to private firms, philanthropies or civil society.

Intellectual property is the product of a cooperative relationship among academic staff, administrative and support staff, students, and the University, and derives from the creative energies of the individual fostered by the academic community and the environment. This includes facilities, equipment and financial support, in the form of grant funding, provided and administered by the University. The Inventor(s) and the University (and, where applicable, the affiliated institutions) have a shared interest in intellectual property. As hospitals and research institutes affiliated with the University may have contributed to the resources and the environment that led to Inventions or Software, separate agreements between the University and its affiliated institutions will provide for proper recognition of the financial, and other, interests of all parties.

Since the University draws its operating and research funds in large measure from the governments of Quebec and of Canada, the commercial development of its intellectual property must, to the extent possible, result in benefits to Quebec and Canada. Benefits take many forms including building up the research and innovation capacity of Quebec and Canada, offering more training opportunities, contributing to a knowledge infrastructure and responding to social and economic concerns. The University further recognizes that the presence of a vibrant, local, knowledge-based economy is beneficial to its members and seeks to foster its development by

establishing McGill as a hub of knowledge mobilization, technology transfer, and networking between researchers and industry.

The objectives of this policy are:

- to serve the public interest by increasing research capacity, knowledge transfer or by contributing to the development of useful products, services, and processes;
- to ensure the continued vibrancy of the University, its research and its service to the community through the dissemination and use of Inventions; and
- to contribute, to the extent possible, to the socio-economic well-being of Quebec and Canada.

2. Definitions

For the purpose of this policy, the following definitions apply:

- 2.1 “Field of Academic Research” means the particular areas of research in relation to which an Inventor has published works, has received funding, or has made Inventions or developed Software, in the course of his or her academic duties.
- 2.2 “Field of Academic Research and Teaching” means the fields in relation to which an Inventor has been teaching, and the particular areas of research in relation to which he or she has published works, has received funding, or has made Inventions or developed Software or Learnware, in the course of his or her academic duties.
- 2.3 “Equity Holder” means an Inventor who holds more than ten percent (10 %) equity at the creation of the spin-off company based wholly or in part on his or her Invention or Software.
- 2.4 “Guidelines” means the Guidelines on the Application of the Policy on Inventions and Software.
- 2.5 “Invention” means any new and useful art, process, machine, manufacture, design or composition of matter, or any new and useful improvement to any art, process, machine, manufacture, design or composition of matter, which is or may be protected by patent, plant breeder’s right, industrial design, utility model, or other similar intellectual property right.
- 2.6 “Inventor” means any student, employee, or appointee of the University, whether academic or administrative and support staff, or any physical person, such as a visiting professor, working or doing research at or under the auspices of the University, who satisfies the applicable statutory requirements of inventorship. In this policy, the term “Inventor” shall also be used in reference to the creators of Software covered by copyright.
- 2.7 “Lead Inventor” means that member of a group of Inventors designated by the group to act as its contact person with the University.
- 2.8 “Learnware” means Software designed for teaching purposes that provides for interaction with the user, or makes use of a multimedia product, or both. It includes technology-enabled learning products in electronic format.

- 2.9 “Net Income” means all consideration, including, without limiting the generality of the foregoing, royalties, cash, equity, and options, received by the Inventor(s) and the University from the sale, licensing, or other disposition of an Invention or Software, less the costs specifically related to the protection, licensing, distribution, financial charges imposed by the University for fund administration, or other charges related to the commercial development of the Invention or Software.
- 2.10 “Software” means any set of instructions that is expressed, fixed, embodied, or stored in any manner and that can be used directly or indirectly in a device in order to bring about a specific result.
- 2.11 “Student Academic Inventions or Software” means any Invention or Software that is created, conceived, developed, or first reduced to practice in the course of, or as part of, a student’s coursework or extracurricular activity, unless such coursework or activity: (a) is a graduate student’s thesis work; (b) involves activities for which the student is paid by the University; (c) involves research or coursework that is the subject of an agreement with a third party; (d) was created, conceived, developed or first reduced to practice with the creative input or invention contribution of a non-student Inventor; or (e) makes substantial use of University facilities.

3. Application of the Policy

- 3.1 This policy is binding on all students and employees of the University and all physical persons working or doing research at or under the auspices of the University. This policy also applies to academic staff and administrative and support staff on sabbatical leave or leave of absence unless the host institution or company has rules which preclude the application of this policy and, in the case of a company, the University agrees in writing to other arrangements.
- 3.2 The policy shall apply to any and all Inventions and Software disclosed after the date fixed for implementation of the policy.
- 3.3 This policy does not apply to Student Academic Inventions or Software. Student Academic Inventions or Software shall remain with its creators and ownership shall be determined in accordance with applicable law and shall not be impacted by this policy.

