
ROYALTY DISTRIBUTION POLICY

Category: Research
Responsible Office: Office of the Provost
Responsible Executive: Provost

Date Established: 9/01/09
Date Last Revised: -
Date Posted to Library: 9/16/09

Summary

The University at Buffalo uses a single uniform structure to distribute proceeds derived from the commercialization of inventors' intellectual property and technology.

Policy

POLICY STATEMENT

The University at Buffalo (UB, University) encourages innovation by its faculty, staff, and students. When those innovations are licensed and generate royalty income for the University, that royalty income is shared with those who made the innovation.

This revised policy supersedes all prior policies and will be applied to any royalty income received on or after the Date Established listed above.

Royalty Income Distribution Schedule

All royalty income will be distributed as follows:

Distribution to	Percent	Limitations
Inventor(s)	40%	Royalty income distribution checks are made payable only to the inventor and are non-assignable.
Inventor's Department(s)	5%	Royalty income received by the department must be utilized for the support of scientific research or education.
Inventor's School(s)	5%	Royalty income received by the school must be utilized for the support of scientific research or education.
University Support of Research	50%	Royalty income must be utilized for the support of scientific research or education.

Notes:

- 1) If royalty payments are received via wire transfer, processing fees associated with the wire transfer will be deducted from the campus 60% share before distributions are made.
- 2) The Departmental share of royalties will be capped at \$1 Million per Fiscal year, and the Schools share at \$5 Million. Royalties in excess of the caps will be distributed to the University in Support of Research.

Inventors' Share

In accordance with the State University of New York Patents and Inventions Policy, 40% of royalty income is shared with the inventors.

When there is more than one inventor, each inventor's share of royalty income is decided among the inventors and documented in the Inventors' Agreement. The Office of Science, Technology Transfer and Economic Outreach (STOR) prepares the Inventors' Agreement and upon request, provides guidance regarding inventor sharing. All inventors must sign the Inventors' Agreement.

Royalty income distribution checks will be made payable only to the inventor and either mailed to the inventor's residence or deposited directly to the inventor's personal account.

- All inventor royalty income distribution checks are non-assignable. If the inventor chooses to further distribute their funds, they must do so personally after cashing the check.

It is the inventor's responsibility to provide STOR with a current address and accurate contact information.

The inventor will continue to receive their share of royalty income regardless of their UB employment status. Payments to deceased inventors will be forwarded to the inventor's heirs or legatees.

Inventor's Department Share

The inventor's department share will continue regardless of the inventor's UB employment status.

When there are multiple inventors, the distribution among departments will be proportional to the inventor's share documented in the Inventors' Agreement.

If the department chairs agree to a department share distribution different than the one documented in the Inventors' Agreement, the revision must be on file with STOR. If the revision is not on file, STOR will distribute the inventor's department share according to the Inventors' Agreement.

The department share does not move when an inventor leaves one department for another at UB.

Inventor's School Share

The inventor's school share will continue regardless of the inventor's UB employment status.

When there are multiple inventors, the distribution among schools will be proportional to the inventor's share documented in the Inventors' Agreement.

If deans agree to a school share distribution different than the one documented in the Inventors' Agreement, the revision must be on file with STOR. If the revision is not on file, STOR will distribute the inventor's school share according to the Inventors' Agreement.

The school share does not move when an inventor leaves one school for another at UB.

Inventor's Center/Institute

In the event inventors are employees of a center or institute and not otherwise affiliated with a department and school, the Vice President for Research, Provost or other responsible administrative authorities will determine an appropriate allocation to supporting centers, institutes, departments, or schools. A signed agreement specifying the division of royalty income must be on file with STOR.

BACKGROUND

The State University of New York Patents and Inventions Policy stipulates that

All net proceeds after payment of the inventor's share as defined in subdivision (c), and other appropriate costs associated with the university technology transfer program, realized from the marketing of State University inventions shall be used for the support of State University research programs.

The Bayh-Dole Act of 1980 further states that such balance after payment to inventors and expenses "will be utilized for the support of scientific research or education."

APPLICABILITY

The policy applies to all royalty revenues received, regardless of when the disclosure was first made.

DEFINITIONS

Invention - A novel creation, discovery, and/or idea that may be protected by patent or similar United States or international intellectual property rights. "Invention" may also be used herein with respect to making royalty distributions under the Computer Software Policy.

Inventor - UB individual (faculty, staff, or student) who has made an intellectual contribution to the invention as claimed in a pending or issued patent. Inventor includes a non-affiliated individual who works with a UB inventor and assigns the invention to SUNY or The Research Foundation and a UB inventor who later goes to work at a company. Inventor does not include a joint inventor employed by a company.

Royalty Income - gross royalty paid as proceeds from the licensing of an invention.

RESPONSIBILITY

Inventor

Disclose inventions to the STOR Office as soon as possible and whenever practical before publication, as required under SUNY Patents and Inventions Policy, and in the case of federally funded research in accordance with 37 CR 401 (otherwise known as the Bayh-Dole Act).

Work with STOR and outside patent counsel to make applications for patents and complete assignments and other related documents as required.

Sign and return the Inventors' Agreement prepared by STOR.

Ensure that STOR always has a current address and contact information.

Department Chairs

Notify STOR of any agreement to divide the department share differently than the one documented in the Inventors' Agreement.

Ensure that all royalty income received by the department is utilized for the support of scientific research or education.

Deans and Vice Presidents

Notify STOR of any agreement to divide the school's share differently than the one documented in the Inventors' Agreement.

Ensure that all royalty income received by the school is utilized for the support of scientific research or education.

STOR

Conduct all operations necessary to manage, process, protect, license, and report inventions.

Negotiate licenses to inventions and related property rights.

Provide guidance regarding inventor sharing.

Prepare the Inventors' Agreement.

Provide the Inventors, Deans, and Chairs with copies of completed Inventors' Agreements.

Maintain inventor current address and contact information.

Administer the distribution of royalty income.

Make reasonable efforts to locate inventors who have changed address without notifying STOR.

Contact Information

Office of Science, Technology Transfer and Economic Outreach

1576 Sweet Home Road, Suite 111

Amherst, NY 14228

Phone: (716) 645-5500

Fax: (716) 645-3436

<http://www.research.buffalo.edu/stor/default.cfm>

Related Information

University Documents:

Patents and Inventions Policy

<http://www.research.buffalo.edu/ovpr/policies/patents.cfm>

Intellectual Property Ownership Determination Hospital Affiliations

<http://www.research.buffalo.edu/stor/pdf/STOR-Hospital%20Affiliation01.05.pdf>

Other Documents:

SUNY Computer Software Policy

http://www.research.buffalo.edu/ovpr/policies/computer_software_policy.cfm

Software Policy Clarification and Web Wizard

http://www.research.buffalo.edu/ovpr/policies/computer_clarification.cfm

SUNY Copyright Policy

http://www.suny.edu/SUNYPP/pdf.cfm?doc_id=88#page=3

Related Links:

Research Foundation Patents and Inventions Policy:

http://portal.rfsuny.org/portal/page/portal/Intellectual_property/tto/POLICIES/mupol001.htm

SUNY Patent & Invention Policy: [Patents and Inventions Policy of State University of New York](#)

The Bayh-Dole Act: http://www.cogr.edu/docs/Bayh_Dole.pdf

Presidential Approval

John B. Simpson

John B. Simpson, President

9/1/09

Date