

 <b>ADMINISTRATIVE POLICY MANUAL</b>	<b>THE CHILDREN'S HOSPITAL OF PHILADELPHIA</b>	<b>No. A-3-4</b>
	<b>Title: PATENT AND INTELLECTUAL PROPERTY POLICY</b>	<b>Page 1 of 27</b>  <b>Effective Date: 11/01/2006</b>

## PURPOSE

To provide a policy that governs the treatment of Intellectual Property.

## POLICY

The Hospital strives to be a world leader in the advancement of health care for children by integrating excellent patient care, innovative research, and quality professional education into all of its programs. Although the Hospital does not undertake these activities principally for the purpose of developing Intellectual Property, Intellectual Property may result from these activities. In promulgating this policy, the Hospital seeks to achieve certain objectives, including: (a) encouraging research and scholarship by Hospital Personnel; (b) where appropriate, promoting the protection of Intellectual Property that may arise in the course of Hospital activities; (c) serving the public interest by making Intellectual Property available to the public at the earliest appropriate time; (d) encouraging the earliest possible disclosure of specific Intellectual Property to the Hospital in order to avoid the unintended forfeiture of rights and to expedite the public availability of the Intellectual Property; (e) defining the rights and obligations of Hospital Personnel and of the Hospital with respect to Intellectual Property; (f) generating funds for scientific investigation, clinical innovation, and research; and (g) providing an administrative function that can assist in the administration of this policy, including evaluating Intellectual Property, appraising and determining the relative rights and equities of parties involved in the creation of Intellectual Property, overseeing the filing of Patent and Copyright applications and related documents, promoting the licensing of Intellectual Property, assisting in obtaining funds for research that may result in the creation or further development of Intellectual Property, and otherwise promoting the fair and uniform application of this policy.

## SCOPE

This policy applies to all Trustees, Officers, employees and members of the Medical and Research Staffs of The Children's Hospital of Philadelphia, including its Joseph Stokes, Jr. Research Institute, The Children's Seashore House of The Children's Hospital of Philadelphia, the CHOPPA Practice Plans (currently Children's Anesthesiology Associates, Children's Health Care Associates, Children's Surgical Associates, Radiology Associates of Children's Hospital, and their New Jersey Affiliates) (together, the "**Hospital**"), and entities controlling, controlled by or under common control with the Hospital, including, without limitation, The Children's Hospital Foundation (together, "**Hospital Affiliates**"), as well as others who conduct research or develop Intellectual Property using Hospital Facilities, Hospital Funds, and/or other Hospital Resources, including, without limitation, students, residents, fellows, post-docs, trainees, technicians, scientists, physicians, nurses, employees, administrators, occupants of the Hospital laboratories, volunteers of the Hospital, and all persons whose grants, contracts or other funds are administered by the Hospital or a Hospital Affiliate, and/or whose salaries are paid directly, or indirectly, by the Hospital or by Hospital Affiliate (including indirectly through a University of Pennsylvania account) (together, "**Hospital Personnel**").

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## RELATED POLICIES

- Administrative Policy Manual No. A-3-1      Conflicts of Interest  
Administrative Policy Manual No. A-3-5      Confidentiality of Patient and Institutional Information

## DEFINITIONS

- A. "**2000 Policy**" has the meaning set forth in Section II. Q.
- B. "**Author**" means the creator of a Work, however fixed, including the creator of a copyrightable Work and/or the creator of Software.
- C. "**Biological Materials**" means any and all tissue, fluid, material, matter or section derived from a biological source, and any part or derivative arising from or based on any of the foregoing, including, without limitation, amino acid sequences, antibodies, blood, cells, cell lines, clones, genetic constructs, germplasm, hybridomas, nucleic and ribonucleic acid sequences, organic reagents, organisms and recombinant organisms, peptides, plasma, plasmids, proteins, urine, and vectors).
- D. "**Copyright**" means the form of protection, ownership and control of the intellectual property in a Work that is subject to the copyright laws of the United States (applicable state law and/or Title 17 of the U.S. Code) and/or foreign jurisdictions.
- E. "**Confidential Information**" means any and all information, in whatever form (regardless of media or format, including without limitation, oral, electronic or on paper), whether technical or non-technical in nature (whether or not patentable), that is or relates to, directly or indirectly, non-public Hospital business information, non-public research information, vendor Trade Secrets or other confidential Hospital information, including, without limitation, Data and Inventions.
- F. "**Data**" means any and all data, information and results, in whatever form (regardless of media or format, including without limitation, oral, electronic or on paper), whether technical or non-technical (whether or not patentable), and in each case, any records thereof, including, without limitation, Protected Health Information (PHI), research protocols (clinical and non-clinical), research plans, statements of work, technical specifications, procedures, laboratory notebooks, research results, materials, processes, techniques, methods, know-how, show-how, and collections of materials (such as libraries, registries and databases).
- G. "**Effective Disclosure Date**" means for purposes of Section II.Q. the earliest of the following dates (as supported by contemporaneous written record, fixed in a tangible or intangible form, regardless of media or format, including without limitation, oral, electronic or on paper): (i) conception, actual reduction to practice, creation and/or development of Intellectual Property; (ii) disclosure of Intellectual Property to the IPA in accordance with Section II.B.; (iii) protection of Intellectual Property (such as by the filing of a Patent or Copyright); or (iv) third party licensing or commercialization.
- H. "**Effective Policy Date**" has the meaning set forth in Section II. Q.

