



UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES  
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Office of the President  
PPM-012-2011 (OGC)

**SUBJECT: Technology Transfer Income**

OCT 20 2011

**References:** *See Enclosure 1.*

**Purpose:** This President's Policy Memorandum (PPM) provides guidance on technology transfer income received by or on behalf of the Uniformed Services University of the Health Science (USU) and establishes a Technology Transfer Income Oversight Committee (Technology Transfer IOC) in order to ensure appropriate oversight over USU technology transfer income, consistent with applicable guidelines and the best interests of USU.

**Applicability:** This PPM is applicable to technology transfer income received directly by USU or received on behalf of USU and/or USU Departments by the Henry M. Jackson Foundation for the Advancement of Military Medicine (HMJF) or other nonprofit entities involved in cooperative medical research enterprises with the USU.

**Definitions:** *See Enclosure 2.*

**Policy:** It is USU policy, subject to the fiscal constraints noted in *Enclosure 3*, that:

1. Inventors' shares of technology transfer income (by law, the first \$2,000 times the number of inventors plus equal shares of 20% of the remaining balance - not to exceed \$150K per year per inventor) shall be allocated from the gross amount of royalties or other payments received by USU and/or HJF. Inventors who are otherwise due shares but whose whereabouts are unknown one year following the date USU receives payment shall, after a certified notice letter sent to their last known address is returned, not be entitled to inventor(s) shares. Their shares and the shares of inventors who decline to accept their shares shall be added to the amount available for distribution in accordance with the following paragraphs.

2. After allocation of inventors' shares, remaining technology transfer income shall be expended or obligated for one or more of the following purposes:

- (a) Payment of expenses incidental to the administration and licensing of USU inventions and other intellectual property.
- (b) USU activities that increase licensing potential for Department of Defense (DoD) technology.
- (c) Scientific research (subject to review and approval by the Office of Research Administration) consistent with USU's mission and objectives.

- (d) Reward of scientific and technical contributions by USU employees.
- (e) Promotion of scientific exchange with other DoD activities.
- (f) Education and training of USUHS employees.

3. Subject to the purpose requirements in the preceding paragraph, USU technology transfer income shall ordinarily be allocated as follows:

- (a) 50% to the inventor(s)' laboratory(s).
- (b) 20% to the inventor(s)' department(s).
- (c) 10% for technology transfer support services.
- (d) 20% for innovative research and technology incubation.

Note: These allocations are subject to adjustment by the Technology Transfer IOC, based on present and projected needs in the above areas and overall USU needs.

4. Technology Transfer income initially received by USU shall be deposited into technology transfer (T2) cost center established by the Director, Financial and Manpower Management, and corresponding to the FY in which the income is received. Individual laboratory and department or institute T2 cost centers will be established as necessary.

5. The Technology Transfer IOC shall consist of the:

- (a) Senior Vice President.
- (b) Vice President for Finance and Administration.
- (c) Vice President for Research.
- (d) Dean, School of Medicine (SOM).
- (e) Dean, Graduate School of Nursing (GSN).
- (f) Executive Dean, Postgraduate Dental College.
- (g) Director, Armed Forces Radiobiology Research Institute (AFRRI)
- (h) General Counsel (non-voting).

Note: Individual members may designate alternate members (e.g., the Dean, SOM, may designate a SOM faculty member as alternate member.) The USU President will designate one of the members as chair.

**Responsibilities.**

1. The Technology Transfer IOC shall establish priorities for use of technology transfer income, consistent with business plans and actual availability of funds; make recommendations for allocation and reallocation of technology transfer income; and monitor use of obligated income.

2. The AVP, Accreditation and Organizational Assessment, shall include oversight of technology transfer income and technology interest accounts, including research and education endowment accounts maintained by HJF as a special item of interest in preparation of the annual USU Statement of Assurance.

3. The General Counsel shall:

- (a) Monitor compliance with all references and fiscal constraints. (*See Enclosure 3.*)
- (b) Ensure that periodic reports and other information required by the Technology Transfer IOC and USU are forthcoming.
- (c) In coordination with the Vice President for Research and Vice President for Finance and Administration, develop an annual Technology Transfer Business Plan (required by DoD Instruction 5535.8, paragraph 6.3 (Reference a)).
- (d) Review Technology Transfer IOC recommendations prior to submission to the President, USU, and provide guidance to department Chairs, principal investigators, etc., as necessary.