4. Guidelines on Application of the Policy on Inventions and Software

- 4.1 This policy shall be supplemented by the Guidelines. The Guidelines shall be used for the purpose of clarifying this policy and setting evolving processes and practices implemented in support of this policy. The Guidelines may be modified from time to time by the Vice-Principal (Research and Innovation) after appropriate consultation with the Senior Administration, Deans, the Technology Transfer Office, and members of the University community and affiliated institutions having experience and expertise in matters of Inventions and Software and commercial development of such.

4.2 Except as provided in the Guidelines or agreed to between the Inventor(s) and the University, Inventions and Software are commercialized under the guidance and responsibility of the University.

5. Ownership

5.1 *Ownership of Rights to Inventions:* Subject to section 5.3, the Inventor(s), on the one hand and the University, on the other hand, will each hold an equal interest in the intellectual property underlying Inventions created by the Inventor(s):

- a) with University assistance; or
- b) with the substantial use of University equipment, facilities, or resources; or
- c) in the course of academic duties or work in the course of study, research, or teaching.

5.2 *Ownership of Rights to Software:* Subject to section 5.4, the Inventor(s), on the one hand, and the University, on the other hand, will each hold an equal interest in the intellectual property underlying Software created by the Inventor(s):

- a) with University assistance; or
- b) with the substantial use of University equipment, facilities, or resources; or
- c) in the course of academic duties or work in the course of study, research, or teaching; and, in the case of Learnware, in the fields in which the Inventor has been teaching and doing research.

5.3 *Specific Exceptions Applicable to Inventions:* Notwithstanding section 5.1, the following categories of Inventions are not jointly owned by the University and the Inventor(s), and may be owned by the Inventor(s), the University, a third party, or jointly by two or more parties, as the case may be:

- a) where developed in the course of research sponsored by a third party pursuant to a written agreement with the University, wherein ownership rights are determined by specific terms of the agreement. Unless the terms of the agreement give ownership of the Invention to the third party, such Invention is owned by the University until all rights, such as a license or an option, granted to the third party under the agreement have become extinguished, at which point the Invention becomes jointly owned by the University and the Inventor(s);
- b) where developed in the course of a consulting agreement between the Inventor(s) and a third party, made in accordance with University policies and procedures. The ownership rights are then determined by the specific terms of the agreement;
- c) where made by an Inventor in a domain outside his or her Field of Academic Research, and where there has not been substantial use of University facilities, equipment or resources. The rights are then owned by the Inventor;
- d) where made by an Inventor who is a member of the administrative and support staff of the University, as a result of activities not covered by his or her contract of employment, and where there has not been substantial use of University facilities, equipment or resources. The rights are then owned by the Inventor;
- e) where the University assigned its rights to the Inventor(s) in accordance with section 4.3 of the Guidelines. The rights are then owned by the Inventor(s);
- f) where the Inventor(s) assigned their rights to the University in accordance with section 6.4 of this policy. The rights are then owned by the University;

- g) where the Invention is the product of work covered by a collective agreement. The ownership rights are then determined by the specific terms of the collective agreement; and
- h) where the Invention is the product of work covered by an agreement with the University. The ownership rights are then determined by the specific terms of the agreement.

5.4 *Specific Exceptions Applicable to Software:* Notwithstanding section 5.2, the following categories of Software are not jointly owned by the University and the Inventor(s), and may be owned by the Inventor(s), the University, a third party, or jointly by two or more parties, as the case may be:

