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BUCK INSTITUTE

INTELLECTUAL PROPERTY MANUAL

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INTELLECTUAL PROPERTY POLICIES

1. INTRODUCTION

The Buck Institute recognizes its investment and that of its sponsors in basic biomedical research provides opportunity for technology transfer of its Intellectual Property (defined in Section 4 (Useful Terms)) that will ultimately further the mission of Buck Institute and benefit the general public. The Buck Institute is committed to protecting the rights of the public regardless of the funding source.

This Policy shall be consistent with State and Federal law and policies, and in particular, the Bayh-Dole Act (Pub. L. 96-517) and the grant policies of the Public Health Service.

These Policies shall be interpreted in a manner consistent with applicable Federal and State statutes and implemented regulations.

A full text of the Intellectual Property Policies and Procedures follows this overview and must be reviewed in their entirety when assessing the permissibility of an Intellectual Property agreement.

Education is a key component to the Buck's ability to adhere to Intellectual Property regulations. Education is conducted through intellectual property education seminars. Training of researchers on all aspects of agency rights, technology transfer, Bayh-Dole, etc., is an essential element of ensuring protection of rights.

Noncompliance with these intellectual property policies, as with all Buck Institute policies, will be taken seriously, and all staff that violates them is subject to sanctions up to and including termination.

2. OBJECTIVES

1. The Buck Institute supports the faculty, staff and trainees in pursuing the Buck Institute's mission and further recognizes that the purpose of commercial development of the Buck Institute's Intellectual Property is to further enhance the understanding of biology, benefit society through the discovery and invention of therapeutic and diagnostic interventions. The Buck Institute's Intellectual Property Policies and Procedures are developed to provide incentives for its researchers while protecting the integrity of their research, to protect the rights and aspirations of the Buck Institute and its sponsors, and to foster commercial development.
2. The Buck Institute always retains the right to publish or otherwise publicly disclose information developed in the course of any research program, such right to include the ability to comment upon or criticize descriptions of the research which may be made by others, including granting agencies or other sponsors of research ("Sponsors"). Sponsors, if required, will be furnished with a draft of any proposed publication for review prior to publication in order to ascertain whether any patentable subject matter is disclosed therein or to delete any of its own confidential and proprietary information; for manuscripts, at least

thirty (30) days prior to publication; and for abstracts, at least seven (7) days prior to publication. At the expiration of such thirty (30) day or seven (7) day period, such manuscript or abstract may be published, unless such subject matter possesses inventions which are suitable for further protection through intellectual property, where additional delays can be made.

3. These Policies apply to any invention, discovery, improvement or other intellectual property, whether or not patentable or copyrightable, developed directly or indirectly as a result of a program of research financed by Buck Institute funds or by funds under the control of the Buck Institute, or in Buck Institute facilities.
4. These Policies apply to all employees and associates whether or not paid by the Buck Institute, who are exposed to or otherwise perform science, relating to Buck Institute projects or research. This includes, but is not limited to, faculty, principal investigators, researchers, visiting scholars, postdoctoral researchers, trainees, technicians, administrative staff and volunteers, unless otherwise so stated. For clarity, this excludes vendors and tenants with license agreements.

3. RESPONSIBILITY

Board of Trustees: It is the responsibility of the Board of Trustees to see that the mission of the Buck Institute is achieved, to maintain the financial independence necessary to secure the productivity of the Buck Institute faculty.

Executive Management (CEO, COO or qualified VP) (“EM”):

It is the responsibility of EM to promote technology transfer in a manner consistent with the Buck Institute’s mission. It is the responsibility of Business Development to review and approve all intellectual property agreements. In addition, it is the responsibility of the VP of Business Development, or assigns, to keep the Board of Trustees informed in all intellectual property matters.

Business Development (BD): It is the responsibility of Business Development to identify and secure intellectual property relationships with external parties. Business Development will be responsible for decisions about protection of intellectual property, and negotiation and execution of any intellectual property agreements. Business Development will interface with outside counsel, consultants, and advisors as needed in order to fulfill its function and further the Buck’s mission.

Faculty: It is the responsibility of the faculty to conduct technology transfer activities in a manner consistent with Buck Institute policies and procedures, to disclose to Business Development staff the creation of intellectual property, to educate their staff about the importance of abiding by these policies and cooperate with Buck Institute staff in filing and prosecuting patents and in legal actions taken in response to infringements.

