

TECHNION – ISRAEL INSTITUTE OF TECHNOLOGY

Intellectual Property Regulations

(Approved by the Technion's Board of Directors on 27.04.1999)

1. Introduction

The Technion's "Intellectual Property" policy is based on the objective to create and distribute know-how for the benefit of society. The manner of distributing of know-how is determined by its creators; academic freedom has a higher priority than the possibility to earn economic benefits. Protection of know-how is very important, both, to protect the best interests of the Technion and its employees, as well as to achieve greater public benefit; Protected intellectual property rights that are not public domain possess economic interest in their commercialization. Protection of intellectual property is not only the protection of an asset that may generate consideration, it is also part of the Technion's public duty to transfer technology for the benefit of society and to nurture and promote the industry and the economy. The Technion will assist its employees in protecting and distributing intellectual property, while upholding the Technion's main objectives. Intellectual property created by material use of the Technion's resources belongs to the Technion, however the fruits of its commercialization will be shared between the Technion and the property's creators.

The Technion has adopted the following "Intellectual Property Regulations" in order to encourage implementation of results of research conducted in the Technion, to conduct a proper distribution of rights, to allow for the submission of patent applications or other commercialization, to assist in obtaining research funding and in order to provide unified procedures regarding patents and commercialization whenever the Technion has a stake:

The following regulations are the guidelines of the Technion, Israel Technology Institute and/or of the Technion Research and Development Foundation Ltd. (hereinafter the "**Technion**"), related to the rights and obligations pertaining to inventions, developments and discoveries, patent registration and commercial exploitation thereof, and to the prevention of conflicts of interests.

These Regulations are binding upon the Technion and the its employees and are deemed an integral part of the employment terms in the Technion for employees who have commenced employment after the approval of these Regulations. Regarding an employee whose date of commencement of employment is prior to the date of approval of these Regulations, these Regulations will be deemed the Technion's interpretation of the Patent Regulations dated June 17th 1962, and in event in which the employee will be of the opinion that there is a discrepancy between the previous regulations and these Regulations, the employee may address the Executive Vice President for Research regarding the rights which they believe they have under the previous regulations. The Executive Vice President for Research shall discuss the application and decide there on.

2. Definitions

- 2.1 Employee - all persons who are permanently or temporarily employed in the Technion, including employee on sabbatical leave, in training or on an unpaid vacation and/or any other temporary absence.
- 2.2 Person engaged in research who is not an Employee –
Persons engaged in research and/or in joint research with other employees of the Technion, who use Technion resources, such as students, trainees, scholarship recipients, researchers from other institutions, retired employees and staff members, academic guests and others, unless explicitly agreed and stated otherwise.
- 2.3 The Inventor - an Employee or a group of Employees or a Person engaged in research who is not an employee, who has discovered, developed or created an Invention.
- 2.4 Invention - for the purpose of these Regulations the term "Invention" shall mean an idea and/or scientific information, engineering, technological, technical, medical, biological or chemical know-how, including process, algorithm, software, hardware, material, formula and unique know-how, as well as any development and improvement of an original Invention, with which the Employee intends to do one or more of the following:
- a. To submit a patent application with respect thereto, by himself or via a third party.
 - b. To grant rights of commercial exploitation with respect thereto.
 - c. To keep it confidential for the purpose of its commercial exploitation.
 - d. To make a self-use of it or any other use whatsoever for the purpose of product manufacturing or profit.
- 2.5 Exempt Invention -
an Invention compliant with the conditions specified in section 7 herein below.
- 2.6 Patent Committee -
Shall be appointed from time to time by the Executive Vice President for Research , shall discuss and shall decide whether to obtain protection for an Invention.
- 2.7 Business Unit -
The business unit of the Technion Research and Development Institute Ltd. (T3) or any other body that, according to the

Technion's decision, will substitute the same for the purpose of this procedure.

3. Right for Publication

- 3.1 The Technion, as an academic institution, is committed to allow and encourage publication of the research results of academic staff members, researchers and students, and this right prevails over any commitment under these Regulations.
- 3.2 Notwithstanding the above, the right to publish research results shall be subject to the rights granted to a third party in the scope of a funded research and/or consultation and/or any other research with respect to which a staff member and/or a student thereof and/or any other third party participating therewith in the research has signed an undertaking to avoid or to reject publication, as specified in the said undertaking.
- 3.3 The abovementioned right to publish does not apply to an Employee who is not an academic staff member, researcher or student.

4. Duty of Disclosure

- 4.1 An Inventor must disclose any Invention to the Technion, by an "Invention Disclosure Form", as soon as possible after the discovery and in any event prior to granting rights or prior to reaching out to any third party.
- 4.2 For avoidance of doubt it is hereby clarified that the duty of disclosure also applies to any Exempt Invention.
- 4.3 If the Inventor is of the opinion that he is entitled to the rights in any Invention to be deemed as an "Exempt Invention" and not to be assigned or transferred to the Technion as specified in section 7 below, the Inventor shall specify the reasons for his/her claim in writing, on an "Invention Disclosure Form".
- 4.4 An Inventor who has assigned or transferred any rights in an Invention to commercial exploitation without first giving a notice as specified in section 4.3 above will be deemed as waiving the claim that the Invention is an "Exempt Invention".