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- I. "**Gross Income**" means all monies received by the Hospital from its ownership or administration of Intellectual Property of Hospital Personnel, including royalties, lump sum payments and milestone payments paid in consideration for the use of Intellectual Property, but excluding sponsored research or similar payments and payments intended to reimburse the Hospital for past or future expenses, less any monies that the Hospital is required to pay to sponsoring organizations, co-owners of the subject Intellectual Property and others with a claim of right to such monies.
- J. "**Hospital**" means The Children's Hospital of Philadelphia, including its Joseph Stokes, Jr. Research Institute, The Children's Seashore House of The Children's Hospital of Philadelphia, and the CHOPPA Practice Plans (currently Children's Anesthesiology Associates, Children's Health Care Associates, Children's Surgical Associates, Radiology Associates of Children's Hospital, and their New Jersey Affiliates).
- K. "**Hospital Affiliates**" means entities controlling, controlled by or under common control with the Hospital, including The Children's Hospital Foundation.
- L. "**Hospital Facilities**" means any facility owned, leased, licensed or otherwise in the possession of the Hospital or a Hospital Affiliate.
- M. "**Hospital Funds**" means funds that are owned, held in trust by or for, or administered by the Hospital or a Hospital Affiliate, regardless of their origin. Such funds include, but are not limited to, funds generated by the Hospital or a Hospital Affiliate (such as operating funds, Board-restricted funds, or investment funds), Hospital or Hospital Affiliate endowments, amounts received by the Hospital or a Hospital Affiliate from grants, which, for purposes of this policy, includes subgrants (such as grants from the United States Government or its agencies, from state or local governments or their agencies, from non-governmental organizations, from private foundations or from foreign governments), amounts received by the Hospital or a Hospital Affiliate from contracts, which, for purposes of this policy, includes subcontracts, and amounts received by the Hospital or Hospital Affiliates from contributions, gifts or awards.
- N. "**Hospital Personnel**" means Trustees, Officers, employees and members of the Medical and Research Staffs of the Hospital or a Hospital Affiliate, and others who conduct research or develop Intellectual Property using Hospital Facilities, Hospital Funds, and/or other Hospital Resources, such as students, residents, fellows, post-docs, trainees, technicians, scientists, physicians, nurses, employees, administrators, occupants of the Hospital laboratories, volunteers of the Hospital, and all persons whose grants, contracts or other funds are administered by the Hospital or a Hospital Affiliate, and/or whose salaries are paid directly, or indirectly, by the Hospital or by Hospital Affiliate (including indirectly through a University of Pennsylvania account).
- O. "**Hospital Resources**" means property or other tangible or intangible assets or resources of the Hospital or a Hospital Affiliate, such as Hospital equipment, inventory, Intellectual Property owned by or licensed to the Hospital, or Hospital Personnel during periods when they are acting within the scope of their relationship with the Hospital or using Hospital Facilities, Hospital Funds, or other Hospital Resources, but excludes Hospital Facilities and Hospital Funds.

