



# MedStar Health

<b>Title:</b>	<b>Intellectual Property Policy</b>	<b>Section:</b>	
<b>Purpose:</b>		<b>Number:</b>	
<b>Forms:</b>		<b>Effective Date:</b>	<b>June 11, 2014</b>

## Policy Title

Intellectual Property Policy

### 1. Purpose

- 1.1 To encourage creativity, innovation, and invention creation within the MedStar Health community.
- 1.2 To facilitate the translation of knowledge for the general good by transforming MedStar Health-owned Inventions (as defined below) into commercial products and services to directly benefit the communities served by MedStar Health.
- 1.3 To attract and retain the highest caliber of creative and inventive people at MedStar Health
- 1.4 To ensure that revenue generated by commercializing Inventions is distributed in a manner consistent with the first three objectives as well as the advancement of health, innovation, and research at MedStar Health.

### 2. Policy Statement

By the creation and implementation of this Intellectual Property Policy (herein known as “Policy”), MedStar Health seeks to clarify the ownership and handling of Inventions generated by MedStar Health Associates and Affiliated Inventors (as defined below).

### 3. Scope

This Policy applies to all Inventions produced, developed, or generated by MedStar Health Associates and Affiliated Inventors disclosed on or after the effective date of this Policy. Only the CEO/President of MedStar Health, Inc. or the Chief Medical Officer of MedStar Health, Inc., in consultation with the General Counsel or his/her delegatee, may grant exemptions to this Policy. The CEO/President or the General Counsel may specifically delegate part or all of his/her authority and responsibility under this Policy to a designated individual by a written delegation.

### 4. Definitions

- 4.1 “Affiliated Inventor” means an Inventor who, although not an Associate of MedStar Health utilizes MedStar Health resources or personnel for activities related to his/her Invention. The Affiliated Inventor may or may not be under contract, either individually or as part of a group, to provide services to MedStar Health. Examples of Affiliated Inventors include but are not limited to independent contractor physicians

and other healthcare practitioners, community-based healthcare practitioners on the medical staff at MedStar Health facilities, students, consultants and volunteers.

- 4.2 “Associate” means any employee of MedStar Health who works on a full-time or part-time basis, whether or not a written contract exists.
- 4.3 “Commercialization Agent” means an individual or group external to MedStar Health that is designated and leveraged by MedStar Inventor Services to help commercialize MedStar Health owned Inventions.
- 4.4 “Copyright” means the exclusive rights granted by law to copyright owners in Copyrightable Work (as defined below).
- 4.5 “Copyrightable Work” means any original work of authorship that has been fixed in any tangible medium of expression from which it can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. These works include but are not limited to:
- a. Literary works such as books, manuals, tests, computer programs, instructional material and databases;
  - b. Musical works including any accompanying words;
  - c. Dramatic works, including any accompanying words;
  - d. Pantomimes and choreographic works (if fixed, as in notation or videotape);
  - e. Pictorial, graphic and sculptural works, including photographs, diagrams, sketches and integrated circuit masks;
  - f. Motion pictures and other audiovisual works such as videotapes;
  - g. Sound recordings;
  - h. Machine-readable software code and programs
- 4.6 “Disclosure” means giving notice of Invention to MedStar Inventor Services.
- 4.7 “Gross Revenue” means licensing revenue and any other consideration, or equivalent financial return received from the assignment, licensing, lease or sale of the rights to Inventions or from the creation of a new business.
- 4.8 “Invention” means any invention, discovery, know how or Copyrightable Work whether or not protectable by law including but not limited to, any new and useful process, machine, manufacture, composition of matter, algorithms and software, trademarks or any new and useful improvement thereof.
- 4.9 “Invention Disclosure Form” means the form used to disclose Inventions.
- 4.10 “Inventor” means an individual who is responsible for the conception of Invention(s). The term “Inventor” includes Associates and Affiliated Inventor(s).
- 4.11 “MedStar Health” includes MedStar Health Inc. and each of its subsidiary and affiliated entities.
- 4.12 “MedStar Inventor Services” is the office for development and commercialization of MedStar Health Inventions.
- 4.13 “MedStar Inventor Services Oversight Committee” means the committee comprised of the Director of MedStar Inventor Services, the Director of MedStar Institute for Innovation, the President of MedStar Health Research Institute and a representative of MedStar Health Legal Department.
- 4.14 “Policy” means the MedStar Health Intellectual Property Policy, which is this document.
- 4.15 “Net Revenue” means Gross Revenue actually collected by MedStar Health less any fees and other costs which are directly incurred in commercializing the Invention(s), including but not limited to legal, marketing and research and development costs.

