

IP Policy Update

October 13, 2011

September 1, 2011

- NU announced revised IP Policy and distribution of royalty income

Issue for NU/CMMC – Ownership of IP

NU policy continues to claim ownership of all faculty IP “without regard to location or salary source (specifically including individuals employed at affiliated hospitals...)”.

CMMC policy continues to claim ownership as a condition of employment.

September 30, 2011

- Preliminary discussions held with NU leadership
- Draft discussion document to be circulated this week
- More to be finalized shortly to establish a “carve-out” for CMMC
- Evaluate opportunities for collaborative marketing

Comparison of New NU and CMMC Income Distribution

New NU Policy

Deductions from Gross Income
20% to INVO (annually)

Remaining Net Income

Inventor	33%
Department	17%
School	17%
Central Admin	33%

Current CMMC Policy

Deductions from Gross Income
Patent and Development Costs

Remaining Net Income

Inventor	30%
CMRC	30%
CMMC	40%

Example #1

Expenses = \$250,000

	<u>YR1</u>	<u>YR2</u>	<u>YR3</u>	
Income	\$100,000	\$250,000	\$1,000,000	
<u>NU</u>				<u>Total</u>
INVO	20,000	50,000	200,000	270,000
Inventors	26,400	66,000	264,000	356,400
Department	13,600	34,000	136,000	183,600
School	13,600	34,000	136,000	183,600
Central Admin	<u>26,400</u>	<u>66,000</u>	<u>264,000</u>	<u>356,400</u>
Total	100,000	250,000	1,000,000	1,350,000
<u>CMMC</u>				
CMRC TT	100,000	150,000	- 0 -	250,000
Inventors	- 0 -	30,000	300,000	330,000
CMRC	- 0 -	30,000	300,000	330,000
CMMC	<u>- 0 -</u>	<u>40,000</u>	<u>400,000</u>	<u>440,000</u>
Total	100,000	250,000	1,000,000	1,350,000

Example #2

Expenses = \$500,000

Income = \$3,000,000 per year for 3 years

<u>NU</u>	<u>YR1</u>	<u>YR2</u>	<u>YR3</u>	<u>Total</u>
INVO	600,000	600,000	600,000	1,800,000
Inventors	792,000	792,000	792,000	2,376,000
Department	408,000	408,000	408,000	1,224,000
School	408,000	408,000	408,000	1,224,000
Central Admin	792,000	792,000	792,000	2,376,000
 <u>CMMC</u>				
CMRC TT office	500,000	- 0 -	- 0 -	500,000
Inventors (30%)	750,000	900,000	900,000	2,550,000
CMRC (30%)	750,000	900,000	900,000	2,550,000
CMMC (40%)	1,000,000	1,200,000	1,200,000	3,400,000

Next Steps

- 1. Finalize “Carve-Out” Agreement between CMMC and NU.**
- 2. Evaluate possible revisions to CMMC Patent Policy as well as income distribution.**
- 3. Review proposed changes with faculty, academic and Medical Center leadership.**
- 4. Secure appropriate CMRC, CMH and CMMC approvals and implement changes as appropriate.**

Questions?