5. Sabbatical Leave or an Unpaid Vacation

- 5.1 An Employee who leaves for sabbatical leave or for an unpaid vacation and who intends to sign an agreement for assignment or transfer of rights to his employer during the sabbatical or the unpaid vacation, or who according to the rules of the said employer is entitled to ownership of these properties, shall fill in an "Invention Discovery Form", if he/she has an early idea for Invention, prior to his/her sabbatical leave and shall even notify his/her

workplace during the sabbatical leave or the unpaid vacation of the fact that he/she has submitted such Invention Discovery Form to the Technion.

5.2 Subject to the above, the rules of the hosting institution shall apply on intellectual properties developed during the sabbatical leave or the unpaid vacation.

5.3 A person returning from a sabbatical or an unpaid vacation shall notify the Technion upon his return of any Invention or a first stage of Invention developed in the scope of the sabbatical or unpaid vacation.

5.4 In the event in which an Employee has developed an Invention during the sabbatical or the unpaid vacation, which the hosting institute was not entitled to the full rights in to begin with, the matter related to the Technion's rights thereof shall be decided by the Executive Vice President for Research, after receiving the recommendations of the Patent Committee, in accordance with the following criteria:

5.4.1 If the Invention is patentable prior to the Employee's sabbatical or unpaid vacation, or if the Employee achieved the same by substantial use of the Technion's resources and it was only improved or advanced during the sabbatical or the unpaid vacation, the Technion's rights shall only be part of the rights due to him/her if the entire development was conducted in the Technion, as shall be determined in each individual case.

5.4.2 If the Invention has become patentable only as a result of the Employee's activity during the sabbatical or unpaid vacation, no substantial use was made of the Technion's resources for the invention thereof and the Employee does not intend to continue its development and improvement within the Technion, then the Invention shall belong to the Employee.

6. Ownership in and to an Invention

6.1 Subject to the rights of the Inventor part of the revenues originating from the Invention, as specified above, the Technion shall have ownership of all Inventions and all Intellectual Property related thereto.

6.2 Whereas an Invention has been developed by a student, the ownership to and in it will remain that of the student. However, whereas the Invention has been developed by a student during employment in the Technion or during a research work or project that was financed by the Technion and/or by a third party, or within the framework of an instruction by Technion staff member, or when the student received scholarship – the laws applicable on an Inventor shall apply on the student, the instructor shall also be deemed an Inventor and the ownership in and to the Invention and the Intellectual Property rights thereof shall be that of the Technion.

6.3 In any event in which research or an activity related thereto are conducted in accordance with an agreement between the Technion and a third party, the Invention rights will be in

accordance with the above specified agreement. An Inventor participating in the above specified research activity is obligated to conform with the terms of the specified agreement. Within the framework of the negotiations with the third party, the Technion shall aspire to promote and to protect the Technion's intellectual property rights.

6.4 The Business Unit shall exclusively handle all Inventions of commercial value, including patent registration and Inventions' commercial exploitation.

6.5 The Patent Committee shall determine whether to obtain protection of an Inventor's Invention.

7. Exempt Invention

Notwithstanding the above, an Invention shall remain in the full ownership of the Inventor if the Inventor requested it to be so in the Invention Disclosure Form and proved to the Patent Committee that all the following conditions have been fulfilled:

- a. The Invention does not originate from a research or a project conducted at the Technion.
- b. The Invention was executed by the Employee alone without participation and/or assistance of additional persons related to the Technion, including researchers, students, trainees, academic guests and others.
- c. The Invention was not generated in the Technion facilities or by a substantial use of Technion resources.
- d. Further development and handling of the Invention, as well as of commercial matters related thereto, will not be made by substantial exploitation of Technion resources.
- e. The Inventor will ensure that any third party who shall requires rights in an Exempt Invention will confirm that it is aware of the fact that the such agreement is a personal engagement of the Inventor, and it has no connection whatsoever to the Technion.

The Patent Committee shall discuss the request and notify the Inventor of its decision.

8. Notice of Invention

8.1 Subject to the right for publication, as specified in section 3 above, every Inventor who shall invent any Invention whatsoever (whether or not it is an "Exempt Invention" according to the Inventor's opinion) is obligated to submit in writing, without delay, all details, information, documents, plans, drawings, etc., required in order to examine the nature of the Invention. The Employee must ensure detailed records in the "Laboratory Notebook" that will describe the course of the Invention's generation, understanding that these records may be vital for obtaining protection for the Invention's intellectual property rights.

8.2 The notice shall be delivered by the "Invention Disclosure Form" with full reference to all the details required in the forms.