- 4.16 “Request for Determination of Rights Form” means the form used to request determination of ownership of an Invention.
- 4.17 “Work for Hire” means the work prepared by an employee within the scope of his or her employment. This definition includes works prepared by Associates and Affiliated Inventors in satisfaction of sponsored agreements between MedStar Health and outside agencies.

## **5. Responsibilities**

- 5.1 The MedStar Health Associate or Affiliated Inventor is responsible for reading and signing a statement of compliance with the Policy. In the event such a statement is not included in the Associate’s employment agreement or if this Policy applies to an Affiliated Inventor, the Associate or Affiliated Inventor may be asked to sign a separate statement of compliance with the Policy. The failure to have a signed agreement shall not be deemed or construed as a limitation of MedStar Health’s ability to enforce any and all rights it may have in and to any Intellectual Property. Associate and Affiliated Inventors shall disclose their inventions, any and all pending public disclosures, third party interests in the Invention and any information that may affect the commercialization of the Invention to MedStar Inventor Services using the Invention Disclosure Form.
- 5.2 MedStar Inventor Services has the exclusive responsibility to protect, manage, and commercialize MedStar Health Inventions and is authorized to implement and enforce the following Policy on behalf of MedStar Health, in consultation with the MedStar Health Legal Department.
- 5.3 MedStar Inventor Services may elect to use Commercialization Agents in order to facilitate commercialization of MedStar Health Inventions. All Commercialization Agents will be bound by non-disclosure agreements.
- 5.4 MedStar Inventor Services Oversight Committee is responsible for creating policies related to Invention commercialization, dispute resolution, and general oversight of MedStar Inventor Services.
- 5.5 MedStar Health Legal Department is responsible for oversight in all legal aspects of Invention commercialization including but not limited to: management, interpretation, compliance with and oversight of grants, agreements, contracts, policies and laws and protection of intellectual property.
- 5.6 Only the Chief Executive Officer & President or the Chief Medical Officer of MedStar Health, Inc., in consultation with the General Counsel or his/her delegatee, shall have the authority to grant exemptions to the Policy and to resolve any questions or disputes that may arise under this Policy, subject to provisions of law generally applicable to the development and ownership of intellectual property. The CEO/President or the General Counsel may specifically delegate part or all of his/her authority and responsibility under this Policy to a designated individual by a written delegation.

## **6. Exemptions**

Only the CEO/President or the Chief Medical Officer of MedStar Health, Inc., in consultation with the General Counsel or his/her delegatee, may grant exemptions to this Policy. The CEO/President or the Chief Medical Officer may specifically delegate part or all of his/her authority and responsibility under this Policy to a designated individual by a written delegation.

## **7. Consequences Of Non-Compliance**

Non-compliance with the Policy may cause MedStar Health to lose the opportunity for significant revenues. Use of MedStar Health resources by an Associate or Affiliated Inventor for the private benefit of that individual could result in sanctions or loss of tax-exempt status under the Internal Revenue Code of 1986, as amended.

Associates or Affiliated Inventors acting with deliberate disregard of this Policy may be subject to disciplinary action up to and including termination.