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- P. "**Institutional Work**" has the meaning set forth in Section I.E.2.
- Q. "**Intellectual Property**" means any and all creations of the mind, including, without limitation: (i) Biological Materials; (ii) Confidential Information; (iii) Data; (iv) Inventions; (v) Patents; (vi) Works; (vii) Service Marks and Trademarks; and (viii) Trade Secrets, and for each of the foregoing, any and all rights that may arise or result from Intellectual Property, including, without limitation, Patent Rights, Copyright, and any other associated right arising from or under Intellectual Property.
- R. "**Invention**" means (whether or not patentable) any new and useful idea, invention, know-how, process, show-how, technology, Software or discovery of any apparatus, composition of matter, design device, formulation, machine, manufacture, method of making, method (such as diagnostic or therapeutic), process, new use, new life forms, or any variety of plant, and for each of the foregoing, any new and useful improvement, enhancement or derivative thereof.
- S. "**Inventor**" means an individual who, individually or jointly, conceives of a definite and permanent idea of the complete and operative Invention such that it is capable of being reduced to practice, or otherwise inventively contributes to the conception of an Invention, and in any case, an individual who meets the criteria for inventor ship under United States Patent laws.
- T. "**IPA**" means the Institutional Intellectual Property Administrator, as described more fully in Section IV.
- U. "**IIPAC**" means the Internal Intellectual Property Advisory Committee.
- V. "**Net Income**" means Gross Income minus the total of all costs relating to the protection and commercialization of Intellectual Property, including without limitation: (i) the preparation, filing and maintenance fees and costs, legal fees and other costs relating to the protection of Intellectual Property, including with respect to Patents or Copyrights; (ii) costs relating to the enforcement and/or defense of Intellectual Property, including without limitation, costs associated with litigation, disputes, legal advice and representation, judgments, settlements, fines, and assessments; (iii) costs relating to the commercialization of Intellectual Property, including without limitation, production, advertising, marketing, and marketability search expenses; and (iv) other costs incurred by the Hospital attributable to Intellectual Property.
- W. "**Patent**" includes: (i) one or more patents, certificates of invention, registration or other form of protection for an Invention issued by any government or governmental agency, domestic and foreign, including, without limitation, re-exams, reissues, corrections and extensions thereof; (ii) all related patent applications filed, pending and/or published, including, without limitation, provisionals, continuations, divisions continuations-in-part, re-examinations, any Patent Cooperation Treaty (PCT) application filed or to be filed and all national stage applications filed therefrom; (iii) and for each of (i) and (ii) all Patent Rights therein and thereto. The term "Patent" does not include Copyrights, photographs or images or textual materials that do not qualify for Patent protection under United States law.

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- X. **“Patent Rights”** means all rights, title, and interest in, to and under any Invention or Patent and associated rights therein and thereto, including, without limitation, the right to file for any such Patent and to have any such Patent issued in the name of the owner or assignee, the right to claim any priority right to which the Inventor, or anyone claiming under him or her, may be entitled, all rights of a Patent owner under 35 U.S.C. §271, the right of Patent enforcement and defense, and the right to sue and/or collect for past damages.
- Y. **“Protected Health Information (‘PHI’){XE Protected Health Information” }** means Information, whether oral, electronic, or on paper, that (1) may identify an individual and (2) is created or received by the Hospital and relates to an individual’s past, present or future physical/mental health or condition, health care or payment for health care. This includes any of the following identifiers of the Patient or of relatives, employers, or household members of the Patient: names; addresses; telephone numbers; all dates directly related to a Patient, including any of the following: birth date, admission dates, discharge dates, date of death; fax numbers; e-mail addresses; social security numbers; medical record numbers; health plan beneficiary numbers; account numbers; certificate/license numbers; vehicle identifiers and serial numbers, including license plate numbers; device identifiers and serial numbers; Web Universal Resource Locators (URLs); Internet Protocol (IP) address numbers; biometric identifiers, including finger and voice prints; full face photographic images and any comparable images; and any other unique identifying numbers, characteristics, or codes that may identify individual Patients including their initials.
- Z. **“Software”** means any computer code (such as a source code or object code, open or closed), program and/or instruction set for computers and the like, in any computer language, that provides a service or a function. Software includes such code, program, and set regardless of the manner in which fixed, whether in hardware, Software, firmware or otherwise. Software may be wholly original, or be derivative in nature.
- AA. **“Service Mark”** means any word, name, symbol, logo, insignia, seal, crest, design or any combination thereof adopted and used to advertise or promote a service and to distinguish that service from that of another.
- BB. **“Trademark”** means any word, name, symbol, logo, insignia, seal, crest, design or any combination thereof adopted and used to identify the source of goods and distinguish them from those manufactured or sold by others.
- CC. **“Trade Secret”** means any type of information that: (i) derives independent economic value, actual or potential, from not being generally known to or not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use of the information, and (ii) are the subject of reasonable efforts to maintain its secrecy, including, without limitation, business plans or strategy, customer lists and information, Data, formulas for manufacturing a product, manufacturing processes, marketing techniques or Software.
- DD. **“Work”** means any original work of authorship fixed in a tangible or intangible form of expression, in whatever form (regardless of media or format, including without limitation, oral, electronic or on paper), and protectable by Copyright, including, without limitation,

