



**COMMERCIALIZATION OF INTELLECTUAL PROPERTY POLICY**

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**TABLE OF CONTENTS**

- A. PURPOSE**
- B. SCOPE**
- C. DEFINITIONS**
- D. POLICY STATEMENTS**
- E. PROCEDURES**
- F. SUPPORTING FORMS, DOCUMENTS, WEBSITES, RELATED POLICIES**
- G. RELATED ACTS AND REGULATIONS**
- H. RELATED COLLECTIVE AGREEMENTS**

**A. PURPOSE**

The purpose of this policy is to establish principles and processes related to the Commercialization of Intellectual Property (IP). It is intended to encourage equitable and mutually beneficial arrangements between the College and Creators of IP in order to support disclosure, dissemination and Commercialization of IP.

**B. SCOPE**

This policy applies to IP created by all College Affiliates unless any of the following exceptions applies: there is a written agreement approved by the College and entered into by College Affiliate(s) that provides otherwise; where the policy is subject to rights or obligations specified in the College’s current collective agreement with the Douglas College Faculty Association (DCFA) with respect to the ownership and use of IP; or where the policy is subject to applicable laws, including without limitation the *Copyright Act*, *Patent Act*, *Trademarks Act*, *Plant Breeders’ Rights Act*, *Integrated Circuit Topography Act* and the *Industrial Design Act*, and other laws of general application.

**Limitation of Scope**

This policy does not apply to IP created in the course of non-College activities that do not make use of College Resources or funds administered by the College, or to activities exempted in the



College's current collective agreement with the DCFA. This includes but is not limited to outside employment or other activity by a College Affiliate in an area unrelated to College activities, and to activity conducted wholly while on an unpaid leave of absence from the College.

### C. DEFINITIONS

**College Affiliate(s):** For the purposes of this policy, all persons who teach, conduct research or work at or under the auspices of the College, including without limitation College Students, College Faculty and Non-Faculty College Employees, and visiting scholars and/or researchers.

**College Costs:** All direct and indirect costs and expenses incurred by the College, including without limitation Overhead and fees (e.g., legal fees, patent and prototype costs, and agents' fees) arising from or associated with the College's acquisition, management and/or Commercialization of IP, including the costs of evaluating the IP, obtaining and maintaining IP protection, preventing unauthorized use or infringement, prototype development, ongoing development and operational expenses, payments under any Sponsored Research Agreement (if applicable), and negotiating and administering licenses or other agreements with third parties. College Costs may include costs incurred prior to the initiation of Commercialization and research funds where such funds have been provided through research or related grants administered by the College.

**College Faculty:** Persons employed by the College who are members of the employee bargaining unit for which the Douglas College Faculty Association is the bargaining agent.

**College Resources:** Any facilities, equipment or financial aid provided or administered by the College, including without limitation any facilities, physical structures, classrooms, research laboratories, equipment, technical facilities, personnel and services of the College, including the administration of funds received by the College in the form of grants, contracts or any other support provided by the College, affiliated agencies, or partners, or external sponsors.

**Commercialization:** The process of bringing to market, including the commercial licensing, sale, securing patents or other forms of protection, marketing, manufacturing, distribution, sublicensing and/or other disposition of any Intellectual Property, and/or any technology, processes, techniques, works, products and/or services covered by, claimed by and/or incorporating IP which is expected or reasonably expected to result in financial return.

**Creator(s):** The College Affiliate(s) who individually or collectively created, developed, discovered or invented the IP.

**Intellectual Property (IP):** Any intellectual product created by a College Affiliate while acting within the scope of such College Affiliate's duties or employment with the College, and/or involving or utilizing College Resources (including but not limited to all forms of IP through which such intellectual product may be protected, including patents, copyrights, industrial designs, integrated circuit topographies, trade-marks, trade secrets and know-how). Examples of IP

include inventions, discoveries, compounds, biological materials, compilations of data, blue prints, drawings and designs, prototypes, processes, designs, word marks, design marks, logos, slogans, publications (including scholarly publications), educational materials, computer software, original works of art or performing rights, industrial and artistic designs and new plant varieties.

