

**NEW YORK-PRESBYTERIAN HOSPITAL**  
**POLICY ON INVENTIONS AND INTELLECTUAL PROPERTY**

**I. SUMMARY**

It is the policy of The New York and Presbyterian Hospital (the "Hospital") to encourage research, discovery, and innovation.

This Policy concerns the Hospital's rights and interests in "Work Product" defined as: 1) inventions, discoveries, concepts, developments, original compilations of information and other intellectual work product that are or may be the subject of patent, copyright, trademark or that may constitute a trade secret, or other proprietary right, whether created or established by registration or by operation of law, and 2) any associated technology (including hardware, software or other designs), methodology and know-how which is or may be commercially exploitable, and 3) and any ancillary product with a potential commercial value (including patient tissue, patient data, and content such as film, printed material, or other aids derived from the treatment of patients or the training of physicians). Work Product does not include scholarly writings, subject to review by the Hospital prior to publication, in accordance with this Policy.

The Hospital has a legitimate interest in Work Products to the extent that such Work Products are: 1) wholly or partially created with the use of the Hospital's resources, 2) derive from activities of the producer of the Work Product (the "Inventor") while engaged in the service of the Hospital, or 3) otherwise related to any operations or activities of the Hospital. All such Work Products shall be the sole property of the Hospital, except where ownership thereto may be governed by other provisions of this Policy.

It is the obligation of each person covered by this Policy to provide to the Hospital the disclosures required by this Policy.

It is the policy of the Hospital in such cases to assert its ownership of such Work Product for the purpose of promoting the commercial exploitation thereof and to share the proceeds derived from such exploitation, after recovering its costs, with the Inventor in accordance with the terms of this Policy.

It is NOT the policy of the Hospital to assert any interest in any Work Products that are: 1) developed without use of the Hospital's facilities, 2) the result of activities of the Inventor other than those in the service of the Hospital, AND 3) otherwise unrelated to the operations or activities of the Hospital, unless supported or funded in whole or in part by the Hospital.

**II. PERSONS COVERED BY THIS POLICY**

**A. Hospital Employees**

This Policy covers all persons who are ***employed by the Hospital***, including but not limited to the following employee categories:

- ***Clinical staff***, including physicians, residents, fellows, nurses, pharmacists, therapists, and other clinical care providers,
- ***Technical staff***, including engineers, programmers, designers, technicians, and equipment operators, and other technical staff,

- **Administrative staff**, including the Hospital's directors, managers, coordinators, finance, legal, quality assurance, and other administrative personnel, and
- **Research staff**, including scientists, research nurses, assistants, and other research personnel.

## **B. Other Persons**

This Policy also covers persons who are not employees of the Hospital but who are associated with the Hospital by contractual arrangement, including but not limited to:

- Agents,
- Physicians with Hospital admitting privileges or Hospital appointments,
- Contractors,
- Consultants, and
- Temporary Staff.

## **III. WORK PRODUCT COVERED BY THIS POLICY**

This Policy covers all Work Products that are: 1) wholly or partially created with the use of the Hospital's resources, 2) derived from the activities of persons covered by this Policy while engaged in the service of the Hospital, or 3) otherwise related to any operations or activities of the Hospital. All such Work Products shall be the sole property of the Hospital, except where ownership thereto may be governed by other provisions of this Policy.

The Hospital's resources that may be used in the creation of Work Products include but are not limited to:

- Facilities,
- Personnel (employees and other persons covered by this policy),
- Equipment,
- Information systems,
- Ancillary services,
- Resident, nurse, and physician training,
- Documentation of medical procedures
- Supplies,
- Data or biological samples obtained from patients,
- Brand name, trademark, or reputation,
- Funds from capital or operating accounts, grants, and/or other Hospital sources, and
- Any other tangible or intangible asset of the Hospital.

## **IV. RIGHTS OF HOSPITAL IN THE WORK PRODUCT**

### **A. Rights of Hospital**

The Hospital has a legitimate ownership interest in Work Products, as defined in *Article III*, subject to the provisions of this Policy. The Hospital's rights or interests in the Work Product may be subject to any rights or interests of the Hospital's University Partners (which are Cornell University and the Trustees of Columbia University in the City of New York) and/or Third Parties as described below.