4. USEFUL TERMS

Intellectual Property: Intellectual property covers the discovery or creation of a novel, unique Invention (defined below) that can be tested in a way to show its validity to an assertion that it provides value beyond what is currently known. Intellectual property may be manifested in a variety of forms and includes, without limitation, inventions and discoveries, whether or not patentable, computer software, writings, compilations, graphs and charts, photographs, artwork and distinct names identifying entities, products and services. The intellectual property developed at the Buck Institute may be protected by patents, know-how, copyrights and trademarks, as appropriate.

Materials: Tangible intellectual property including, but not limited to, cell lines, vectors, DNA fragments, antibodies, software, graphs and charts, photographs, artwork, animal models and constructs.

Trademark: A word, name, symbol, or device or any combination of these used by a manufacturer or vendor in connection with a product.

Copyright: A type of intellectual property that protects the manner in which an idea is expressed.

Patent: A grant from a Governmental authority allowing the owner to prevent the other parties from exercising the specific claims in the patent for a certain amount of time (currently in the US, 20 years from the patent application date for utility and plant patents and 14 years for design patents – 35 USC Section 154).

Invention: Included, but is not limited to, any discovery, know-how, idea, trade secret, new device, method or process developed from a concept or discovered, or a new or novel use of a discovery, material, method, process, product, or program, whether or not patented or patentable or copyrighted or copyrightable, that has an application of value.

CHART OF REVIEW PROCESSES

AGREEMENT or FORM NAME	INITIAL REVIEW BY (submit to)	APPROVAL or ACTION BY (sig. not required)	SIGNATURE BY	FILES MAINTAINED BY
Collaborative Research Agreement	Business Development	Business Development	Business Development	Business Development
Industry Consulting Agreement	Business Development	Business Development	Individual	Individual
Non-profit/Other Consulting Agreement	Human Resources	Human Resources	Individual	Human Resources
Corporate Sponsored Research Agreement	Business Development	Business Development	Business Development	Business Development
Disclosure and Record of Invention	Business Development	Business Development	Inventor	Business Development
Invention Agreement	N/A	N/A	VP/Director of Human Resources	Human Resources
License Agreement	Business Development	Business Development	Business Development	Business Development
License to the United States Government	Business Development	Business Development	Business Development	Business Development
Material Transfer Agreement (Incoming)	Business Development	Business Development	Business Development	Business Development
Material Transfer Agreement (Outgoing)	Business Development	Business Development	Business Development	Business Development
NIH Subject Utilization Report	Business Development	Business Development	Business Development	Business Development

CONFIDENTIALITY AND NON-DISCLOSURE

1. POLICY

The Buck Institute maintains an open environment where communication and dissemination of information is encouraged. However, in the course of its research mission to extend the healthy, productive years of life through research and education, the Buck Institute and its trustees, faculty, staff, postdoctoral researchers, volunteers, advisors, consultants, collaborators, contractors and students develop, receive, or have access to a variety of proprietary information and material ("Confidential Information") which, for many reasons, may have to be maintained on a confidential basis for some period of time. Confidential Information may include, but is not limited to, certain employment and salary records, corporate records, unpublished research data and tangible research property, patent applications, confidential and proprietary information and materials of third parties, patient information, business plans and documentation and information related to legal and regulatory actions. All paid or unpaid faculty, staff, researchers, visiting faculty, principal investigators, technicians, aides, postdoctoral researchers, volunteers, advisors and consultants must be mindful of the need to maintain in confidence Confidential Information, regardless of its source, and be aware that breaches of confidentiality may result in legal claims against both the unauthorized discloser and the Buck Institute. This could result in sanctions, up to and including termination.

To protect Buck Institute rights pertaining to confidential and proprietary information all non-salaried (by Buck Institute) staff, visitors, volunteers, advisors and consultants are required to sign the appropriate Confidentiality Agreement, as required, given their job function and proximity to Buck Institute research.

Confidential Information will only be provided to parties who complete the appropriate Confidential Disclosure Agreement, as identified by Business Development.

Information obtained during the course of service on a Buck Institute committee or in a review process, such as those related to promotion, intellectual property, advisory or regulatory committees, grants, or publications must be maintained in confidence.