**Non-Faculty College Employees:** Persons employed by the College who are not College Faculty.

**Overhead:** The indirect costs incurred by the College in the course of its operations. In situations where a research project is funded by sources that do not allow for Overhead expenditures, there will be an "Overhead-due" amount; in the event that a project results in Commercialization, Overhead-due shall be called Overhead and attributed to the research project. (See *Douglas College Accounting Guidelines: Self-Funded Activities (2016)*<sup>1</sup> for current Overhead rates.)

**Revenue:** All gross proceeds, payments and distributions, whether by way of cash, equity or other consideration, received directly or indirectly from Commercialization of IP, which includes but is not limited to royalties, milestone payments, profit-sharing, lump sum payments, and the fair market value of equity shares or other securities.

**Sponsored Research Agreement (SRA):** A contract between the College and a third-party sponsor of a project or intellectual endeavour that involves research, innovation, discovery, development or creation undertaken by one or more College Affiliate(s); establishes the nature and extent of the sponsorship and the degree of financial interest and/or other rights that the parties have in any IP that results or arises from the project or intellectual endeavour, which interest or rights may include a license, an option, or any other interest in the IP.

**Student(s):** Person(s) enrolled in studies at the College in credit or non-credit courses.

#### D. POLICY STATEMENTS

1. Douglas College values creation and innovation and encourages College Affiliates to create innovative works, inventions and related entrepreneurial products. The College will support the dissemination and Commercialization of the products of innovative and inventive activity as widely as possible while respecting applicable laws and ethical principles. The College will act in a manner that benefits the Creator(s), the College and the wider community in establishing and enforcing this policy with respect to ownership, disclosure, Commercialization, Revenue sharing and dispute resolution with respect to IP.
2. Creator(s) may decide whether or not to pursue the Commercialization of their IP. Where College Resources have not been used in the development of IP, Creators are free to commercialize their IP without involving the College or to request the College's assistance in commercializing their IP.

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<sup>1</sup> Available on DC Connect (internal users only).

3. Where College Resources have been used in the development of IP, the College has the right to a share of any and all Revenue earned or received from any Commercialization of such IP. (For limitations, see Procedure 3, below.)
4. Where research or other intellectual endeavour is subject to a Sponsored Research Agreement (SRA), and where the SRA contains clause(s) restricting use of the IP and/or granting sponsor rights in the IP, all such IP shall be handled in accordance with the terms of the SRA. In all cases, all College Affiliates who will be involved in sponsored research will be informed of any restrictions relating to IP and will be able to make informed choices as to their participation in any sponsored research project.
5. Where one or more Creator(s) choose to be compensated directly by a licensee receiving rights in the IP (e.g., the Creator(s) become shareholders and/or employees of such a third-party licensee), the College shall require said Creator(s) to waive their rights to receive their portion of the Revenue to which they would be otherwise entitled under this policy.
6. Ownership of Intellectual Property
  - a. **College Faculty:** With respect to the Commercialization of IP produced by College Faculty, the College and the College Faculty are bound by the provisions of the collective agreement between the College and the DCFA pertaining to copyright and IP.
  - b. **Non-Faculty College Employees:** The College owns all IP developed or created by Non-Faculty College Employees, unless otherwise provided for in a collective agreement or another form of written agreement approved by the College. Where documentation, including assignments, is required by law to vest ownership with the College, the Non-Faculty College Employees will execute such documents as are necessary to give effect to this policy.
  - c. **College Students:** Students own IP developed or created as part of their normal course requirements, provided that such IP is not
    - (i) subject to any employment or other activities of the Student that are paid for by the College; or
    - (ii) subject to an agreement that provides otherwise, including an SRA with any third party that sponsors or supports the Student in the development of the IP.