- a) where developed in the course of research sponsored by a third party pursuant to a written agreement with the University, wherein ownership rights are determined by specific terms of the agreement. Unless the terms of the agreement give ownership of the Software to the third party, such Software is owned by the University until all rights, such as a license or an option, granted to the third party under the agreement have become extinguished, at which point the Software becomes jointly owned by the University and the Inventor(s);
- b) where developed in the course of a consulting agreement between the Inventor(s) and a third party, made in accordance with University policies and procedures. The ownership rights are then determined by the specific terms of the agreement;
- c) where limited to the electronic form of a work, or where it is ancillary to a work. The rights are then owned by the Inventor(s);
- d) works of art, including works of art expressed in multimedia format. The rights are then owned by the Inventor(s);
- e) in the case of Software which does not constitute Learnware, where developed by an Inventor in a domain outside his or her Field of Academic Research, and where there has not been substantial use of University facilities, equipment or resources. The rights are then owned by the Inventor;
- f) where constituting Learnware developed by an Inventor in a domain outside his or her Field of Academic Research and Teaching, and where there has not been substantial use of University facilities, equipment or resources. The rights are then owned by the Inventor;
- g) where developed by an Inventor who is a member of administrative and support staff of the University, as a result of activities not covered by his or her contract of employment, and where there has not been substantial use made of University facilities, equipment or resources. The rights are then owned by the Inventor;
- h) where the University has assigned its rights to the Inventor(s) in accordance with section 4.3 of the Guidelines. The rights are then owned by the Inventor(s);
- i) where the Inventor(s) assigned their rights to the University in accordance with section 6.4 of this policy. The rights are then owned by the University;
- j) where constituting Learnware developed as part of a web-based course specifically funded by the University, the rights are then owned or apportioned in accordance with a written agreement between the University and the Inventor(s);
- k) where the Software is the product of work covered by a collective agreement. The ownership rights are then determined by the specific terms of the collective agreement; and

- l) where the Invention is the product of work covered by an agreement with the University. The ownership rights are then determined by the specific terms of the agreement.

6. Commercialization

- 6.1 *Disclosure:* Inventor(s) are required to disclose to the Technology Transfer Office those Inventions and Software described in sections 5.1, 5.2, 5.3a), and 5.4a) that they wish to develop for commercial purposes. This disclosure is to be made to the Technology Transfer Office, acting as the delegate of the Vice-Principal (Research and Innovation), through a Report of Invention ("ROI"). The Inventor(s) may indicate in the ROI if they want to pursue commercialization of the Invention or Software independently of the University. The Inventor(s) shall set out, in the ROI, reasons for believing that seeking intellectual property protection over the Invention or Software will best serve the University, the communities it serves and Quebec and Canada generally.
- 6.2 *Decision of Inventors:* Inventor(s) are not obliged to seek commercial development of their work, and the University will respect the decision of the Inventor(s) not to commercialize their Invention or Software.
- 6.3 *Commercialization by Inventors:* In the event that all of the Inventor(s) agree to pursue commercialization of the Invention or Software independently of the University, the following shall apply:
 - a) *Assignment:* All rights to the Invention or Software shall be assigned by the University to the Inventor(s) in order for the Inventor(s) to be able to proceed with commercialization.
 - b) *Sharing of Net Income:* The University shall retain the right to receive its share of the Net Income received from the commercialization of the Invention or Software by the Inventors, as is further set out in the Guidelines.
 - c) *Negotiation of Transaction:* The Inventor(s) shall be responsible for commercializing the Invention or Software and shall have full authority to negotiate the terms of any and all agreements with third parties. The Inventor(s) shall assume all risks and costs associated with entering into such agreements. The Inventor(s) shall keep the University informed on a regular basis of their efforts to commercialize the Invention or Software and of any agreements that may have been entered into in connection therewith, including providing the University with an annual report of their activities.
 - d) *Protection of Intellectual Property:* The Inventor(s) shall be responsible for securing and financing any intellectual property protection as appropriate. Except as otherwise provided in this policy or the Guidelines, the costs incurred in the protection of intellectual property shall be assumed wholly by the Inventor(s).
 - e) *Documentation:* The University shall execute any document reasonably required for the purpose of protecting the Invention or Software and furthering its commercial development.
- 6.4 *Commercialization by University:* In the event that, after reviewing the ROI, the Inventors have not declared in the ROI that they want to pursue commercialization of the Invention or

Software independently of the University and the University decides to commercialize the Invention or Software, the following shall apply:

- a) *Assignment*: All rights to the Invention or Software shall be assigned by the Inventor(s) to the University in order for the University to be able to proceed with commercialization.
- b) *Sharing of Net Income*: The Inventor(s) shall retain the right to receive their share of the Net Income received by the University from the commercialization of the Invention or Software as is further set out in the Guidelines.
- c) *Negotiation of Transaction*: Inventor(s) shall be involved in the commercialization process by providing their input and agreement on the development plan of the Invention or Software as is further set out in sections 3.5 and 3.6 of the Guidelines. Notwithstanding the foregoing, the Technology Transfer Office shall be responsible for commercializing the Invention or Software, and shall have full authority to negotiate the terms of any and all agreements relating to such commercialization. The University shall assume all risks associated with entering into such agreements.
- d) *Protection of Intellectual Property*: The University may seek patent protection or copyright registration of the intellectual property underlying the Invention or Software as appropriate. It does not seek protection for Inventions or Software that, in its judgment, do not have significant potential or will not benefit from such protection. The University will cease to pursue protection of intellectual property where successful application of the technology seems unlikely. Except as otherwise provided in this policy or the Guidelines, the cost incurred in the protection of intellectual property is borne by the University.
- e) *Documentation*: The Inventor(s) shall execute any document reasonably required for the purpose of protecting the Invention or Software and furthering its commercial development.

