

UNIVERSITY OF CALIFORNIA

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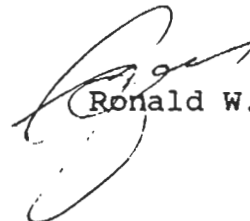
October 31, 1989

CHANCELLOR IRA M. HEYMAN
University of California at Berkeley

Re: Reassignment of Responsibility--Administration of
University Patent and Other Intellectual Property
Matters, Berkeley Campus

Effective January 1, 1990, as Chancellor of the Berkeley Campus, you are assigned responsibility to implement policies and procedures on matters pertaining to intellectual property, including patents and tangible research products, and to execute documents necessary for the administration of such intellectual property, including those which may contain commitments existing longer than seven years, subject to conditions specified in the Bylaws and Standing Orders of The Regents of the University of California, subject to terms of applicable Regental and Presidential policies which are or may be established from time to time, and subject to the attached Reassignment of Responsibilities - Operating Guidelines. The Senior Vice President--Administration will remain responsible for preparing, for the President's review, annual and other reports to The Regents pertaining to patent and other intellectual property matters (see also Bylaw 12.3(k)).

The responsibility assigned to you for administration of intellectual property matters may not be reassigned. However, the responsibility to execute documents may be reassigned. Any such reassignment by you shall be in writing with copies provided to the University Controller, the Director--Coordination and Review, the General Counsel of The Regents, and the Secretary of The Regents. Such reassignment shall be at least as restrictive as, but may be more restrictive than, this reassignment to you.


Ronald W. Brady

cc: University Controller
Director--Coordination and Review
Director--Patent, Trademark, and Copyright Office
Director of Research Administration

REASSIGNMENT OF RESPONSIBILITIES - OPERATING GUIDELINES

October 31, 1989

UNIVERSITY OF CALIFORNIA at BERKELEY

This document constitutes an understanding between the Senior Vice President--Administration and the Chancellor of the University of California, Berkeley campus (UCB), implementing the Reassignment of Responsibility, dated October 31, 1989, for certain patent and licensing operations from the Senior Vice President--Administration to the Chancellor of UCB. Under that reassignment, and in the name of The Regents, UCB will carry out patent administration, including making invention patentability evaluations; electing title; releasing inventions to inventors; making filing decisions for the United States and foreign countries; paying attorney bills and maintenance fees; reporting inventions to sponsors; and licensing to others those patent and tangible research property rights which arise as a result of research and other activities carried out at UCB, except as set forth below.

The purpose of this Memorandum is to provide for a smooth transfer and ongoing management of patent-related responsibilities and signatory authority to UCB from the Patent, Trademark, and Copyright Office (PTCO) in the Office of the President and to clarify certain matters relating to administration. In accepting the delegation, UCB represents that it has the necessary resources to carry out the delegation and that appropriate staffing will be hired and assigned to carry out the patent administration and licensing functions.

I. POLICY CONSIDERATIONS

Applicability of University Policy

UC Patent Policy, and Contract and Grant Manual, Chapter 11, will continue to apply to all UCB patent activities, including all inventions to which UCB retains title, and PTCO responsibilities under these documents are not delegated unless otherwise stated as delegated in this document. The provisions for requesting exceptions to policy, as set forth in Chapter 11, will continue to apply. UCB shall also adhere to the May 1989, Guidelines on University-Industry Relations.

Terms of Agreement/Disposition of Rights

The effective date of the Reassignment and the provisions of this document will be January 1, 1990. The term shall not be less than five years. After that, if UCB elects to discontinue active evaluation of new inventions, UCB will continue to administer

those inventions previously disclosed to it under the terms of the Reassignment.

Any inventions disclosed in writing to UCB or to PTCO prior to the effective date of the Reassignment will be administered by PTCO. Inventions disclosed after the effective date of the Reassignment will be administered by UCB, except that PTCO will have responsibility for:

- any invention in which the inventor(s) specifically requests and the PTCO concurs, that PTCO (rather than UCB) assume responsibility thereof;
- inventions which constitute an improvement upon a PTCO managed invention with one or more of the same inventors. If inventors are not the same, then PTCO and UCB shall discuss and concur as to the most appropriate loci for management.
- resolution of an interference in case of actual or imminent interference proceedings between a UCB application and other UC application;
- all plant patents, plant variety protection, and Understanding for the Protection of Varieties (UPOV) protection.

Notwithstanding the above, the PTCO may upon request of UCB, release to UCB any unpatented or patented inventions in its UCB portfolio for which there are no licensing arrangements in effect or in process.

Portfolio Integrity

Decisions on the release of UCB inventions to inventors (or concurrence with sponsor release to inventors) will become the responsibility of UCB unless the invention constitutes an improvement on a UC-owned invention administered by PTCO.