**Procedures.** *See Enclosure 4.*

**Effective Date:** This PPM is effective immediately.



Charles L. Rice, M.D.  
President

Enclosures:

- 1. References
- 2. Definitions
- 3. Fiscal Constraints
- 4. Procedures

**REFERENCES**

1. DoD Instruction 5535.8, "DoD Technology Transfer (T2) Program," dated May 14, 1999.
2. DoD Directive 5535.3, "Department of Defense Technology Transfer (T2) Program," dated May 21, 1999.
3. USU/ HJF "Subagreement on Technology and Patents," dated June 15, 1994.
4. "Operating Agreement between the Henry M. Jackson Foundation for the Advancement of Military Medicine and the Uniformed Services University of the Health Sciences," dated August 29, 1991.
5. "Standard Operating Procedures for the Joint USU-Foundation Technology Transfer Program," dated February 24, 2006.

## DEFINITIONS

- 1. Technology Transfer Income.** All income, including royalties and other payments, generated through the efforts of the USU as a DoD laboratory to transfer technology (patents, scientific know-how, other intellectual property, expertise etc.) developed by USU inventors acting independently or in collaboration with other DoD/federal/state/private laboratories to the commercial sector through licensing, contract or any other mechanism.
- 2. Technology Transfer Business Plan.** Plan addressing technology transfer program responsibilities for the current year, to include a review of past technology transfer activities, identification of activities for the year ahead, and a description of efforts to make improvements in the technology transfer program. Required by DoD Directive 5535.3, paragraphs 5.2.1 through 5.2.14.

**FISCAL CONSTRAINTS**

1. The federal statute and DoD Instruction that authorize USU to have a technology transfer program and engage in income generating technology transfer activities require that all technology transfer income must either be used or obligated during the fiscal year in which it is received or the two (2) succeeding fiscal years – or be paid into the Treasury of the United States.
2. Allocation of technology transfer income to a Department cost center or special project fund is not an obligation of funds. Accordingly, reallocation of technology transfer income may be necessary to ensure every opportunity for its use or obligation for permissible purpose(s) before the end of the time available for use.
3. Allocation of technology transfer income to a properly established USU-controlled research and education endowment account (for permissible uses) is an obligation of funds.

**PROCEDURES**

1. Meetings: The Technology Transfer IOC shall meet at least once each year and more often if necessary.
2. Interim Decision-Making: Routine recommendations for allocation of technology transfer income may be circulated for review and concurrence (or non-concurrence with comment) without requirement for a formal meeting.
3. Minutes of the Technology Transfer IOC shall be distributed to all its members, all chairs of Departments and Directors of Interdisciplinary Programs, the President of the Faculty Senate, and the President, USU.



## UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

### SUBJECT: Technology Transfer Activities – Invention Disclosures and Patent Consideration – and Related Intellectual Property

#### Instruction 5537

(VEA)

#### ABSTRACT

NOV 17 2013

This Instruction establishes policies, responsibilities, and procedures to be followed for technology transfer activities and the submission of invention disclosures for patent consideration at the Uniformed Services University of the Health Sciences (USUHS). Technology transfer activities are integral to educational activities and scientific research at USUHS, which is both a federal laboratory and public university. It is incumbent on USUHS, in this regard, to ensure that all ideas and discoveries generated by USUHS faculty members, researchers, and students are properly disclosed and utilized for the greatest possible public benefit. This includes protecting USUHS patent rights and related intellectual property and full compliance with U.S. and DoD patent, technology transfer, and related intellectual property requirements.

**A. Reissuance and Purpose.** This Instruction reissues USUHS Instruction 5537a and prescribes the procedures for submitting invention disclosures at USUHS and follow-on technology review, preparation of patent applications, and appropriate management of related intellectual property.

**B. References.** See Enclosure 1.

**C. Applicability.**

1. This Instruction is applicable to all inventions and related intellectual property conceived and/or generated:

a. At USUHS by USUHS employees and non-employees who utilize information,

equipment and/or funding made available to them by USUHS (regardless of source of funding).

b. By USUHS employees on activities or studies conducted by the Henry M. Jackson Foundation for the Advancement of Military Medicine (HJF) at USUHS or on behalf of USUHS.

c. At sites other than USUHS on activities or studies:

(1) Funded through or by USUHS.  
(2) Conducted by USUHS faculty members, staff, or students who are acting in connection with their responsibilities or relationship to USUHS.