All Buck Institute employees and associates shall be informed of their obligations to protect information upon employment and at the time of execution of any agreement with confidentiality language, and periodically thereafter, as necessary. This policy shall be disseminated annually to all Buck Institute employees and associates and monitored by the Human Resources Department on a routine basis.

2. Confidential Information in Personal Agreements

1. Individuals may enter into external confidentiality agreements or other agreements with confidential language, such as consulting agreements, with external parties only after such agreements have been reviewed and approved by the VP or Sr. Director of Business Development. They must ensure that the interests of the Buck Institute and the right to publish results of research generated at the Buck Institute are not adversely affected. As appropriate, Buck Institute personnel will be asked to acknowledge specific confidentiality

terms in agreement affecting them or their staff. Any such agreements will be personal to the individual and the Buck Institute recommends that they also be reviewed by the individual's private counsel. Please note that Buck Institute staff are not authorized to enter into any confidentiality agreements on behalf of the Buck Institute. Such agreements need to be reviewed and executed by Business Development staff (see Section 3 below).

2. Students and postdoctoral researchers are subject to this policy and the terms in externally funded research support agreements that they may receive. It is the responsibility of the laboratory supervisors to relay any such terms to the students and postdoctoral researchers.

3. Buck Institute Confidential Information & Buck Institute Non-Disclosure Agreements

1. When Buck Institute Confidential Information is being disclosed to a third party, a Buck Institute Non-Disclosure Agreement (also known as a Confidential Disclosure Agreement or Confidentiality Agreement) must be completed before such disclosure. A Non-Disclosure Agreement will be negotiated by Business Development with the other party to ensure proper treatment of Buck Institute Confidential Information.
2. Upon final execution of a Buck Institute Non-Disclosure Agreement, the Buck Institute employee or associate disclosing the Confidential Information will be authorized to release the requested information or material. Confidential Information disclosed, whether verbally or in writing, must be identified as "confidential" at the time of disclosure, and if not marked "confidential" at that time, reasonable best efforts must be taken to identify it as such in writing within thirty (30) days of the date of disclosure.
3. Business Development, Administration and all publication authors shall be responsible for protecting proprietary information from disclosure in general publications, posters, conference lectures as well as financial periodicals such as Buck Institute Quarterly and Annual Reports. If necessary, such information shall be deleted from the publication to allow time to protect the information by filing a patent application.
4. All Buck Institute staff and consultants are expected to treat Confidential Information, whatever the source, with the same degree of discretion and care as they would their own personal and confidential information. Confidential information should be marked confidential and kept in a secure location. It is important that discretion must be used in disseminating confidential information, e.g., do not discuss it in open hallways, gathering places, etc.
5. All Buck Institute staff shall be provided with a copy of this policy. It is the responsibility of the Human Resources Staff to provide Buck Institute staff with this Policy upon initiation of employment. It is the responsibility of the investigator, manager, supervisor, etc. to monitor and enforce this policy.

CONSULTING, EQUITY POSITIONS AND OTHER OUTSIDE ACTIVITIES

1. POLICY

The Buck Institute hereby affirms the right of faculty and certain senior management (hereinafter referred to as "Staff") to engage in outside activities related to their efforts at the Buck Institute as outlined in each Staff's employment contract. This Policy establishes the parameters in which these outside activities may take place and the key principles to be followed for the protection of both the individual Staff member and the Buck Institute.

This Policy expressly recognizes that participation in outside activities is consistent with the practices of academic organizations; fulfills collegial responsibilities, particularly where such activities involve service on peer review committees, editorial boards, in the community and educational programs; and promotes interactions with the for-profit biomedical and biotechnology communities that can lead to the commercialization of important new technologies for the public good. Furthermore, the remuneration derived from outside activities makes employment at the Buck Institute more competitive with the for-profit sector, and hence promotes stability of Staff. Additionally, Staff may choose to participate in the creation of new for-profit entities as "founders" or in advisory roles where they receive an equity stake for their past, present and future contributions to said enterprise.

Any agreement (e.g. consulting, equity or otherwise) between and a for-profit entity must be approved entirely by Business Development and in advance of all arrangements with for-profit entities.

This Policy shall, at all times, be consistent with and subordinate to all conflict-of-interest policies of the Buck Institute and the Federal Government.