### **B. Rights of University Partner**

In the event that a faculty member of a University Partner is determined to be an Inventor of Work Product in which the Hospital has a legitimate ownership share, the ownership of the Work

Product and allocation of proceeds from commercialization belongs to the Hospital unless covered by a separate agreement.

### **C. Rights of Third Party**

In the event that the Work Product is jointly created using the Hospital's resources AND funding, facilities, or other resources provided by a Third Party or during a time when the Inventor was accountable to a Third Party for his or her time, that Third Party may be entitled to an ownership interest in or to share in the proceeds of the Work Product. With respect to such Work Product, appropriate arrangements will be made with the Third Party to determine ownership and sharing of any proceeds which may result from commercialization of such Work Product.

## **V. THE INTELLECTUAL PROPERTY OFFICE**

### **A. Oversight and Mission**

The Intellectual Property Office operates under the direction of the Hospital's Senior Vice President for External Relations. The mission of the Intellectual Property Office is to support the creation and commercialization of intellectual property developed with the Hospital's resources.

### **B. Responsibilities**

The Intellectual Property Office is responsible for managing the Hospital's intellectual property interests including: 1) identification of potential Work Products, 2) pursuit of opportunities to create and commercialize Work Products, and 3) protection of the Hospital's rights to and interests in Work Products. The Intellectual Property Office shall administer this Policy. Any questions relating to this Policy or its administration should be referred to the Intellectual Property Office.

## **VI. DISCLOSURE OF INVENTIONS AND DEVELOPMENTS**

### **A. Inventor's Responsibility to Disclose**

#### **1. Persons Covered by this Policy**

##### **a. Disclosure of Inventions**

Whenever a person covered by this Policy becomes aware that a project on which he or she is working may develop a Work Product, he or she shall promptly submit to the Hospital's Intellectual Property Office a completed "NYP Invention Disclosure Form" (attached).

##### **b. Disclosure of Developments**

Whenever it appears that a Work Product may be created pursuant to an arrangement which a person covered by this Policy and a Third Party or Parties propose to enter, he or she shall be bound by the terms of this Policy. Such person shall promptly disclose his or her proposed arrangement to the Hospital's Intellectual Property Office in such detail as the Office may request. Further, the Hospital's Intellectual Property Office shall participate in the negotiations with the Third Party.

#### **2. University Faculty**

##### **a. Disclosure of Inventions**

University faculty who have created Work Product using the Hospital's resources shall simultaneously notify the Hospital's Intellectual Property Committee by providing a photocopy of the written invention disclosure made to the University.

#### **b. Disclosure of Developments**

University faculty who propose to use the Hospital's resources in an activity that involves sponsorship by or participation of a Third Party shall promptly disclose his or her proposed arrangement to the Hospital's Intellectual Property Office in such detail as the Office may request. Further, the Intellectual Property Office shall participate in the negotiations with the Third Party.

#### **B. Hospital's Responsibilities**

1. When a disclosure as required by *Article VI.A.* has been made, the Hospital shall decide as soon as reasonably practicable whether or not it intends to: 1) seek patent, copyright, trademark, or other protection, 2) undertake the commercial exploitation of the disclosed Work Product, and/or 3) release the Work Product to the Inventor.

2. However, as for any Work Product expressly released by the Hospital in accordance with this Policy, the Hospital and its Affiliates shall retain an irrevocable, non-exclusive, nontransferable, worldwide fully-paid-up license to make, use, execute, display, perform, distribute, sell, copy, and in such work and in any derivative works prepared by Hospital based upon such Work Product in the course of its activities, and to have third parties make, use, execute, display, perform, distribute, sell, copy, and prepare such work or any derivative works based upon the Work Product solely for the Hospital and its Affiliates in the course of activities of the Hospital and its Affiliates.