(3) Involved with the records or other materials of USUHS.

2. This Instruction is primarily concerned with inventions in USUHS laboratories leading to patents and commercialization (technology transfer). Reference (f) provides additional guidance on technology transfer; on the respective rights of USUHS and USUHS faculty members, researchers, and students; and on related areas of intellectual property (e.g., copyrights and trademarks).

**D. Definitions.** See Enclosure 2.

**E. Policy.**

1. All USUHS faculty members, researchers, and students who make inventions and discoveries during the performance of their official duties are required to (a) submit invention disclosures for patent consideration and (b) complete assignment of rights to the government unless it is determined that the government is not entitled to rights under criteria included in 37 CFR, Section 501.8. Non-government faculty members, researchers, and students are required to complete assignments of rights in accordance with individual agreements. (See Enclosures 4 and 5.)

2. USUHS will arrange for collaborative services to secure patent protection on inventions directly related to the USUHS mission. This includes taking the necessary steps to file or have filed patent applications that are the most useful, or are likely to be most useful, in carrying through its teaching and research mission. If a decision is made not to exercise the option of obtaining patent protection on particular inventions, or to transfer them to an interested federal agency, USUHS may authorize individual inventors to pursue patent protection at their own expense.

3. To make the best possible use of scientific and technical capabilities to enhance its effectiveness, USUHS has formed a collaborative alliance with HJF, a non-federal intermediary to provide additional support for its technology transfer programs. This is consistent with DoD Instruction 5535.8, references (e), (h), and (i).

**F. Responsibilities.**

1. Individual Inventors. Inventors who are USUHS employees, federal employees at USUHS, or HJF employees at USUHS shall file Invention Disclosures with the JOTT for evaluation and recommended action.

2. Department Chairs, Institute Directors, and Principal Investigators. Department Chairs, Institute Directors, and Principal Investigators will ensure that (a) non-government USUHS faculty members, researchers, and students complete agreements acknowledging that inventions made during the course of research supported by USUHS belong to the United States (Enclosures 4 and 5), (b) all USUHS faculty members, researchers, and students promptly submit invention disclosures through the Joint (USUHS and HJF) Office of Technology Transfer (JOTT) to the Joint Patent and Technology Review Group (JPTRG) for appropriate review and patent consideration, and (c) faculty members, researchers, students, and support staff who make successful contributions to technology transfer receive appropriate recognition.

3. JOTT/JPTRG. JOTT/JPTRG will (a) provide education and training on technology transfer policies and procedures to faculty members, researchers and students, (b) promptly process and evaluate invention disclosures, and (c) coordinate patent protection and commercialization of USUHS inventions.

4. VPR, VPC, and OGC. The Vice President for Research (VPR), Vice President for Finance and Administration (VPF), and General Counsel (OGC) will:

(a) Ensure appropriate oversight for technology transfer.

(b) Advise the President, USUHS, on appropriate allocation of technology transfer income, with priority to supporting laboratories generating income and to emerging technologies.

**G. Procedures.**

1. JOTT personnel will meet with USUHS inventors and potential inventors and educate them on the proper procedures for filing Invention Disclosures.

2. The JOTT shall provide the JPTRG with:

(a) The inventor's completed Invention Disclosure form.

(b) Relevant excerpts from any applicable agreements (grants, cooperative agreements, etc.) and proposals under which the invention arose or will be further developed.

(c) Other data, if any, provided to the JOTT by the inventor.

(d) Proposed or past publications, if any, by the inventor, relevant to the invention.

(e) Any preliminary report on patent ability and commercial potential.

3. The JPTRG will evaluate the invention and make a recommendation to the HJF.

4. HJF may elect to file a patent application or return the invention to USUHS. If the invention is returned to USUHS, USUHS will process the invention (i.e. file a patent application, transfer custody of the invention to another government agency, or release the invention to the inventor(s)). A final decision will be made by the President, USUHS.

5. The JOTT will follow up to ensure that:

(a) The invention is marketed and made available for licensing by the public.

(b) The filed patent applications are pursued to obtain available patent protection through the issuance of patents by the U.S. and/or foreign countries.