2. PROCEDURES

1. Full-time Staff of Buck Institute may engage in consulting and other outside activities if such activities are:
 - A. consistent with the provisions of this Policy; and
 - B. approved in advance pursuant to this Policy.
2. The amount and kind of outside activities engaged in will necessarily vary from Staff member to Staff member as defined by current HR policy and their Employment Agreement, should one exist. When in the sole judgment of Executive Management, outside activities are inappropriately distracting the Staff member from their primary commitment to the Buck Institute, the CEO retains the right to change the maximum percentage Staff can allocate toward outside activities or reduce that Staff member's effort to reflect the work they are doing at the Buck Institute.

3. All consulting arrangements with for-profit entities must be approved in advance by Business Development. The approval process shall include a specific review of the final consulting contract to be executed in order to assure that no policy of the Buck Institute will be violated or compromised by the terms of such agreement. Staff members may wish to retain their own legal and/or financial advisors to review consulting contracts. The Buck Institute can only provide feedback to make sure that the agreement complies with Buck Institute Policies and cannot provide any assistance in the negotiation or representation of any Staff member on a third-party consulting agreement.
4. Consulting arrangements with not for-profit entities, or any other entities besides for-profit entities, must be reviewed and approved in advance by the Human Resources Department.
5. For-profit entities may, from time to time, offer Staff members equity or stock options as part of compensation for consultancies, service on Scientific Advisory Boards, and/or licensing transactions. This equity must be reported to the VP or Sr Dir, Business Development prior to the receipt of said equity.
6. The Buck Institute is not able to give any advice regarding the responsibilities of stock ownership.

Individuals who are employed by or otherwise associated with the Buck Institute are required by federal law to execute an Invention Agreement. The Invention Agreement requires these individuals to assign to the Buck Institute all patentable inventions and all nonpatentable rights, know-how, copyrights and other forms of such property that arise or are derived from research activities conducted at the Buck Institute or using any Buck Institute resources, such as facilities and funding, as well as any Inventions that fall within the individual's scope of employment at the Buck Institute. This obligation is in exchange for a share of any monetary remuneration that may be generated from commercializing the underlying technology.

7. The consulting relationship must have adequate safeguards to protect Buck Institute's confidential information. If new inventions, whether patentable or not, are developed during the course of the consultancy but which relate to an employee or associate's activities at the Buck Institute, the Buck Institute shall retain rights in such inventions.
8. All intellectual property made in the course of employment or other association is assigned to the Buck Institute, and the Buck Institute has the sole responsibility and discretion as to how best to commercialize the underlying technology and no other individual or entity may do so.
9. Consulting arrangements with either for-profit or not-for-profit entities are not to be used as vehicles for conducting research that appropriately should be undertaken at the Buck Institute.

CORPORATE SPONSORED RESEARCH

1. POLICY

The Buck Institute will enter into research support agreements with for-profit sponsors when such arrangements are consistent with the scientific mission of the Buck Institute and do not compromise the pursuit of knowledge for its own sake and the fundamental principles of academic freedom. This Policy expressly recognizes that commercially sponsored research agreements can promote the transfer of new technologies for the public benefit, create additional funding for innovative scientific inquiry, and promote productive intellectual exchange between academic and corporate scientists.

The Buck Institute shall maintain a reasonable balance in their grant portfolio among sources of research funding including its federal government, foundations, corporate sponsors, and institutional support.

This Policy shall be consistent with Federal law and policies, and in particular, the Bayh-Dole Act (Pub. L. 96-517) and the grant policies of the Public Health Service.

2. REQUIREMENTS

1. Faculty principal investigators (“PIs”) at the Buck Institute may receive commercial sponsorship for their research pursuant to this Policy. All such funding arrangements are to be negotiated by Business Development consistent with the research goals of the PI(s). The PI, Business Development and the Grants Department will develop a budget when a company has expressed an interest in funding a research project. Ordinarily, PIs will not participate directly in the business negotiations for these arrangements.
2. All commercially sponsored research arrangements must be documented in writing. This principle is to be followed even in those circumstances where consideration by the company for the agreement is the provision for services or the exchange of intellectual property (i.e., a collaboration) rather than money.
3. All commercially sponsored research agreements must, at a minimum, request the full direct and indirect cost recovery rate.
4. Commercial sponsors may provide funding for an individual research project, a laboratory or a group of laboratories pursuing common scientific objectives. Such funding generally shall be for a duration acceptable to the PI and Business Development.
5. The research agreement shall define the scope of the scientific effort being pursued through a definition of the field of research and a reasonably detailed research plan, to be developed by the PI and the sponsor, with Business Development’s oversight and assistance, that should be attached as an appendix to the contract agreement.
6. Research projects may simultaneously receive funding from the government, foundations, institutional sources and/or commercial sponsors. However, in the absence of an agreement

between the relevant companies, there should be no more than one commercial sponsor per project or per field of research.