In the case of joint inventions arising between a UCB employee and an employee of a non-UC entity, UCB may consult with PTCO for guidance as to the most appropriate disposition of rights. When joint inventions arise between a UCB employee and an employee of another UC facility administering its own patent program under delegated authority, UCB and such other facility shall mutually agree as to which facility will undertake management of the invention. The preference of the inventors will be considered and PTCO may be consulted. Similarly, in the case of a joint invention between a UCB employee and an employee of another UC facility for which PTCO manages its inventions, UCB and PTCO shall mutually agree as to which shall manage the invention, giving due consideration to the wishes of the inventors.

When a UCB inventor relocates to another UC facility, the invention will normally remain under UCB management, unless there are compelling reasons to shift management to PTCO or the new facility if such facility has the necessary reassignment of responsibility. The preference of the inventor(s) will be considered. Management of inventions for UC employees relocating to UCB shall normally remain with PTCO or other facility originally managing the invention, unless inventor's preference and/or other compelling reasons dictate otherwise.

In any UCB licensing agreements, language will be incorporated in definitions, and grant and/or warranty clauses (as appropriate), which limits the license to the specific invention arising at UCB. Particular care must be taken to assure that other background or foreground patent or trade secret rights assigned to The Regents in other parts of the corporate organization are not included directly or indirectly in any license issued by UCB.

Legislative Policy and Analysis

Legislative positions and analysis of legislative impact with respect to intellectual property will be carried out in accordance with University policy and practice.

Proprietary Information

It is recognized that certain records of the University with respect to invention disclosures, research agreements, patent applications, and licenses may contain proprietary information. UCB will establish procedures to safeguard such proprietary information, both internally and externally, to prevent unauthorized access and/or the use or misuse of such information for personal gain.

II. COORDINATION WITH THE GENERAL COUNSEL OF THE REGENTS

General

Understandings may be required between General Counsel, UCB, and PTCO in order to implement this reassignment of responsibility. General Counsel will retain the responsibility of approval as to legal form of UCB options and licenses and other agreements unless further delegations are made.

Retention of Outside Counsel

UCB may, through authority granted by the General Counsel, engage outside patent counsel for patent prosecution. Such counsel shall be appointed only from the approved list as made available by the General Counsel and/or PTCO.

Litigation

UCB, General Counsel, and PTCO will coordinate litigation strategy and progress. PTCO will continue to have primary administrative oversight for matters of patent litigation. Funding for such litigation shall be provided by the campus.

III. ADMINISTRATION

UCB

UCB patent staff will direct approved outside counsel to file and prosecute both United States and foreign patent applications. Control of U.S. prosecution must always be retained by The Regents through independent outside counsel. UCB licensing staff will handle the licensing of UCB inventions. All administrative functions, including bookkeeping will be the responsibility of UCB.

PTCO

PTCO and UCB will hold discussions to determine the appropriate role of PTCO in supporting and coordinating the activities of UCB personnel. Additionally, the parties will cooperate in general to resolve any unexpected situation.

Financial and Accounting Practices

UCB accounting practices will be sufficient to satisfy PTCO's reasonable needs for consolidated reporting. Financial reporting to PTCO will be quarterly. UCB will keep income and expense records for individual inventions and will report annually to PTCO using a chart of accounts provided by PTCO.

Accounts Receivable

UCB will be responsible for collection of accounts.

Accounts Payable

UCB will be responsible for all costs associated with the patenting and licensing of inventions that arise under its assignment. This includes, but is not limited to, patent counsel fees, U.S. and foreign patent office filing and maintenance fees, and American Tissue Culture Collection deposit fees, licensing expenses, and the payment of inventor's shares.

The State of California share of income will be calculated and paid annually by PTCO and charged back to UCB.

Reporting to Sponsors

UCB will carry out required annual reporting to federal government agencies on UCB-elected inventions in a format specified by PTCO. PTCO is responsible for reporting to federal agencies on UCB inventions it may process. UCB and PTCO will each report to non-Federal sponsors, the status of inventions they may process, pursuant to the terms of the funding sponsored research agreements.

Internal Administration/Record Keeping/Statistical Data

Details regarding the structure of internal reports, prosecution status codes and technology categories, remain to be arranged. UCB practices should be compatible with those of the PTCO, so that consolidated reporting to The Regents can be accomplished by PTCO.

Licensing Liaison

UCB and PTCO shall maintain appropriate liaison and communication as concerns licensing arrangements with common licensees.

General Coordination

Interaction between UCB and PTCO will be in the spirit of cooperation seeking the best interests of the University and its inventors. UCB and PTCO staff will meet at least quarterly, or at such other times as deemed necessary, to insure a continuing high degree of coordination and synergism in carrying out the letter and spirit of these Operating Guidelines.