**H. Effective Date.** This instruction is effective immediately.



Charles L. Rice, M.D.  
President

Enclosures:

1. References
2. Definitions
3. Invention Processing Flow Chart
4. Non-government USUHS Faculty Member/Researcher Agreement
5. Non-government USUHS Student Agreement

REFERENCES

- (a) USCFIS Instruction 5537, "Submission of Invention Disclosures and Preparation of a Patent Application," dated August 24, 1989 (hereby cancelled)
- (b) Title 10, United States Code, Section 2113, "Administration of University" (USUHS)
- (c) Title 35, United States Code, Section 171, "U.S. Design Patent Application"
- (d) Title 35, United States Code, Section 101, "U.S. Utility Patent Application"
- (e) EO 10096, dated 23 January 1950, as amended and as implemented by 37 CFR, Part 501
- (f) DoD Directive 5535.2, "Delegation of Authority to the Secretaries of the Military Departments-Inventions and Patents," 16 October, 1980 (certified current as of 11/21/2003)
- (g) DoD Directive 5535.3, "DoD Domestic Technology Transfer (T2) Program," May 9, 2000
- (h) DoD Instruction 5535.8, "DoD Technology Transfer (T2) Program," May 14, 1999
- (i) USCIS PPM-001-2004, "Technology Transfer Income"
- (j) "Memorandum of Understanding Between the Uniformed Services University of the Health Sciences and the Henry M. Jackson Foundation for the Advancement of Military Medicine," October 28, 1987
- (k) USUHS Standard Operating Procedure (SOP), "The Joint USUHS-Foundation Technology Transfer Program," February 24, 2006

## DEFINITIONS

A. Copyright and Public Domain.

Protection for an original work of authorship "fixed in a tangible medium of expression." A work prepared by a government employee as part of that person's official duties is in the public domain and no copyright arises in such a work. Such a work is, however, protected by copyright law to the effect that copyright may not be asserted by others.

B. Intermediary. Private entity facilitating and supporting technology transfer by a government laboratory or university (e.g., The Henry M. Jackson Foundation for the Advancement of Military Medicine (HJF)).

NOTE: Under certain circumstances, and with the approval of the VEA, other not-for-profit organizations may be substituted for HJF in this Instruction, as provided for in 10 USC 2113(J).

C. Invention. A discovery and reduction to practice of a new product, apparatus, process, composition of matter or living organisms, or improvements to existing technologies in those categories, whether patentable or non-patentable.

D. Investigators. USUHS faculty members conducting work in pursuit of the aims of a research/clinical investigation project. Investigators are expected to conduct all research according to accepted scientific and resource management principles.

E. Intellectual Property. Inventions, discoveries, know-how, processes, methods, materials, copyrightable works, original data, and other creative or artistic works (which may have value). Intellectual property includes that which is protectable by statute or legislation (e.g., patents, copyrights, trademarks, service marks, trade

secrets, mask works, and plant varieties). It also includes the physical embodiments of intellectual effort (e.g., models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs, visualizations, biological materials, chemicals and other compositions of matter, plants, and records of research). At USUHS, intellectual property most frequently refers to patentable inventions created by faculty, students, and staff in the course of their research or scholarly activities.

F. Patent Application. A document filed with a national government requesting that a patent be granted covering a particular invention. Filing a patent application allows an invention to be marked "Patent Pending."

G. Principal Investigator. Investigator who is responsible for directing a project.

H. Provisional Patent Application. A relatively new form of protection for an invention, which is very simple, inexpensive to file, and allows the owner to use the term "Patent Pending" for a period of one year. However, a Provisional Patent application CANNOT become a patent, expires at the end of one year, and CANNOT be renewed or extended.

I. Scientific Research. Systematic, studious inquiries undertaken to produce knowledge and conducted in a way that provides a rational basis for conclusions. At USUHS this includes both basic science and clinical investigations. The result of the planned inquiries could reasonably be expected to be published in the scientific literature.