7. Principles of academic freedom must be preserved within the context of commercially sponsored research-support arrangements. Consequently, no editorial privileges will be granted to a for-profit sponsor with respect to manuscripts or presentations generated from the funded research unless the sponsor is also an author. The sponsor shall have the right to delete its own confidential and proprietary information. Sponsors may have an opportunity to review manuscripts or presentations for such information and to ascertain whether any potentially valuable intellectual property, whether patentable or not, has been developed. In the latter case, provision for a modest extension of the review period to obtain suitable intellectual property protection is appropriate. The optimal allowable period for initial review of a manuscript or proposed public presentation is thirty (30) days prior to submission for publication or presentation. Sponsor review of abstracts is optimally seven (7) days. If potentially patentable subject matter is disclosed, Buck Institute may grant a sponsor an additional time so that a patent application can be filed.
8. As every transaction is factually distinct, each proposed confidentiality provision will be individually evaluated. In no event will the Buck Institute assume liability in excess of its insurance coverage.
9. Research agreements shall expressly reserve the right of the Buck Institute PIs to comment upon and criticize descriptions by others related to the research findings, including the sponsors. In doing so, the Buck Institute is assuring that it has no obligation to conform its PI's views of the research findings to those of a commercial sponsor.
10. The research agreement shall optimally contain a budget for the work to be undertaken. Where multi-year funding is contemplated, the first year of the budget shall be in sufficient detail to allow for proper allocation of funds. Budgets for subsequent years may provide only gross support totals. Provision for limited reallocation among budget categories without prior approval of the sponsor is recommended.
11. A commercial sponsor may occasionally grant options for equity, or an outright grant of equity, as part of the consideration for the research or license being undertaken. Such options or equity are not distributable under the royalty sharing policies of the Buck Institute.
12. The Buck Institute is the owner of all intellectual property developed by its staff members or by persons who utilize the resources of Buck Institute (e.g., visiting faculty, postdoctoral researchers, etc.). Consequently, and consistent with common law and federal statutory law, all such intellectual property is assigned to the Buck Institute. Sponsored research agreements that require the assignment of discoveries and inventions to the sponsor are prohibited. Without express permission of the Buck Institute Board of Trustees or its assigns, only intellectual property created in the performance of fee-for-service work, such as in a Core Facility, can be considered.
13. In consideration for research funding, materials or services, a commercial sponsor may receive nonexclusive or exclusive rights to license inventions and discoveries from the Buck Institute. Preferably, a research support agreement should provide the sponsor with an option to license. However, in some limited circumstances, a license may actually be granted

for inventions discovered during the performance of the sponsor funded research term, on financial terms agreed upon at the effective date of the agreement.

14. Whether a research agreement includes an option to license or a license grant, the period for exercising the option and negotiating a license must be limited in time, in each case no longer than one hundred and eighty (180) days, so that promising new technologies will not be withheld from public use for unreasonable amounts of time.
15. When discoveries are made it is recommended that ownership follow inventorship. Under no circumstances should intellectual property created or discovered by Buck be assigned to an external party.
16. To the extent that inventions are developed in part with federal grants or funding from foundations or other not-for-profit agencies, any license shall be subject to the rights of the government under the Bayh-Dole Act and any policies of the relevant not-for-profit agency(ies).
17. Any technology license arising from commercially sponsored research at the Buck Institute must include a provision retaining a limited right for the Buck Institute to practice the technologies for their own noncommercial, basic research purposes and to allow for other non-profit and academic collaborators to do the same.
18. The name of the Buck Institute or PIs who are performing research pursuant to commercial sponsorship shall not be used by a sponsor without the express written permission of the Buck Institute. However, a sponsor may refer to the scientific publications of PIs.
19. In order to protect PIs and other staff who are working on commercially funded projects, any provisions for renewal or early termination, other than for cause, should provide a notice period, which would allow for the Buck Institute to seek replacement funding.