6.5 *Divergent Opinions on Use of Invention or Software*: In cases where the University and the Inventor(s) have divergent ethical concerns in relation to the use of the Invention or Software by third parties, the matter will be resolved in accordance with section 8 of this policy.

7. Sharing of Net Income

7.1 *Sharing of Income*: Net Income derived from the commercialization of Inventions or Software shall be shared between the Inventor(s) and the University in accordance with this policy and the Guidelines.

7.2 *Multiple Inventors*: In cases where there is more than one Inventor, the proportion of the Inventors' share of Net Income to be received by each Inventor, and any University contributors should the Inventors so decide, shall be set out in the ROI. The ROI shall be signed by all Inventors and any University contributors receiving a portion of the Inventors' Net Income. The Lead Inventor is responsible for the identification of all Inventors and University contributors, including students.

7.3 *Equity Holders*: An Inventor involved in the founding of a spin-off company may receive equity (shares or options) over and above his or her share of Net Income as an Inventor under this policy. In such cases and where the University is commercializing the Invention

or Software, the Equity Holder may be required by the University to waive, in favour of the University, their rights to their share of the Net Income and the portion of the Net Income which would otherwise have been allocated to the Equity Holder, as an Inventor, would be split *pro rata* between the University and the other Inventor(s).

- 7.4 *Sharing with Other Academic Institutions:* Where an Invention or Software is developed jointly by an Inventor working at the University and a member of another academic institution working at the other institution, rights to such Invention or Software and Net Income shall be shared between the University and the other academic institution, taking into account the policies of both institutions. The sharing of Net Income will normally take into account the relative contributions of the individuals and their institutions. If the other academic institution is a University-affiliated institution, the sharing of ownership and Net Income shall be governed by agreements in place between the University and its affiliated institutions regarding the management of intellectual property.

8. Dispute Resolution

Parties to any dispute arising out of the application of this policy are encouraged first to attempt to try to resolve the matter informally with the assistance of the Technology Transfer Office. If no such resolution is reached, the matter may be referred to the Vice-Principal (Research and Innovation). The Vice-Principal shall only hear disputes that have been brought within one (1) year of the complainant having had knowledge of the matter underlying the dispute. All material relevant to the dispute shall be provided to the Vice-Principal by all parties to the dispute, within fifteen (15) working days of the day on which the matter is referred to him or her. The Vice-Principal shall invite comments by interested parties and shall be free to consult with experts, if required. All information provided to experts by the Vice-Principal shall be treated as confidential by such experts. The Vice-Principal shall share the opinion of the experts with all interested parties and shall invite them to comment within a fixed delay. The Vice-Principal shall promptly advise the parties in writing of his or her decision in the matter. Any decision by the Vice-Principal under this section 8 shall be final.

9. Enforcement

The University and Inventor(s) shall, within a reasonable timeframe, execute all documents, forms, and agreements reasonably required to give full effect to this policy.

10. Review

- 10.1 After a further three (3) years of its operation, and if Senate so determines, this policy shall be reviewed by a working group comprised of the Office of the Vice-Principal (Research and Innovation) as chair, the Office of the Provost, and one representative each of MCGSS, MAUT, SSMU, PGSS, MACES, MCSS, AMURE, MUNACA, and MUNASA. The working group may make recommendations for modification of this policy.
- 10.2 There shall be an annual meeting convened by the Office of the Vice-Principal (Research and Innovation), or delegate of the working group identified in 10.1, to review the operation of this policy. The focus of such a meeting will be on enhancing the University's efforts to

meet the principles and objectives articulated in section 1 while staying current to new developments and technologies that could impact the policy.

Policy on Inventions and Software

History:

Approved:

Senate	April 20, 2017	Minute IIB2
Board of Governors	May 27, 2017	Minute 16.1

(The current "Policy on Inventions and Software" and Policy on Copyright replaced the Policy on Intellectual Property).

Policy on Intellectual Property

History:

Approved:

Senate	April 18, 2001	Minute 11
Board of Governors	May 30, 2001	Minute 11

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Executive Committee	June 26, 2001	Minute 8
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