If the IP developed by a Student uses College Resources (“Student Works”), the Student shall grant to the College a non-exclusive license and right to use such Student Works in perpetuity for institutional, non-commercial purposes, and the College shall have the right to retain prototypes or other original work developed by Students using College Resources.

When Students or other supervised persons are involved in a research project, the person in the supervisory position is obligated to inform the Students or other supervised persons of the intent to commercialize any IP arising out of the project and must make it a condition of participation that all College Affiliate(s), including Students, who participate in any research project are bound by the terms of this policy, including terms relating to the ownership and Commercialization of such IP.

#### 7. Assignment of IP Ownership

- a. Any one or more College Affiliate(s) may voluntarily assign their interest in IP to the College to enable the College to proceed or assist with Commercialization, or for other purposes mutually agreed to. The College may accept such assignment of IP ownership and thereafter may, at its sole discretion, use, sell, assign or otherwise deal with the IP, and any related know-how without restriction, subject to the Revenue-sharing obligations set out below (see Procedure 5).
- b. If the College owns the IP and elects not to pursue Commercialization, then the College may, at its sole discretion, agree to transfer its interest in the IP to the Creator(s) of the IP, subject to such terms and conditions as deemed appropriate by the College, including without limitation the Revenue-sharing obligations set out below (see Procedure 5).

#### 8. Disclosure

- a. Creator(s) of IP at the College must disclose any IP subject to ownership by the College if they believe that there may be Commercialization potential in such IP. This IP disclosure must proceed as soon as possible after the decision to commercialize the IP has been made, or as soon as research or other creative results demonstrate Commercialization potential of such IP. Public disclosure of IP, including through public presentation or publication in scholarly journals, theses or other academic publications, except on a confidential basis, may make it impossible to seek patent protection for such IP. Accordingly, Creators are encouraged to disclose IP to the College in accordance with these procedures prior to any public disclosure of IP that may be subject to patent protection. If the College owns (or has been assigned ownership of) the IP, Creators must assist the College in ensuring that all descriptions of IP that are disclosed, including any patent filings, are complete and accurate, and must assist the College, as reasonably required, with the Commercialization of such disclosed IP including by cooperating in obtaining patent or other protection for such IP and in legal actions taken to protect such IP.
- b. Creator(s) who intend to commercialize IP developed using College Resources, and in which they have copyright or patent ownership pursuant to any applicable collective agreement or other agreement, must disclose this intention as soon as possible after deciding to commercialize the IP or as soon as research or other creative results demonstrate the Commercialization potential of such IP. This disclosure is required

whether the Creator(s) intend to commercialize their IP independent of, or with the support of, the College.

- c. Disclosures required by this policy are to be made in writing by the Creator(s) to their immediate supervisor (Dean, Director or Vice President) prior to the commencement of any Commercialization activities, including without limitation any discussions with third parties or securing of registered IP protection in any jurisdiction (including without limitation, copyright, patent or trademark protection). Such disclosures should include full and detailed descriptions of the IP and the names of any and all Creator(s) of the IP, their relative contribution to the IP, and any sources of funding for the IP, if applicable.
- d. In cases where IP is developed under an SRA, the ownership of the IP may be set out in the SRA. Individuals from the College who participate in the work will be informed of any terms relating to the IP and/or Revenue sharing that may be set out in the SRA in advance in order that they may make an informed choice about their participation in the research. Creator(s) of any IP developed under an SRA are required to disclose to the College any IP that is developed in accordance with the terms of the SRA, or if such agreement is silent, then at the conclusion of the sponsored research project.

## E. PROCEDURES

### COMMERCIALIZATION AND REVENUE SHARING

For the purposes of this section, “College IP” means IP that is owned by the College and “Creator IP” is IP that is owned by one or more Creator(s).