## **8. Requirements And Guidelines For Implementing The Policy**

### **8.1 Invention Ownership**

All Inventions (a) developed by MedStar Health Associates and Affiliated Inventors that arise out of their employment at MedStar Health or affiliation with MedStar Health or (b) specifically assigned to MedStar Health are owned by MedStar Health subject to the exceptions described in section 8.11.3.

### **8.2 Disclosure**

8.2.1 All Inventions created by MedStar Health Associates and Affiliated Inventors must be disclosed to MedStar Inventor Services. MedStar Inventor Services has sole discretion in determining the relationship of the Invention to the Inventor(s)' employment at MedStar Health or affiliation with MedStar Health. Disclosure is the act of giving notice of Inventions by the Inventor to MedStar Inventor Services using the Invention Disclosure Form, which will be made available on the MedStar Inventor Services website.

8.2.2 Disclosure of Inventions is encouraged at the earliest possible time. In order to appropriately protect the Invention, Disclosure must take place before any presentation to the public or description or conversation outside of the Inventor's immediate working group (e.g., Division or Laboratory). Although not necessary for Disclosure, specific milestones that should trigger Disclosure include: (a) when the idea is mature enough for an internet or patent search; (b) when the Invention is ready for prototyping or other development and (c) when the Invention is reduced to practice in any manner. Ownership of Inventions developed prior to employment at MedStar Health or affiliation with MedStar Health remains with the Inventor provided that the Inventor completes and submits an Invention Disclosure Form and Request for Determination of Rights Form to MedStar Inventor Services prior to employment at MedStar Health or affiliation with MedStar Health. Retained ownership is limited to the state of development of the Invention that exists prior to employment at MedStar Health or affiliation with MedStar Health.

### **8.3 Contesting MedStar Ownership**

8.3.1 Determination of MedStar ownership is at the sole discretion of MedStar Inventor Services, in coordination with the MedStar Inventor Services Oversight Committee and the CEO/President of MedStar Health. If an Associate or Affiliated Inventor believes that the Invention did not arise out of the Inventor's employment at MedStar Health or affiliation with MedStar Health and does not wish for MedStar Inventor Services to commercialize the Invention, he/she may file a Request for Determination of Rights Form which will be made available on the MedStar Inventor Services website.

8.3.2 Inventions that are determined not to be owned by MedStar Health after a review of the Request for Determination of Rights Form will not receive commercialization support from MedStar Inventor Services. Inventions are released only as initially described in the Invention Disclosure Form. Any further development, refinement or improvement of the Invention by the Inventor may fall outside of the scope of the original release from MedStar ownership, and a new Invention Disclosure Form must be submitted. If the Inventor believes that the improved Invention did not arise out of his/her employment at MedStar Health or affiliation with MedStar Health and does not wish for MedStar Inventor Services to commercialize the improved Invention, he/she may file a new Request for Determination of Rights Form.

- 8.3.3 If MedStar Inventor Services does not claim ownership of an Invention, the Inventor may choose any path to commercialization that he/she sees fit.

#### 8.4 MedStar Health Invention Review Process and Path to Commercialization

- 8.4.1 MedStar Inventor Services, in its sole discretion, will elect whether and how to commercialize any and all MedStar Health Inventions. In order to receive commercialization support from MedStar Inventor Services, the Invention must be owned by MedStar Health.
- 8.4.2 The MedStar Inventor Services commercialization process begins with the Inventor's completion and submission of the Invention Disclosure Form to MedStar Inventor Services. Upon receiving the Invention Disclosure Form, MedStar Inventor Services will review the form and discuss it with the Inventor(s). As part of the discussion, the Inventor(s) will share any relevant third party contacts with MedStar Inventor Services and provide input into the commercialization strategy for the Invention. With input from the Inventor, MedStar Inventor Services will review the commercial potential of the Invention. MedStar Inventor Services may then take one of three actions: (1) proceed with Commercialization, (2) request additional information from or additional development by the Inventor(s) or (3) release rights to the Inventor(s).

