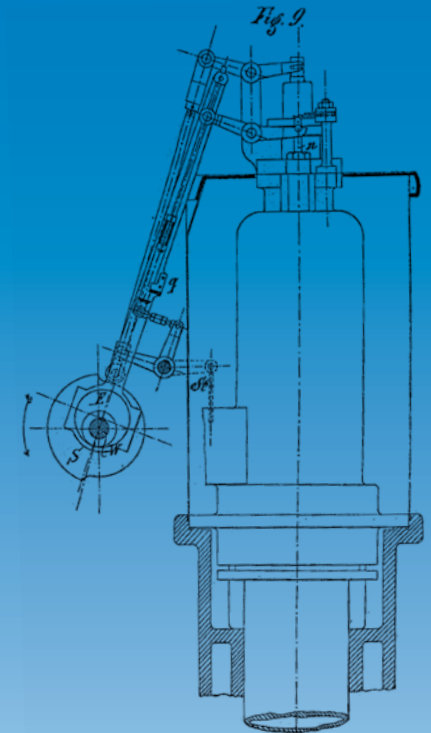


TUM IP Policy

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Foreword

Scientists at Technische Universität München (TUM) are exploring new knowledge about mankind, nature and technology. Their inventions and discoveries provide the basis for technological innovations that add value to the economy and help to safeguard Germany's position as a center of successful business and high-tech industry. In implementing the measures defined in the University's structural concept entitled *TUM. The Entrepreneurial University*, TUM is concerned to sustain its long-term performance. To this end, the manner in which the commercially exploitable knowledge amassed by the university is dealt with is being placed on a new footing. Given the social and economic interest in potential new products and technologies, and in consideration of the constantly increasing use of communications media, computer programs, brands, designs as well as the technologies employed in education at TUM, there are new and complex issues to be addressed regarding the appropriate and just apportionment of rights and duties at the university. On the one hand, it is a question of doing justice to the inventors and creators at TUM. While on the other hand TUM and its sponsor institutions also have a justified interest in safeguarding patentable results of the research they have financed. It is also essential to keep pace with developments in the field of copyright and patent law. In order to ensure that due consideration is given to the interests of all those concerned at TUM, a sound and transparent framework is required to regulate the treatment of intellectual property at TUM.

In compliance with the recommendation¹ of the European Commission, TUM has developed the following guidelines and procedures for the treatment of intellectual property.

The illustration on the front page of the TUM Patent Policy is taken from the first patent by Rudolf Diesel (DE67207). Rudolf Diesel began in 1875 his studies at the former Technische Hochschule in Munich. Diesel took his final exam in January 1880 at the Technische Hochschule, where he received the best degree since the founding of the institution.

¹ Commission Recommendation of 10 April 2008 on the management of intellectual property in knowledge transfer activities and Code of Practice for universities and other public research organisations.

I. TUM guidelines for the treatment of intellectual property

The manner in which inventions (including certain substantive results of research such as biological material and software products), patents and copyright are treated at TUM is governed by the following principles:

1. Priority attaches to the consideration that ideas, products and technologies developed at TUM should be of maximum benefit to society. Therefore, efforts should be made to ensure that the dissemination and use of such ideas, products or technologies should be as extensive as possible. In addition to research and teaching, the TUM mandate also extends to commercial exploitation. TUM has therefore set itself the goal, to the best of its ability, to create incentives to implement technologies developed within the TUM community in practice, and prepare creative works and teaching materials and introduce these into practical application.
2. For TUM the benefit to society takes precedence over the pursuit of financial gain. At the same time however, the fact is not ignored that, both for TUM and for the inventors, it is appropriate and desirable to profit from the exploitation of products developed on the basis of their inventions or intellectual creations. The goal of such exploitation is to achieve the maximum economic gain with an appropriate flow of funds back into university research.
3. Decisions by TUM on how to proceed with specific inventions or works therefore take due account of the interests of both society and the university, as well as of the inventors or creators concerned.
4. In arriving at its decision, TUM endeavors to safeguard the rights of scientists with regard to the results of their work in application of the relevant laws. The right of a scientist to decide freely whether and if so, when and under what conditions he or she wishes to publish scientific papers must not thereby be restricted.
5. TUM supports the formation of business entities (spin-offs and start-ups) on the basis of research results in order to pursue the implementation of such results in the form of marketable products, and thereby create new employment opportunities. In the event that the preceding research has been substantially financed by TUM, for the purpose of utilizing and exploiting university-generated knowledge TUM will enable the formation of such business entities and support them through the provision of Intellectual Property Rights, facilities and equipment or human resources. On principle, TUM must be afforded a share of the proceeds of these business entities and/or compensated for the corresponding costs.
6. The interests of TUM and its members must be duly protected in respect of the use of the name, logo, seal and word and image marks of the university. If the name, logo or similar is to be used to indicate association with the university, written consent must first be obtained from TUM. In addition, it must also be ensured that any such use accords with the TUM Corporate Design Manual and that TUM, if it so requests, is afforded an appropriate share of the proceeds deriving from such use.

II. Inventions and patents

A detailed guide for inventors can be downloaded from <http://portal.mytum.de/forte/lizenzbuero>

1. Definitions:

In the context of these general guidelines, the terms listed hereinafter shall have the following meanings:

The term *inventor*, for the purpose of these guidelines, means a person who, solely or with others, has made an invention and fulfills the criteria to qualify as an inventor pursuant to the Patents Act (PatG) and the Employee Inventions Act (ArbEG) as enacted by the Federal Republic of Germany.

The term *invention* covers all patentable or potentially patentable ideas, developments and/or corresponding know-how, as well as the underlying or associated technology needed for the development or application of ideas or know-how.

A *service invention* is an invention made while the inventor is in private or civil service employment, and which arises either from the duties incumbent on the employee/civil servant at the university (activity-derived invention) or is substantially based on experience or work at the university (experience-derived invention).

A *free invention* is an invention that does not fulfill the above criteria.

2. Reporting requirements:

Persons to whom the above provisions apply are obliged

- to report all service inventions to the TUM ForTe Patent and Licensing Office (PLB) via the invention report form provided for this purpose.
- to notify all free inventions to the TUM ForTe Patent and Licensing Office.

3. Patent applications:

The PLB, with the participation of the inventor, will decide whether an invention should be registered as a patent. This decision is based on various parameters such as, for example, novelty, inventive step, commercial potential, obligations towards third parties, third-party rights and other factors of possible relevance. Inventors of inventions for which patent applications are going to be filed must cooperate in the application procedure as required by TUM or its representative or agent without, however, incurring them costs.

4. Commercial exploitation:

With regard to the commercial exploitation of an invention, while decision-making authority lies solely with the PLB, the public interest will be considered. In cases in which the invention is integral to an agreement with third parties (for example with public or private sponsors or other funding providers), the PLB will take account of the terms of this agreement. Decisions on commercial exploitation are made by the PLB at its own discretion; however, a reasonable effort will be made to ensure that the inventors concerned are integrated into the proposed exploitation. TUM may transfer tasks relating to the evaluation and/or exploitation of inventions to third parties such as, for example, Bayerische Patentallianz GmbH (BayPat)².

5. Profit sharing:

TUM will share the income deriving from the exploitation of an invention with the inventor(s) concerned as provided for by the Employee Inventions Act (ArbEG). The share accruing to the inventor(s) is for his/her/their personal use. The Chair/Professorship under which the invention was made will receive 50 % of the share in proceeds accruing to TUM.

6. Release of inventions:

In the event that TUM does not patent an invention or withdraws a patent application or does not uphold or sustain a patent application, the invention will be released to the inventor who will be offered the opportunity to take it over. Having confirmed that no terms of any agreements with third parties will be breached by releasing the invention to the inventor and that it is in

² <http://www.baypat.de/>

the best interest of TUM and the public at large to do so, the PLB may approve such release and will in such case transfer all rights to the invention. Where appropriate for an invention to be released, the inventor(s) may be required to consent to the following conditions:

1. To fulfill any obligations towards funding providers who financed the research project that gave rise to the invention;
2. To grant TUM a non-exclusive, irrevocable license free of charge, and unlimited in time or place for purposes of research, teaching, clinical care and research with third parties;
3. Provisions to limit or exclude liability on the part of TUM.