3. Once the Hospital has given notice of its intention to undertake the commercial exploitation of Work Product disclosed to it in accordance with this *Article VI*, it shall not release any rights, title and interest in and to such Work Product, including all patent, copyright, trade secret, and other property rights unless to a University Partner or unless the Hospital terminates the commercial exploitation of the Work Product, including receiving proceeds therefrom.

### **VII. COMMERCIAL DEVELOPMENT OF THE WORK PRODUCT**

#### **A. Hospital's Responsibilities to Commercialize**

1. Once the Hospital has given notice of its intention to participate in the commercial exploitation of the Work Product disclosed to it in accordance with *Article VI* of this Policy, it shall assume the responsibility for same and provide, at its own expense, the necessary professional services required for the preparation and filing of any application for domestic or foreign patent or copyright registration, or the negotiation and preparation of any license or other agreement for the protection and commercial exploitation of such Work Product.

2. Where a Work Product has been created jointly with a University Partner and/or Third Party, the protection, promotion, and commercial exploitation of such Work Product is undertaken jointly by the Hospital, the University Partner, and/or Third Party. Further, as stated in *Article IV.A. 1.a. and IV.A. 1.b.*, the sharing of any proceeds that may be generated from commercialization of such Work Product is negotiated by way of separate agreement between the Hospital, the University Partner and/or Third Party.

#### **B. Inventor's Responsibilities in Pursuing Commercial Exploitation of the Work Product**

##### **1. Assignment of Invention and Cooperation**

Inventors covered by this Policy shall execute necessary documents, including assignment of all rights, title and interest in such Work Product to the Hospital, for the implementation of *Article VII.A.1*. Further, the Inventor shall cooperate with the Hospital and its counsel in the preparation and filing of an application(s) for patent and/or copyright registration, in negotiations with Third Parties to enter into license or other agreements to further the commercial exploitation of such Work Product and in identifying and soliciting appropriate Third Parties to enter into such agreements.

## **2. Protection of Trade Secrets**

a. The Hospital shall have the right to prohibit oral or written publication of trade secrets contained in any Work Product which the Inventor has an obligation to disclose to the Hospital's Intellectual Property Office under *Article VI* of this Policy. The Inventor may be required to enter into a confidentiality agreement with the Hospital with respect to any such trade secrets which the Hospital decides to undertake commercial exploitation of and for which a decision has been made not to seek patent protection.

b. In the event the Inventor is requested by a University Partner or any Third Party to enter into a confidentiality or non-disclosure agreement, the Inventor must submit such agreement to the Hospital's Intellectual Property Office for review prior to execution by the Inventor or Hospital, as may be appropriate.

## **3. Publication Disclosure**

In order to protect such trade secrets and to preserve patent rights and other intellectual property rights in certain foreign countries, which are lost upon any public disclosure prior to the filing of a patent application in the United States, the Inventor shall submit to the Hospital's Intellectual Property Office early drafts of all papers, articles, abstracts, or oral disclosures related to such Work Product, which the Inventor intends to publish or orally disclose, at least sixty (60) days prior to the publication or oral disclosure thereof.

## **C. Hospital's Rights and Responsibilities in Termination of Commercial Exploitation**

1. If at any subsequent time the Hospital decides to terminate its commercial exploitation of the Work Product, it shall notify the Inventor in writing and promptly transfer to him or her all of the Hospital's right, title, and interest in and to the Work Product. After such notification, the Inventor shall be free to exploit the Work Product as he or she pleases, subject to:

- any rights or interests which a Third Party may have acquired in the Work Product prior to such transfer,
- any restrictions or conditions imposed by agreements with outside sponsors under whom the Work Product was created,
- any obligation that the Inventor may have to reimburse the Hospital of any further use of the Hospital's resources in such exploitation of the Work Product,
- the Hospital and its Affiliates retaining an irrevocable, non-exclusive, non-transferable, worldwide, fully-paid-up license to make, use, execute, display, perform, distribute, sell, copy and prepare derivative works, based upon the Work Product in the course of its activities, or to have a Third Party make, use, execute, display, perform, distribute, sell copy, and prepare derivative works based upon the Work Product solely for the Hospital and its Affiliates in the course of the activities of the Hospital and its Affiliates, and
- any additional restrictions the Hospital may choose to impose.