The Inventor(s) will cooperate with MedStar Inventor Services in seeking and obtaining legal protection of the Invention and to provide information related to the Invention as requested by MedStar Inventor Services.

- 8.4.3 The Associate or Affiliated Inventor may be asked to complete one or more additional stages of development or perform research and provide the results to MedStar Inventor Services. This additional data will typically be used to enhance the commercial assessment and/or to enhance the commercial appeal of the Invention.
- 8.4.4 Inventions for which MedStar Inventor Services commences commercialization may benefit from a host of MedStar Inventor Services offerings including, but not limited to, Invention protection, prototyping, testing, industry feedback and marketing, licensing, and new business development.

#### 8.5 Release of ownership of the Invention to the Associate or Affiliated Inventor.

- 8.5.1 MedStar Inventor Services may at any time, (a) decline to commercialize the Invention because the Invention is not owned by MedStar Health, as described in section 8.1, (b) determine that the market potential for the Invention does not warrant the expense of legal protection (if available) and/or commercialization or (c) decide to cease either patent prosecution, patent maintenance or ongoing commercializing efforts for the Invention. As to (b) and (c), the Inventor(s) may request that such Invention be assigned to the Inventor(s) to commercialize or subsequently abandon as the Inventor(s) desire.
- 8.5.2 The release of ownership to the Inventor does not include modifications and improvements to the Invention made subsequent to initial Disclosure. Any modifications or improvements to the Invention should be disclosed to MedStar Inventor Services by submitting an additional Invention Disclosure Form.
- 8.5.3 MedStar Health shall retain an irrevocable, worldwide, royalty-free, non-exclusive license for non-commercial purposes including but not limited to research, education, and patient care for all Inventions that arise out of the Inventor's employment at MedStar Health or affiliation with MedStar Health, as determined by MedStar Inventor Services.
- 8.5.4 As a condition of release of MedStar Health ownership and should the Associate or Affiliated Inventor be successful in independently commercializing the Invention, he/she agrees to pay 50% of all revenues received relating to the commercialization of the Invention to MedStar Health until

all direct expenses of technology development or commercialization borne by MedStar Health (examples include patent prosecution, legal fees, prototyping and engineering) are reimbursed.

## 8.6 Commercialization Endpoints

MedStar Inventor Services has authority to determine and execute a commercialization strategy, including entering into agreements, for MedStar Health Inventions.

- 8.6.1 Licensing. MedStar Health may enter into an agreement to transfer or lease certain rights to a third party allowing the third party to develop, build, and/or sell products or services and enforce any intellectual property rights related to the Invention. Licensing agreements may be exclusive or non-exclusive, however, ownership of the Invention will typically remain with MedStar Health.
- 8.6.2 New Business Creation. MedStar Inventor Services may, directly or with the help of affiliates or other entities, establish corporations, joint ventures, partnerships, or other commercial enterprises in order to commercialize an Invention. Subject to the MedStar Health Conflict of Interests and Interactions with Industry Policy, MedStar Health may receive and hold equity shares in companies as consideration for authorizing the use of MedStar Health Invention or for investments (including cash and in-kind investments) made by MedStar Health in new companies. MedStar Health may solely hold such shares until such shares are liquidated, at which time the proceeds related to the MedStar Invention will be distributed according to the revenue distribution plan set forth below.