III. Non-patented material

1. Definitions:

The term *non-patented material (including biological material)* refers to cell lines, organisms, proteins, plasmides, DNA/RNA, chemical compounds, transgenic animals and other material of use for research or commercial purposes for which no patent has been applied for or granted, insofar as this material was developed by persons who are covered by this present policy.

Contributors are those persons who have contributed to the development of the non-patented material.

2. Title and commercial exploitation:

TUM holds all rights to non-patented material and in consultation with the contributors may in the public interest pass on this material for research, as well as for commercial purposes, for example by licensing or transferring the same in return for a consideration. The persons listed as contributors have the right to share in the proceeds of exploitation as described in Section V of this policy.

IV. Computer software

1. Definitions:

Computer software covers all computer programs (including but not restricted to microcode, subroutines and operating systems), irrespective of the form in which they are executed or the object in which they are located, together with operating instructions and other accompanying explanatory materials and any and all computer databases.

2. Reporting requirements:

Computer software should be reported to the PLB if

- a. it is created in the context of a third party-funded project or
- b. the developer recognizes that the software has commercial potential
- c. and/or wishes to seek patent protection.

3. Title to computer software:

In accordance with Section 69b of the German Copyright Act (UrhG), if the software was created by a TUM employee in the course of his/her duties or on the instructions of his/her employer, TUM is exclusively entitled to exercise all economic rights to the computer software in consultation with the inventors. The same applies to software created by persons in civil service employment.

V. Sharing in the proceeds of exploitation

Income deriving from commercialization of Intellectual Property or technologies is distributed by TUM in accordance with the following guidelines (based on the monies received by TUM with effect from January 1, 2010):

1. Distribution formula for inventions / patents:

- Inventors' share as per § 42 of the Employee Inventions Act (ArbEG):
30 % of the gross revenues
- Share accruing to the Chair/Institute: 50 % of the share accruing to TUM

2. Distribution formula for computer software:

- Creators will receive a reasonable share of the revenues
- Share accruing to the Chair/Institute: 50 % of the share accruing to TUM

3. Distribution formula for non-patented material:

The income deriving from non-patented material is deemed to be the gross income accruing to TUM less the costs to the laboratory for the manufacture and dispatch of the material and other verifiable costs of administration, licensing and distribution. The shares accruing to contributors are distributed in accordance with a written agreement between the *contributors*.

- Contributors will receive a reasonable share of the revenues
- Share accruing to the Chair/Institute: 50 % of the share accruing to TUM

4. Proceeds of exploitation deriving from the commercialization of inventions / patents, computer software or non-patented material, the development of which involved *multiple inventors, creators or contributors* are distributed as follows:

The shares are distributed between the inventors/creators/contributors in accordance with their share in the invention or degree of participation specified in the invention report/notification.

5. Multiple patents exploited as a package: The standard distribution formula described in Section IV.1 is applied in equal measure to all patents included in the package. Alternatively, at the request of the inventors, the PLB will determine, with the inventors concerned, the relative value of each patent in the package. The above provisions notwithstanding, in the event of the existence of a signed agreement specifying varying values for the patents exploited as a package, the proceeds of exploitation will be divided between the inventors in accordance with these values.

6. Transferability of shares: Shares for the personal use of *inventors, creators and contributors* are disbursed by TUM irrespective of whether, at the time these payments are due, the persons concerned are employed at TUM. The shares accruing to Chairs cannot be appropriated by persons leaving TUM, but will instead be paid to the appropriate organizational unit at TUM. In the event that a person changes from one organizational unit to another within TUM, the corresponding share may be transferred to the new organizational unit.