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abstracts, architectural designs, articles, audiovisual presentation, dissertation, digital works, images, Institutional Works, manuscripts, mask works, photographs, research protocols, scholarly publications, syllabi, textbooks, theses, treatment protocols, semiconductor chips, Software, web page and web site designs and protocols.

## **IMPLEMENTATION**

### **I. OWNERSHIP OF INTELLECTUAL PROPERTY**

#### **A. Ownership of Intellectual Property In General**

Except as otherwise provided in this policy, the Hospital owns all Intellectual Property of Hospital Personnel, including any Inventions conceived, reduced to practice, or developed in whole or in part by Hospital Personnel in the course of research, teaching, clinical duties, or other Hospital duties or activities or involving the use of Hospital Facilities, Hospital Funds, and/or other Hospital Resources.

1. It is presumed that Hospital Personnel in conceiving, reducing to practice or developing any Intellectual Property utilized Hospital Facilities, Hospital Funds, or other Hospital Resources unless the Hospital Personnel is able to prove by persuasive evidence that: (a) the Intellectual Property conceived and developed entirely outside the scope of the Hospital Personnel's relationship with the Hospital, on their own time, and without the use of any using Hospital Facilities, Hospital Funds, or other Hospital Resources; and (b) no other Hospital Personnel participated in the conception or development of the Intellectual Property within the scope of their relationship with the Hospital, on Hospital time, or using Hospital Facilities, Hospital Funds, or other Hospital Resources.
2. When an Inventor, Author, or other creator of Intellectual Property believes that the Intellectual Property was created wholly outside the scope of this policy, the Inventor, Author, or other creator should provide the IPA with a written statement of all the relevant circumstances leading to the creation of the Intellectual Property and any other pertinent information or documentation and request confirmation that the Hospital has no interest in the Intellectual Property. The IPA, or his/her designee, may require additional information from the Inventor, Author, or other creators and/or may conduct such additional investigation as he/she considers appropriate. After receiving the requested information and completing any additional investigation, the IPA, or his/her designee, makes a recommendation to the IIPAC as to whether the Intellectual Property was created wholly outside the scope of this policy. The IIPAC may conduct additional investigation if it desires and then makes a final determination. If it is determined that the Intellectual Property was created wholly outside the scope of this policy, the IPA, or his/her designee, provides the Inventor, Author, or other creator with a letter that the Hospital has no right, title or interest in the Intellectual Property. The IPA, or his/her designee, or the IIPAC may condition the release of such a letter on all of the Inventors, Authors, or other creators executing an attestation, in form and substance acceptable to the IPA, or his/her designee, or the IIPAC with respect to the facts and acknowledging their obligations under this policy.

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## **B. Agreements Affecting Ownership**

It is Hospital policy to avoid entering into agreements with third parties containing terms that provide to third parties ownership of the Hospital's rights in, to or under Intellectual Property developed, in whole or in part, by Hospital Personnel and/or using Hospital Facilities, Hospital Funds, or other Hospital Resources. However, where the Hospital enters into an agreement that affects ownership, including where the Intellectual Property results from sponsored research or other sponsored work involving agreements or arrangements that control the Intellectual Property, the terms of the applicable agreements or arrangements will determine the ownership of, and rights to, affected Intellectual Property.

## **C. Restriction on Third Party Agreements**

Hospital Personnel will not enter into any agreement concerning consulting or other work if such agreement could jeopardize the Hospital's rights under this policy or is otherwise in conflict with this policy. The terms of any consulting or other agreement will in no way abrogate or limit the rights of the Hospital or the obligations of Hospital Personnel to the Hospital.