- 8.3 The notice will be delivered to the Business Unit, to the Head of the academic unit to which the Employee is affiliated with, as well as to the Patent Committee.
- 8.4 The Patent Committee may request the opinion of experts with respect to the Invention. The Patent Committee shall discuss and decide whether to register a patent or not.
- 8.5 Following the Patent Committee's decision, the Business Unit shall notify the Inventor as soon as possible of one of the alternatives:
- 8.5.1 Intention to file a patent application.
 - 8.5.2 Waiver of Invention.
 - 8.5.3 Intention to exploit the Invention without registration of a patent.
- 8.6 In case the Business Unit has not notified the Inventor of its decision regarding the Invention within six months from the date of submission of the notice of the Invention, or within any other period that shall be coordinated with the Inventor, this shall be deemed as Technion's waiver to the rights in and to the Invention. In such a case or when the Business Unit gave the Inventor a notice of waiver to the Inventor, no obligations set in these Regulations shall apply to the Inventor with respect of the Invention. This section shall also apply in the event in which the Technion has not filed a patent application or has not undertaken any steps to exploit the Invention without patent registration without a reasonable cause within 6 months of receipt the decision of the Patent Committee regarding patent registration with respect to the Invention, or from the date of notice on the intention to exploit the Invention without patent registration, or within any other period that shall be coordinated with the Inventor. In the event of disagreements regarding the reasonable cause to extend beyond six months, the matter will be submitted for the discussion and decision of the Technion President.

Notwithstanding the abovementioned, if in the above specified cases the Inventor commercially exploits the Invention in any manner whatsoever, the Technion shall be entitled to receive 20% of the fruits of the Invention.

9. Submission of a Patent Application

- 9.1 After the Patent Committee's decision to register a patent application, the Technion shall handle the registration of a patent in countries on which the Business Unit shall decide, from time to time.
- 9.2 The Inventor shall cooperate in all matters related to the preparation and registration of the patent application, including signing all required documents. The Inventor shall disclose all details required to obtain protection in and to the Invention.
- 9.3 There shall be no neither oral nor written disclosure nor publication of any details regarding the Invention without the consent of the Business Unit or anyone on its behalf, unless the Business Unit does not intend to file a patent application regarding the Invention, or to exploit the Invention in any other way.

9.4 The Inventor shall cooperate in all matters related to the Invention's commercial exploitation, while providing advice and information in his field of expertise, as required by the Technion.

9.5 The Technion may cease at any time the handling of the patent applications registration, their maintenance and the handling of the Invention's commercial exploitation. In such an event the Technion shall notify the Inventor of its decision as soon as possible as of the date of such decision, the Inventor shall be entitled to commercialize the Invention in any manner whatsoever and the Technion shall be entitled to receive 20% of the Invention fruits, as specified in section 8.6.

10. The Rights of the Technion and of the Inventor

10.1 The Technion shall deduct from revenues received from the commercial exploitation of an Invention all expenses invested in all activities related to the execution of these Regulations. The remainder will constitute the net distributable income.

10.2 The net income shall be distributed between the Technion, on one hand, and the Inventor, on the other hand, in equal parts. Whenever there is more than one Inventor, half of the net income shall be due to the Technion and the second half to the Inventors group. The distribution of half of the income between the various Inventors shall be done in accordance with a mutual agreement between them. If the Invention derives from a student's research work, as specified in section 6.2, half of the net income shall be due to the Technion, a quarter to the instructor and a quarter to the student. A different distribution shall apply in special cases in which there is a dispute as to whether the Invention is an "Exempt Invention" or not, all in accordance with a mutual agreement between the Technion and the Inventor. In the event of disagreement related to the matter of distribution of incomes, the final decision shall be made by the Executive Vice President for Research .

10.3 The Technion or anybody appointed by it for this purpose shall manage separate accounts for each Invention and shall allow the Inventor or anybody on his behalf to examine them.

10.4 In the event in which the Invention originates from research funded by any third party, the terms of the agreement between the Technion and the above specified third party shall apply. In any event in which according to the above specified agreement any benefit is due to the Technion from the exploitation of the Invention, this benefit shall be distributed between the Technion and the Inventor in equal parts between them and subject to these Regulations.

10.5 The rights of the Inventor and of his legal successors will remain in effect even if the Inventor left the Technion.

11. Prevention of Conflict of Interests

Herein below are the guidelines to relations between Technion Employees and business:

- a. The undertakings and commitments of an Employee towards the Technion while employed by the Technion shall supersede any undertakings to any business.
- b. An Employee on a sabbatical or unpaid vacation will ensure the prevention of conflict of interests with the Technion and will be exempt from undertakings to the Technion with respect to an Invention created during his sabbatical or unpaid vacation only in accordance with section 5 above.
- c. During the above specified periods, the Employee shall be prohibited from transferring know-how and/or Invention created prior to his/her leave on an unpaid vacation, sabbatical or paid vacation.
- d. An Employee rendering consulting services to third party, in accordance with the Technion's academic regulations, shall ensure that no conflict of interests exists, including with these Regulations and non-disclosure of confidential information related to Inventions.

12. Charter Applicability

Provisions of these Regulations shall apply on each Inventor for the entire term of employment in the Technion and for at times after termination of employment in the Technion. These Regulations are binding upon Inventors, as well as upon their legal successors, their estate administrators or the executioners of their wills and/or anybody on their behalf in any manner whatsoever, respectively.

Professor Dan Wolf
Research Administration Vice President

The Regulations were approved by the Technion's Board of Directors on April 27th, 1999.