DATA OWNERSHIP AND RETENTION

1. POLICY

It is the policy of the Buck Institute that all primary scientific data and materials (hereinafter referred to as "Data"), including notebooks, computer-generated data, reagents, materials, etc., that are developed in the course of employment or training at the Buck Institute, with the use of Buck Institute facilities, or generated from the work sponsored by the Buck Institute, are the property of the Buck Institute and will be retained by the Buck Institute.

2. GUIDELINES

1. Scientific data should be recorded as directed by the laboratory supervisor.
2. Data are to be categorized, indexed, boxed, and stored before employee termination.
3. All Data will be kept on the Buck Institute premises, in physical or electronic form, which may include cloud-based storage. If a faculty member leaves the Buck Institute, a copy of their Data may be taken. All original Data will remain at the Buck Institute.
4. Scientific records including, but not limited to, laboratory notebooks, editorial file copies of manuscripts, and data records will be retained for a minimum of ten years, or the life of a patent, or three years after the final expenditure report has been submitted, whichever is later. All scientific records pertaining to publications will be retained for ten years. If any litigation, claim, or audit is started before the end of the retention period, the records will be retained until all findings involving the records have been resolved.
5. Primary Investigators or their designees and administrative personnel are responsible for monitoring the above Policy.

DISCLOSURE AND INVENTION REPORTING

1. POLICY

It is the policy of the Buck Institute that all inventions be disclosed and reported according to the appropriate federal, state, local and Buck Institute policies. It is the responsibility of the inventor to make every effort to disclose in a timely and accurate manner to protect the rights of the Buck Institute and the public. To protect the rights of all parties, it is the responsibility of the CEO to monitor and enforce this Policy.

The Buck Institute adheres to the principles of Bayh-Dole. Potential discoveries must be disclosed as soon as possible after the observation is made, and before any publication, abstract or poster, public or private presentation, communication, grant proposal, etc., ("Communication") is made. A National Institutes of Health ("NIH") grant is considered disclosed at the time of award.

Business Development will log all disclosures that identify federal funding sources into the Interagency Edison database.

2. Facilitation of Invention Disclosure

1. To facilitate the identification of commercially interesting inventions for the benefit of the Buck Institute, the investigators, and the public, and to assist in compliance with federal law, Buck Institute manuscripts or presentations identified as potentially containing an invention and submitted for publication should be sent to Business Development to review these manuscripts or presentations for licensable inventions. Please be assured that all information from these manuscripts will remain confidential until publication, and that Business Development will work closely with the investigators to determine the appropriate action to be taken. Business Development will contact the investigators and assist in filing a formal invention disclosure when commercially interesting inventions are identified. It will be the responsibility of Business Development to seek patent protection where appropriate and to search for commercial partners to license and develop these inventions.
2. If inventors think they have identified an invention with commercial potential in the course of their research at the Buck, whether or not they may have a manuscript or presentation in preparation, they are encouraged to fill out and submit an Invention Disclosure Form to Business Development. This form can be found on the Buck's intranet site by going to the Technology Transfer page.

DISTRIBUTION AND RECEIPT OF RESEARCH MATERIALS

1. POLICY

This Policy promotes scientific discoveries and their dissemination and utilization for the public benefit. It protects the proprietary rights of inventors and the Buck Institute while maintaining a mutually beneficial exchange of research materials with scientists outside the Buck Institute. It also meets the Public Health Service's ("PHS") guidelines relating to Distribution of Unique Research Resources produced with PHS funds.

Tangible intellectual property such as cell lines, vectors, DNA fragments, antibodies, software, etc., animal models, constructs, etc. ("Materials"), are critical to the advancement of scientific knowledge. In keeping with the policies of the PHS, many scientific journals, and the Buck Institute's own scientific philosophy of making such Materials readily available to faculty at other institutions for research purposes, the Buck Institute supports the distribution of tangible research property, consistent with this policy, upon publication of their description and use. However, the means of distribution and the charge for use, if any, will vary, depending upon one or more of the following considerations:

1. demand for the Material;
2. the cost and difficulty of production;
3. the use to which the Material is to be put;
4. the source of funding through which the Material is developed;
5. whether the Material is subject to a license; and/or
6. other considerations unique to the development of the Material.