## **D. Freedom from Third Party Claims**

It is the responsibility of Hospital Personnel prior to engaging in research to ensure that the Intellectual Property generated by such research, including the rights to any Invention conceived or reduced to practice during such research, is free of claims of third parties. Where any Hospital Personnel (i) is engaged, or intend to engage, in research funded by entities other than Hospital, (ii) is collaborating, or intend to collaborate, with investigators from corporations or institutions other than Hospital, or (iii) has any reason to believe that others may make a claim of ownership to Intellectual Property stemming from their research, then such Hospital Personnel should assure that the IPA is aware of such circumstances in advance so that potential issues concerning the rights to such Intellectual Property can be resolved before their conception or reduction to practice or other creation.

## **E. Ownership of Copyrights In General**

As more fully described in Sections I.E.1. through I.E.4. below, all rights in Copyright generally remain with the Author(s) unless the Work is an Institutional Work.

### **1. Books, Articles, and Similar Works**

In keeping with academic tradition, the Hospital does not claim ownership of books, articles, and similar works that otherwise contain no Intellectual Property owned by the Hospital, where the intended purpose is to disseminate the results of academic or scholarly activities by students, residents, fellows, post-docs, trainees, and faculty members. Such works include those of students created in the course of their educations, such as dissertations, papers, and articles. By way of example, Copyright in an article submitted to a scholarly or professional journal normally vests in the Author(s) of the contribution initially, and may be transferred to the publisher by express agreement. Similarly, the Hospital claims no ownership of popular nonfiction, novels,

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poems, musical compositions, or other works of artistic imagination that are not Institutional Works.

2. Institutional Works Protectable By Copyright

The Hospital retains ownership of all Institutional Works and resulting Intellectual Property therein and thereto. Institutional Works means all works of authorship (a) commissioned by the Hospital, created for Hospital purposes or supported by a direct allocation of funds through the Hospital for the pursuit of a specific project, including without limitation, "works made for hire," which includes work assigned to Hospital Personnel or developed by Hospital Personnel during or within the scope or performance of their Hospital employment or engagement (regardless of whether the work is in the course of sponsored research, unsponsored research, or non-research activities), including without limitation, a computer program developed by employed or contracted staff in Hospital's Information Systems Department for the Hospital's use; a web-based application, service or tool, a toolkit that is written by physicians, nurses and social workers in one of Hospital's disease centers for parents of children with that disease, that includes, with Hospital permission, Hospital-developed protocols; a book written by a Hospital faculty physician that would have met the requirements of Section I.E.1. except that it was written with more than insubstantial assistance from Hospital nurses and administrators during periods when they were acting within the scope of their relationship with the Hospital; (b) created using Hospital Facilities, Hospital Funds, or other Hospital Resources; (c) created by Hospital Personnel at the Hospital that would otherwise be of the type included in Section I.E.1., but are created during periods they are supposed to be performing their assigned Hospital duties (i.e., in dereliction of their Hospital duties) or utilize Hospital Facilities, Hospital Funds, or other Hospital Resources (faculty may make insubstantial use of their secretaries, computers, etc.), including without limitation, a musical composition written by a salaried employee who composed the work during work hours in lieu of providing the specific services at the Hospital the employee was required to provide; or (d) otherwise subject to third party contractual obligations, (collectively, "**Institutional Works**"). It is the responsibility of all Hospital Personnel to ensure that all non-Hospital Personnel sign an appropriate written agreement conveying ownership of Institutional Works and Copyrights therein and thereto to the Hospital that pertain to Works commissioned, directly or indirectly, by the Hospital.

3. Determination of Equities in Copyright

As set forth in Sections I.E.2., the Hospital asserts the Copyright interest in materials generated as a result of assigned Hospital duty or using Hospital Facilities, Hospital Funds, or other Hospital Resources. Accordingly, the Copyright should be secured in the name of The Children's Hospital of Philadelphia. Federal Copyright registration should not be sought without informing and obtaining advice from the IPA or the Office of General Counsel.

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4. Sponsor's Rights to Income From Copyright

Where the Hospital entered into an agreement or arrangement that supported all or part of the development of the copyrightable materials, the Hospital and the Author(s), Inventor(s), creator(s) or other participant(s) in the project may be obliged to adhere to the conditions of the grant or contract as stipulated by the sponsor. For example, the sponsor may have a right to part, or all, of the income derived from the sale of sponsor-supported materials that are copyrighted.