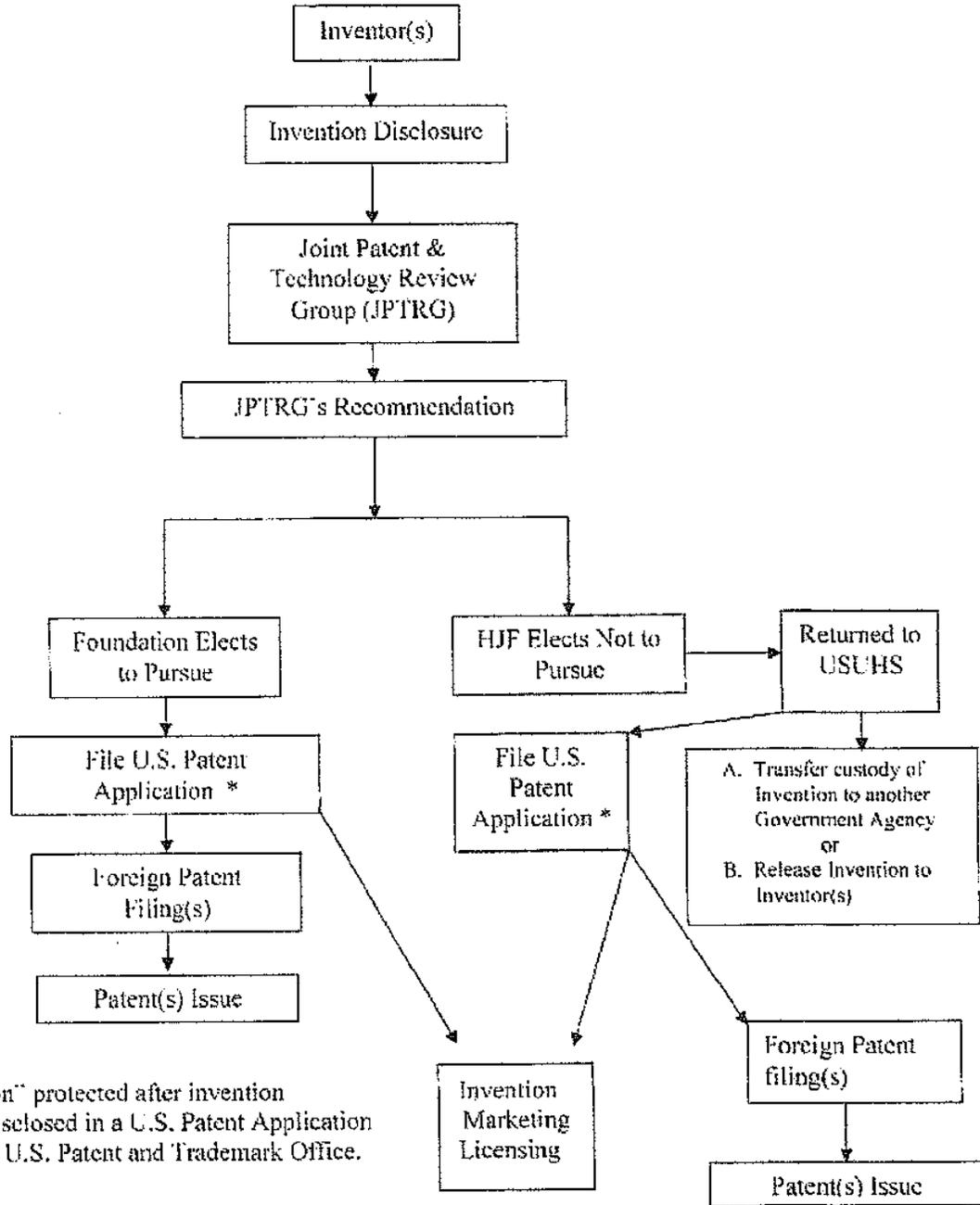
J. Trade Secret. Anything that a disclosing party desires to keep secret. Trade secrets usually include such things as the

manufacturing details for a product, variations, or alternative uses.

K. Trademark. Word, name, symbol, device or any combination thereof, which is used to identify and distinguish the goods or services of one company (or organization (e.g., USUHS)) from goods or services of another. In order to qualify as a trademark, the mark must be used in federally regulated commerce, and the mark must be distinctive. In a nutshell, the distinctiveness requirement means that a mark cannot describe the underlying product, or if it does describe the product, the mark must have been used extensively enough in commerce to acquire a certain level of market recognition (i.e. secondary meaning). Some marks will not be protected as trademarks, even though they are well recognized by consumers as trademarks (e.g., forbidden marks).

L. Utility Patent. Intellectual property right relating to advances made in a technical field. A patent for an invention is granted by the government to the applicant, and gives the applicant the right to stop others from making, using or selling the invention without permission for a limited period. In return for this right, the applicant must disclose how his invention works in sufficient detail to enable it to be produced by others. When a patent is granted, the applicant becomes a named inventor, but may or may not be the owner of the patent. Currently in the United States, the grant runs for 20 years from the filing date. Like any other form of property, a patent can be bought, sold, licensed or mortgaged. Patents are territorial - a United States patent will only give the owner rights within the United States, to include the right to stop others from importing certain products into the United States.