This Policy shall cover distribution and receipt of all research Materials, regardless of the source of funding for their development.

Faculty funded by PHS grants/contracts who believe they are unable to implement this Policy should contact Business Development. The appropriate PHS program administrator will then be contacted to discuss the circumstances and reach an understanding before the subsequent award.

NIH has issued regulatory guidance to the effect that no patented or unpatentable Materials may be treated as inventions for the purpose of the Bayh-Dole regulations relating to new technologies developed in whole or in part with federal funding. Thus, the Buck Institute may elect to retain title to the Materials and receive revenue from their distribution. Such revenue shall be distributed according to the Buck Institute Policy on Royalty Distribution.

Prior to distribution, it is necessary to determine whether the Buck Institute has full rights to the Material being distributed. Business Development is responsible for making such determinations, in consultation with the faculty. It is the faculty's responsibility to report the use of any third-party materials that may be incorporated into the Material, especially the use of any materials that may have been obtained under a Material Transfer Agreement with a third party. The Buck Institute might be legally liable in cases where third party obligations are not met, and such legal action may result in the faculty being censured or terminated.

EQUITY

1. POLICY

The Buck Institute recognizes that revenue may be generated as a result of intellectual property from licensing, corporate sponsored research, consulting, and other such agreements or transactions. Revenue from the sale of equity holdings generated from the Buck Institute approved agreements may be permitted under the appropriate circumstances.

Under certain circumstances involving faculty, staff or board members, proposed equity holding arrangements, including stock and stock options shall be reviewed by the Buck Institute Conflict of Interest Committee ("COI") which shall be responsible for making a recommendation to Executive Management whose decisions will be final. The COI, in its review of such arrangements shall be sensitive to potential conflicts of interest, real or perceived, balanced against providing incentives to encourage technology transfer.

2. DISTRIBUTION

Shares of equity and any corresponding dividends or gain from a sale allocated to the Buck Institute shall not be subject to distribution according to the Buck Institute's Royalty Distribution Policy and shall instead be retained in the Buck Institute's general research fund to support the mission of the Buck Institute.

INVENTIONS

1. POLICY

The Buck Institute will provide an environment for the free exchange of ideas, support of faculty, postdoctoral researchers and staff in the conduct of research to benefit the public, and the protection of the integrity of the organization and its members. The Buck Institute recognizes that new and potentially useful intellectual property may result from work that is developed in the course of employment or training at the Buck Institute, with the use of the Buck Institute facilities, generated from work sponsored by the Buck Institute or falling within the Buck's scope of employment. This Policy addresses the practical application of that research and responds to any obligations the Buck Institute may have to its sponsors of research, and the inventor(s).

The ownership of inventions and discoveries, whether patentable or not, shall rest in the Buck Institute pursuant to the above-referenced agreements and this Policy. Sponsors of research undertaken at the Buck Institute (e.g., the Federal Government, foundations and corporations) may be entitled to certain rights in such inventions and discoveries; however, ownership shall rest in the Buck Institute in all cases. Any such rights are to be delineated in writing prior to the commencement of the sponsored research. If the Buck Institute and the relevant funding agencies elect not to assume their rights, the investigator may request the rights and the Buck Institute will consider such request as well as consider the retention of rights and licensing to the inventor.

All faculty, postdoctoral researchers, staff, students, volunteers, visiting scientists, and other persons working in the Buck Institute facilities or utilizing the Buck Institute resources with or without pay ("Assignor") must sign the Buck Institute Invention Agreement at the time they commence work at the Buck Institute. The agreement provides for the assignment of inventions and discoveries to the Buck Institute in exchange for rights to a portion of revenue received upon commercialization.

It is the responsibility of the Assignor to identify any intellectual property (including but not limited to ideas, new and useful processes, compositions of matter, life forms, machines, know-how, data, biological materials, software, copyrighted work, tangible property, innovative uses of existing inventions, graphics, designs and unpatentable discoveries) that may have commercial value, and promptly notify the Sr. Director of Business Development by completing an Invention Disclosure Form. (Please refer to the Policy on Disclosure and Invention Reporting contained in this Manual.)