2. If at any subsequent time the Hospital decides to terminate its participation in any commercialization effort of a Work Product that has been created jointly with a University Partner

or Third Party, it shall notify the Inventor and the appropriate University Partner or Third Party in writing, after which said parties shall be free to exploit the Work Product as they please subject to:

- any rights or interests which a Third Party may have acquired in the Work Product prior to such transfer,
- any restrictions or conditions imposed by agreements with outside sponsors under whom the Work Product was created, and
- any obligation the parties may have to reimburse the Hospital for any further use of the Hospital's resources in such exploitation of the Work Product.

## **VIII. ALLOCATION OF THE PROCEEDS OF THE WORK PRODUCT**

### **A. General**

The proceeds of the Work Product that accrue to the Hospital may be applied to its general purposes except as otherwise provided in this *Article VIII*. For the purposes herein, "proceeds" shall include all sums payable as consideration for the transfer of the Work Product, whether referred to as a royalty, license fee, milestone payment or otherwise, as well as equity securities that may be issued to the Hospital.

### **B. Allocations**

The proceeds received by the Hospital from a Third Party as a result of commercial exploitation of a Work Product shall be allocated between the Inventor and the Hospital subject to the rights of Third Parties as follows:

#### **1. Direct Expenses**

The Hospital shall be reimbursed for direct expenses it has incurred to promote and exploit the Work Product, including the cost of any patent or patent application, any copyright registration or application therefore, or any negotiation and preparation of any licenses or other agreements with Third Parties for the commercial exploitation thereof. The direct expenses are calculated as 20% of the gross proceeds received by the Hospital as a result of commercial exploitation of the Work Product. In addition, the Hospital reserves the right to deduct extraordinary direct expenses as incurred to promote and exploit the Work Product.

#### **2. Inventor's Share**

The Inventor shall receive a share of net proceeds, computed on a cumulative basis of the aggregate net proceeds received and distributed at yearly intervals as follows:

- 50% of the first \$100,000 of net proceeds; PLUS
- 25% of the excess

Where there is more than one Inventor, the above allocation shall be divided among the Inventors in the manner agreed to by them. The terms of such an agreement shall be disclosed to the Hospital's Intellectual Property Office. In the absence of such an agreement among the Inventors of a Work Product, the Hospital shall assume that the allocation of the proceeds to the Inventors shall be evenly divided among them.

#### **3. Hospital's Share and Dedications**

The Hospital shall receive the remaining balance of net proceeds as follows:

**a. Inventor's Dedication**

The Inventor shall dedicate 25% of the remaining balance of net proceeds to any Hospital purpose, subject to approval by the Hospital's Chief Executive Officer.

**b. Hospital's Unrestricted Share**

The Hospital's unrestricted share of the remaining balance of net proceeds shall be determined as follows:

- 50% of the first \$100,000 of net proceeds; PLUS
- 33% of the excess 10

**c. Inventor's Service Share**

The funds remaining after net proceeds have been allocated to the Inventor's shares, the Inventor's Dedication, and the Hospital's Unrestricted Share shall be distributed to the Inventor's Service or Department at the Hospital, subject to approval by the Hospital's Chief Executive Officer.

**C. Termination of Employment, Disaffiliation, or Death**

1. The amount allocated to an Inventor by *Article VIII.B.2.* shall not be reduced by reason of the fact that he or she has ceased for any reason to be employed or affiliated with the Hospital, and in the event of death, shall be considered part of descendant's estate.
2. If an Inventor ceases to be employed or affiliated with the Hospital while a dedication by him or her is effective under *Article VIII.B.3.a.*, the dedication will remain in effect for 90 (ninety) days after his or her termination of employment, disaffiliation, or death. Reallocation of funds to the same or other Hospital purpose(s) will be determined by the Hospital's Chief Executive Officer.