1. If Commercialization is anticipated and there is more than one Creator of the IP, a written agreement among the Creators regarding ownership and Revenue sharing (a “Creator Revenue-Sharing Agreement”) must be concluded and signed by all the Creators before discussions or negotiations related to Commercialization are commenced with third parties by either the College or any Creator.
2. Creator(s) may decide whether or not to pursue the Commercialization of Creator IP. Where Creator(s) elect to pursue Commercialization of their IP, they may do so without the assistance of the College or may, at their sole discretion, request the College’s assistance.
3. Where College Resources have been used in the development of the Creator IP and the Creator(s) elect to pursue Commercialization of their IP, the College may exercise its right to share in the proceeds only to the extent of recovering any costs it incurred in supporting the research project(s) that led to the creation of the Creator IP.
4. If the Creator(s) wish to seek the assistance of the College in pursuing patents or other protection and subsequent Commercialization of Creator IP, the College and the Creator(s) shall enter into an agreement to share Revenue among the parties, and the College may

require that the ownership of the Creator IP be assigned to the College as a condition of the College assisting in such Commercialization.

5. Subject to the terms of any agreement entered into by the College, for the purposes of Revenue sharing, Revenue will be net of reimbursement of, and deduction of, College Costs, and will be shared and apportioned according to the *Douglas College Accounting Guidelines: Self-Funded Activities (2016)*<sup>2</sup> as follows:
  - a. The first \$5,000 to the Creator(s). In the case of multiple Creators, this sum is to be distributed amongst the Creators in accordance with the terms of the Creator Revenue Sharing Agreement;
  - b. 50% of the remaining balance to Creator(s). In the case of multiple Creators, this sum is to be distributed amongst the Creators in accordance with the terms of the Creator Revenue Sharing Agreement; and
  - c. The balance to the College as general revenue.
6. For the purposes of determining the appropriate allocation of Revenue, either the College or the Creator(s) may require the party receiving the Revenue to provide an audited accounting of all Revenues and funds received and expenses incurred with regard to IP covered by this policy.
7. In the case of College IP or Creator IP for which the College has assumed Commercialization responsibility, the College shall be responsible for the reporting and the administration of Revenue provided to Creator(s) and any third parties, as applicable. In the case of Creator IP that was developed using College Resources, the Creator(s) shall be responsible for the reporting to, and the administration of, Revenue that is required to be shared with the College in accordance with the terms of this policy.

## DISPUTE RESOLUTION

1. If a dispute arising among Creator(s) regarding their relative contributions to the creation of IP cannot be settled by the individuals involved, the advice and assistance of the Faculty Dean and/or other appropriate College administrator will be sought.
2. Any disputes between the Creator(s) and the College regarding the provisions of this policy that cannot be resolved through internal means shall be referred to binding arbitration under the *British Columbia Commercial Arbitration Act*, provided that any issues pertaining to the interpretation, application, operation or alleged violation of any collective agreement shall be dealt with under the grievance and arbitration provisions of that collective agreement.

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<sup>2</sup> Available on DC Connect (internal users only).

## F. SUPPORTING FORMS, DOCUMENTS, WEBSITES, RELATED POLICIES

### Administration Policies

- *College Use of Copyrighted Works*
- *Conflict of Interest*
- *Integrity in Research and Scholarship*
- *Self-Funded Activities*

## G. RELATED ACTS AND REGULATIONS

- [Copyright Act \[RSC, 1985\], c. C-42](#)
- [Industrial Design Act \[RSC, 1985\], c. I-9](#)
- [Integrated Circuit Topography Act \[SC, 1990\], c. 37](#)
- [Patent Act \[RSC, 1985\], c. P-4](#)
- [Plant Breeders' Rights Act \[SC, 1990\], c. 20](#)
- [Trademarks Act \[RSC, 1985\], c. T-13](#)

## H. RELATED COLLECTIVE AGREEMENTS

- Current [Collective Agreement between Douglas College and Douglas College Faculty Association \(DCFA\)](#)
- Current [Collective Agreement between Douglas College and the BC Government and Service Employees' Union \(BCGEU\)](#)