## 8.7 Net Revenue Distribution for Inventions Owned by MedStar Health

- 8.7.1 Net Revenue generated from commercialization of Invention owned by MedStar Health will be shared equally between the Inventor and MedStar Health.
- 8.7.2 Prior to Net Revenue distribution, direct expenses of Invention commercialization incurred by MedStar Health (including but not limited to patent prosecution, legal fees, prototyping and engineering and development) will be deducted from Gross Revenue and reimbursed to MedStar Health. After all direct expenses are covered, 50% of the Net Revenue will be awarded to the Inventor(s) and 50% will be retained by MedStar Health. Of the 50% portion of Net Revenue retained by MedStar Health, 25% (or 12.5% of the total Net Revenue) will be assigned to MedStar Health, 25% (or 12.5% of the total Net Revenue) will be assigned to a MedStar Innovation Fund, 25% (or 12.5% of the total Net Revenue) will be assigned to a MedStar Research Fund, and 25% (or 12.5% of the total Net Revenue) will be assigned to the Inventor's division, department, and/or operating unit. The MedStar Inventor Services Oversight Committee will have discretion in determining the use of MedStar Health's 37.5% portion of total Net Revenue assigned to a MedStar Innovation Fund, a MedStar Research Fund and funds assigned to the Inventor's division, department, and/or operating unit. The MedStar Health CEO/President retains ultimate direction and authority over MedStar Health's 50% portion of total Net Revenue. Continued employment at MedStar Health or affiliation with MedStar Health is not required for the benefits under this Policy to remain effective.

## 8.8 Multiple Inventors Inside MedStar Health

- 8.8.1 In the case where there are multiple Inventors who are all MedStar Health Associates and Affiliated Inventors, the Inventor share will be distributed equally among co-Inventors.
- 8.8.2 If an Inventor believes that the Net Revenue should be distributed other than equally, MedStar Inventor Services may elect to convene a committee for the purpose of determining the appropriate distribution. The committee may be comprised of relevant departmental and MedStar Inventor Services Oversight Committee representatives.

## 8.9 Collaboration with Inventors Outside of MedStar Health



Inter-institutional agreements will govern collaboration with Inventors outside of MedStar Health. If no relevant inter-institutional agreement exists at the time of Disclosure, MedStar Inventor Services has authority to negotiate with the outside institution with regard to the Invention. MedStar Health Associates and Affiliated Inventors should discuss planned or potential inter-institutional collaborations that may result in the creation or refinement of an Invention with MedStar Inventor Services prior to initiation of the collaboration.

#### 8.10 Compliance with Law and Contractual Obligations

Both the Inventor and MedStar Inventor Services will comply with all applicable laws and regulations as well as contractual obligations to third parties (e.g., funding agency).

#### 8.11 Work for Hire

8.11.1 MedStar Health shall retain ownership of works created as institutional rather than personal works. Works created for MedStar Health purposes in the course of the creator's employment or within the scope of a contractual engagement are considered Work for Hire and are owned by MedStar Health. As an example, work assigned to staff programmers and software developed within the course of employment is Work for Hire regardless of whether the work is in the course of sponsored research, unsponsored research, or non-research activities. MedStar Health owns all rights, intellectual and financial, in such works.

8.11.2 Copyrightable Works generated during the course of projects sponsored by MedStar Health are owned by MedStar Health. Associates and Affiliated Inventors who participate in such projects are required to assign the Copyrightable Works to MedStar Health.

8.11.3 MedStar Health does not claim ownership of textbooks, articles, and similar works the sole intended purpose of which are to disseminate knowledge and scholarly work. MedStar Health claims no ownership of popular non-fiction, novels, poems, musical compositions, or other works of artistic imagination which are not Work for Hire, related to health care or the life sciences, or any MedStar Health business.

8.11.4 MedStar Health personnel should make all reasonable efforts to require contractors to agree in writing that ownership is assigned to MedStar Health. Examples of works which MedStar Health may commission non-employees to prepare are:

- a. Illustrations or designs;
- b. Architectural or engineering drawings;
- c. Forwards and introductions;
- d. Computer software; or
- e. Reports by consultants or subcontractors.

8.11.5 The following notice on MedStar Health owned materials will protect the Copyright:

Copyright © MedStar Health (year). All Rights Reserved.