The Assignor is obligated to cooperate with the Buck Institute in defending and prosecuting patents and in legal actions taken in response to infringement. It is expected that an Assignor will cooperate with the Buck Institute in securing patent rights and seeking commercial licenses; if not, they may sacrifice their portion of the royalties.

Funding sources will be recognized in patent applications, as appropriate and per funding source policy.

The Buck Institute's revenue (less expenses) from its share of cash royalties derived from intellectual property shall be distributed in a manner consistent with its research mission and Policies.

The Buck Institute shall be free to license or otherwise exploit or not exploit, at its sole discretion, any intellectual property it owns, for the public benefit, and the terms of any such license or other form of exploitation shall be determined solely by the Buck Institute. The evaluation of intellectual property and the determination as to whether or not to file for patent protection shall be the responsibility of Business Development. Business Development may seek advice from consultants, patent counsel, or licensing or business professionals. The Buck Institute may grant licenses on a royalty-free basis or otherwise dedicate any intellectual property to the public. The Buck Institute will conform to all applicable laws and regulations and external sponsor obligations in carrying out its responsibilities.

In the event Assignor is unavailable for any reason after a reasonable effort has been made to reach them or if they refuse to cooperate in the filing of a patent application, Assignor hereby grants to the Buck Institute Power of Attorney to execute all relevant documents on their behalf.

This Policy shall be consistent with Federal law and policies, and in particular, the Bayh-Dole Act (Pub. L. 96-517) and the grant policies of the Public Health Service.

Copyrights: Ownership of intellectual property which is subject to copyright protection (e.g., articles, books, compilations of data or information, computer software, art, photography, etc.) and which is developed by staff members in the course of, or arising from, their employment by the Buck Institute, or by any other individual with the Buck Institute resources, shall be determined by the nature of the work to be protected. The copyright for scientific articles and textbooks, other than for materials to be used in Buck Institute publications such as the Annual Report and newsletters, shall vest with the author of the work who may then assign or license their interest as is deemed fit. Note: Publishers generally require an assignment of the copyright when the author(s) submits an article, textbook, or text chapter for publication. Unless otherwise expressly and specifically exempted in writing by an authorized Buck Institute official, all other copyrightable forms of expression such as software, photographs (unless incorporated into scientific publications), artwork, etc., belong to the Buck Institute.

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ROYALTY DISTRIBUTION

1. POLICY

The Buck Institute recognizes that commercially useful intellectual property may result from work that is developed in the course of employment or training at Buck Institute or with the use of the Buck Institute facilities and/or resources. It is the policy of the Buck Institute to redeploy royalty proceeds in a manner that facilitates the Buck's mission while rewarding inventors for their ingenuity. For the purpose of this Section, royalty shall mean any remuneration, other than equity, received on the basis of an intellectual property license, containing patents, patent applications, tangible research property, data, or know-how.

2. DISTRIBUTION

Distribution of Royalty Income shall be as follows:

1. All out-of-pocket expenses required to facilitate a royalty bearing agreement will be reimbursed by the initial proceeds paid to the Buck Institute. Ten percent (10%) of the gross royalty income received, after any out-of-pocket costs, legal and licensing fees, taxes, and other such costs or reimbursements as may be necessary or required by law, to the Buck Institute to be used to support related internal costs and technology transfer and licensing activities. The balance is defined as "Net Royalties".
2. Thirty three percent (33%) of Net Royalties to Inventor(s).
3. Seventeen percent (17%) of Net Royalties to the Buck Institute laboratory in which the invention was developed, to be reallocated towards scientific endeavors at the discretion of the laboratory Principal Investigator.
4. Fifty percent (50%) of Net Royalties to the Buck Institute to support the mission of the Buck Institute.

All royalty proceeds for investors shall be distributed equally unless a written agreement has been established prior to distribution defining an alternative distribution scheme.

Example:

\$100,000	Gross Royalty Income
<u>- 10,000</u>	Out of Pocket
\$90,000	Subtotal
- 9,000	(10%) to the Buck Institute Business Development
\$81,000	Net Royalty Income
(\$26,730)	(33%) to Inventor(s)
(\$13,770)	(17%) to the Buck Institute Laboratory where the invention was made while the inventor was employed at the Buck Institute
(\$40,500)	(50%) to the Buck Institute's general research fund to support the mission of the Buck Institute

For implementation procedures or questions in connection with this Policy, please contact Business Development.