**F. Software**

Software, to the extent not protectable by Patent law, generally is governed by the provisions in Section 1.E. relating to Copyright; provided, however, in those situations where the Copyright remains with the Author(s) and does not vest in the Hospital, the Hospital enjoys the rights set forth in Sections I.F.1. and I.F.2. Software protectable by Patent law is not subject to the provisions of this policy relating to Copyright or Software, but is subject to the other provisions of this policy.

1. Hospital Royalty Free Right to Use Software

In recognition of the special relationship between the Hospital and Hospital Personnel, and the practical difficulty of defining the equities in the various circumstances under which Software may emerge, the Hospital has the absolute, unrestricted right to use without charge, for any purpose, any Software created by, or through, the efforts of Hospital Personnel developed within the scope of the Hospital Personnel's relationship with the Hospital or using Hospital Facilities, Hospital Funds or other Hospital Resources.

2. Hospital Non-Exclusive Right To Market Software

In addition to Section I.F.1., the Hospital has a non-exclusive right to market or license any Software created by Hospital Personnel within the scope of Hospital Personnel's relationship with the Hospital or using Hospital Facilities, Hospital Funds or any other Hospital Resources. If the Hospital exercises its marketing right, whether acting alone or in concert with an external developer, its revenues will be allocated in accordance with Section III hereof.

3. Request to Waive Non-Exclusive Marketing Rights To Software

The Author(s) of any item of Software subject to Section I.F.2. may request in writing to the IPA that the Hospital waive its non-exclusive marketing rights. Such request should include a description of the Software sufficient to determine whether commercial potential exists. The IPA, or his/her designee, may require additional information from the Author(s) and/or may conduct such additional investigation as he/she considers appropriate. After receiving the requested information and completing any additional investigation, the IPA, or his/her designee, makes a recommendation to the IIPAC as to whether to the Hospital should waive its non-exclusive marketing rights. The IIPAC may conduct additional

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investigation if it desires and then makes a final determination in its sole discretion whether to grant or deny this request.

4. Hospital Retention of Commissioned Software

In the case of Software that vests in the Hospital, all Authors, Inventors, creators, or other participants in the project are required, upon the request of the Hospital, to waive in writing any intellectual and/or financial interest in the product they might otherwise enjoy.

5. Sponsor's Rights To Income From Software

Where the Hospital entered into an agreement or arrangement that supported all or part of the development of Software, the Hospital and the Author(s), Inventor(s), creator(s) or other participant(s) in the project may be obliged to adhere to the conditions of the grant or contract as stipulated by the sponsor. For example, the sponsor may have a right to part, or all, of the income derived from the sale of sponsor-supported Software.

**II. ADMINISTRATION OF INTELLECTUAL PROPERTY**

**A. Implementation of Procedures**

The IPA and/or Joseph Stokes, Jr. Research Board Committee may, from time to time, establish procedures relating to the disclosure to the Hospital and administration of Intellectual Property, including without limitation, Inventions and Copyrights. These procedures may require the submission of manuscripts, papers, grants, notes, work papers, summaries of oral presentations, and other information designed to facilitate the disclosure, evaluation, and/or protection of Intellectual Property.

**B. Disclosure Requirement**

In order to preserve the Hospital's rights to Intellectual Property, including, without limitation, Inventions and Copyrights, and assure compliance with the relevant Patent and Copyright laws, all Intellectual Property and supporting or underlying Data relating to Intellectual Property are to be disclosed fully and promptly by each Inventor, Author, or other creator to the IPA or the Department of Technology Transfer by completing a Technology Disclosure Form available from the Department of Technology Transfer and/or online on the Hospital's intranet (in the Stokes Research Institute section under Tech Transfer).

**C. Invention Disclosure Necessary to Avoid Forfeiture**

Disclosure of an Invention to the IPA or Department of Technology Transfer must substantially precede an Inventor's publicly disclosing (orally, in a poster, in an abstract, or otherwise), publishing (in print or on-line), commercially using, publicly using, or offering the Invention for sale. Failure to disclose such Inventions in advance of public

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disclosure may result in the irrevocable loss of rights to the Invention in the United States or in various foreign countries pursuant to their respective Patent laws.