No other institutional name is to be used in the Copyright notice. The date in the notice should be the year in which the work is first published, i.e., distributed to the public or any sizeable audience.

8.11.6 MedStar Inventor Services, working with the President of the relevant MedStar Health subsidiary, may distribute Net Revenue from licensing or sale of MedStar Health Work for Hire to the appropriate employee(s) or Inventor(s) pursuant to the formula stated above relating to Invention Net Revenue distribution.

## 9. Related Policies

- a. Research Policy for MedStar Health
- b. MedStar Health Conflict of Interests and Interactions with Industry Policy
- c. MedStar Health Research Institute Conflict of Interest / Conflicts of Commitment in Research Policy
- d. MedStar Health Business Ethics and Confidentiality Policy
- e. MedStar Health Contract Administration Policy

## 10. Procedures Related To Policy

### 10.1 Inquiries

- 10.1.1 Questions regarding the intent, interpretation of, and execution of this Policy may be directed to the Director of MedStar Inventor Services at [Disclosure@MedStar.net](mailto:Disclosure@MedStar.net).
- 10.1.2 Questions regarding contracts and grants. Contracts and grants frequently contain complex provisions relating to Copyright, rights in data, royalties, publication and various categories of material including proprietary data, computer software, licenses, etc. Questions regarding the specific terms and conditions of individual contracts and grants, or regarding rules, regulations and statutes applicable to the various government agencies, should be addressed to the MedStar Health Legal Department.

### 10.2 Dispute Resolution

Any controversy, dispute, or disagreement arising under this Policy or agreements resulting from actions taken pursuant to this Policy shall be governed by the terms of the Associate's employment contract or when applicable, the terms of such later drafted contractual arrangement. In the event the Associate does not have a contract which governs dispute resolution, or in the event of Invention developed by an Affiliated Inventor, any controversy, dispute or disagreement arising out of or relating to this Policy, shall be settled initially by the Director of MedStar Inventor Services, then, if necessary, by MedStar Inventor Services Oversight Committee, and, if subsequent need, by the CEO/President of MedStar Health. Should the issue still remain unresolved, or the Inventor wishes to appeal a decision, any controversy, dispute or disagreement arising out of or relating to this Policy, shall be settled exclusively by binding arbitration, which shall be conducted in Columbia, Maryland in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration, and which, to the extent of the subject matter of the arbitration, shall be binding not only on all parties to the Agreement, but on any other entity controlled by, in control of or under common control with either party to the extent that such affiliate joins in the arbitration, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Expenses for Alternative Dispute Resolution shall be split between the parties and each party will be responsible for their own costs, including, but not limited to attorney fees.

## 11. Legal Reporting Requirements

- 11.1 MedStar Health will comply with all federal regulations requiring reporting of Invention commercialization activities stemming from federally funded research.
- 11.2 If the Invention is generated in the course of or under research supported by the government or any of its agencies (e.g. DHHS) or by companies or other organizations, the rights to any Invention are subject to any agreements between MedStar Health and the third party or parties.

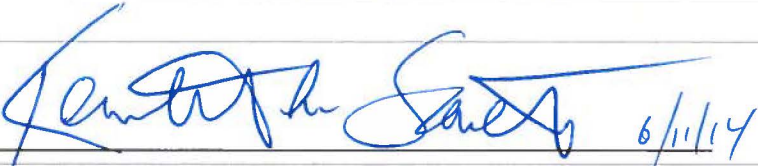
## 12. Reference To Laws Or Regulations Of Outside Bodies

None.



### 13. Right To Change Or Terminate Policy

MedStar Health reserves the right to alter or revise this Policy at any time. The new Policy will be accessible to Associates, Inventors, and Affiliated Inventors. The Policy in effect at the time of Disclosure to MedStar Inventor Services shall apply at all times concerning that Invention.

<b>Reference:</b>	
<b>Approved By:</b>	 6/11/14