**SCHEMATIC SUMMARY OF THE PATENT PROCESS**



\* "Publication" protected after invention has been disclosed in a U.S. Patent Application filed in the U.S. Patent and Trademark Office.

**Non-Government USU Faculty Member/Researcher Agreement**

This agreement is made by me, a non-government faculty member/researcher at the Uniformed Services University of the Health Sciences (USU), a "federal laboratory" operated by the United States Department of Defense (DoD), in consideration of my utilization of USU information, facilities or other resources and, further, USU's agreement to consider me as a USU inventor for purposes of inventor(s)' rights and monetary benefits.

I understand and agree that every possible invention (as such term is defined in Patent, Invention and Technology Transfer policies of USU) which I conceive, develop, make, produce or reduce to practice as a result of my utilization of USU information, facilities or other resources will belong to the United States and will be promptly reported to USU.

I understand that each invention will be reviewed by USU, and appropriate action thereon will be taken in accordance with the Patent, Invention and Technology Transfer policies of USU.

I further agree that, in the event USU deems any such invention is patentable, I will execute any document and do all things necessary, to assign to USU all rights, title and interest therein and to assist USU in securing patent protection thereon.

I further agree that I will do all things necessary to enable USU to perform its obligations to grantors or granting agencies which provide funds for research.

By execution of this agreement, I understand that I am not waiving any rights to a percentage of royalty payments received by the USU as set forth in the Patent, Invention and Technology Transfer policies of USU.

I agree to be bound hereunder for any period during which I conceive or develop any invention in the course of my utilization of any USU information, facilities or other resources.

I am signing this agreement in my own right. If my employer has separately agreed or contracted with USU or otherwise made me available to pursue research using USU information, facilities or other resources, a representative of my employer has acknowledged this agreement. If I am working with a specific USU Department or Institute, the appropriate chair has acknowledged this agreement.

This Agreement supersedes and replaces any prior Patent Agreements with USU which may have been signed by me.

_____ FACULTY MBR SIGNATURE	_____ PRINTED NAME/TITLE	_____ DATE
_____ EMPLOYER SIGNATURE	_____ PRINTED NAME/TITLE	_____ DATE
_____ DEPT CHAIR SIGNATURE	_____ PRINTED NAME/TITLE	_____ DATE
_____ FOR USU	_____ PRINTED NAME/TITLE	_____ DATE

**Non-Government USU Student Agreement**

This agreement is made by me, a non-government student at the Uniformed Services University of the Health Sciences (USU), a "federal laboratory" operated by the United States Department of Defense (DOD), in consideration of my utilization of USU information, facilities or other resources and, further, USU's agreement to consider me as a USU inventor for purposes of inventor(s)' rights and monetary benefits.

I understand and agree that every possible Invention (as such term is defined in Patent, Invention and Technology Transfer policies of USU) which I conceive, develop, make, produce or reduce to practice as a result of my utilization of USU information, facilities or other resources, will belong to the United States and will be promptly reported to USU.

I understand that each Invention will be reviewed by USU and appropriate action thereon will be taken in accordance with the Patent, Invention and Technology Transfer policies of USU.

I further agree that, in the event USU deems any such Invention shall be patentable, I will execute any document and do all things necessary, to assign to USU all rights, title and interest therein and to assist USU in securing patent protection thereon.

I further agree that I will do all things necessary to enable USU to perform its obligations to grantors or granting agencies, which provide funds for research.

By execution of this agreement, I understand that I am not waiving any rights to a percentage of royalty payments received by the USU as set forth in the Patent, Invention and Technology Transfer policies of the Department of Defense and USU.

I agree to be bound hereunder for any period during which I conceive or develop any Invention in the course of my utilization of any USU information, facilities or other resources.

I am signing this agreement in my own right. If I am working with a specific USU Department or Institute, the appropriate chair has acknowledged this agreement.

This Agreement supersedes and replaces any prior Patent Agreements with USU which may have been signed by me.

_____	_____	_____
STUDENT SIGNATURE	PRINTED NAME/TITLE	DATE
_____	_____	_____
DEPT CHAIR SIGNATURE	PRINTED NAME/TITLE	DATE
_____	_____	_____
FOR USU	PRINTED NAME/TITLE	DATE