#### **D. Intellectual Property Assignment Agreement**

All Hospital Personnel agree and are required to execute an Intellectual Property assignment agreement or such other forms acknowledging the Hospital's rights pursuant to this policy, when requested by the Hospital to do so, and further agree that such execution may be a condition precedent to beginning or continuing employment, membership on the Hospital Medical and Research Staffs, participation in research, applying or receiving research grants, contracts or awards, or use of Hospital Facilities, Hospital Funds or other Hospital Resources. Notwithstanding the above, all Hospital Personnel agree to be and are bound by this policy, as it may be amended from time to time, irrespective of whether they have signed such an agreement. The Intellectual Property Assignment Agreement is available from the Department of Technology Transfer and/or online on the Hospital's intranet (in the Stokes Research Institute section under Tech Transfer).

#### **E. Assistance and Cooperation in Protecting Intellectual Property**

Where the Hospital is entitled to own Intellectual Property, including without limitation, Inventions and Works, pursuant to this policy, each Inventor, Author, or other creator will: (i) assign to the Hospital his/her right, title, and interest in, to and under Intellectual Property, including Patent Rights and/or Copyrights; (ii) execute Patent and Copyright applications and related documents relating to the Intellectual Property when requested by the Hospital; (iii) execute such other agreements and undertakings as the Hospital believes to be reasonably necessary or appropriate to protect Intellectual Property; (iv) give all reasonable help in the procurement, maintenance, and enforcement of the Patents and Copyrights; and (v) otherwise assist in securing and maintaining of all Intellectual Property in the name of the Hospital (or its assignee).

#### **F. Evaluation of Disclosures**

Upon receipt of a disclosure relating to Intellectual Property, the Hospital will, in its sole discretion, decide upon the method for evaluating and administering the subject Intellectual Property.

#### **G. Procedures For Protection of Inventions**

With respect to Inventions, the Hospital may elect independently to seek Patent protection, or pursue any other alternative procedures intended to protect, maintain, and best fulfill the objectives of this policy. In most instances where the Hospital elects to seek Patent protection, the Hospital's primary interest will be in obtaining United States Patent protection, if available. The Hospital will not normally file Patent applications in all countries in which Patents might be granted, but may, at its discretion, file for Patents in certain foreign countries. If an Inventor is interested in funding all, or part, of the expense of foreign filing for an application the Hospital would not otherwise file, he/she should so notify the IPA in writing within six (6) months from

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the filing of the Patent application in the United States, whereupon the Inventor and IPA, or his/her designee, will discuss the terms upon which such foreign filing should be undertaken. The IPA, or his/her designee, will then determine whether the Inventor should be permitted to do so. Factors to be considered include whether there is more than one Inventor and, if so, whether all co-Inventors are in agreement with respect to the proposed course of action, whether there is agreement as to how royalties relating to the foreign filing will be shared; and whether the Inventor is willing and able to bear the full cost of the foreign filing. If the Inventor is permitted to fund all, or part, of the expense of foreign filing for an application the Hospital would not otherwise file, the Hospital and all Inventors will enter into a written agreement with respect to the terms and conditions that apply (such as requiring that the Inventor advance funds on a schedule that will assure that the Hospital has no liability). The IPA, or his/her designee, will make all decisions with respect to the preparation and filing, prosecution, reexamination, reissue, licensing, and/or enforcement of Patent applications and/or Patents that are the subject of this Policy, and has the right to make the final decision whether or not, and upon what terms, to begin, settle, or terminate any dispute, litigation, or other matter arising pursuant to this policy.

#### **H. Inventor's Right To Request Release of a Patentable Invention**

If the Hospital does not apply for a Patent within one (1) year of the full and complete disclosure (as determined by the IPA) of an Invention to the Hospital, or if, after the Hospital has filed a Patent application, the Hospital decides to abandon Patent prosecution, an Inventor may request in writing, directed to the IPA, that the Hospital release the Inventor's rights to his/her Invention. The IPA, or his/her designee, will review the request and make a recommendation to the IIPAC, which will make the determination. Unless the Hospital has reasonable grounds for refusing a release, such as an agency funding the research must agree and refuses or the Invention is not patentable, the Hospital will release its interest in the subject Invention and the Inventor will be free to apply for a Patent in his/her own name at his/her own expense.

1. The release of an Invention is not a release of improvements, enhancements or derivatives of the Invention; and the Inventor is obligated to disclose and assign such improvements, enhancements and derivatives and any other Inventions as new Inventions pursuant to this policy.
2. If the Hospital releases the Inventor's rights to his/her Invention and the Inventor subsequently licenses or otherwise commercializes the Invention, the Inventor is required to distribute to the Hospital ten (10) percent of the Net Income and ten (10) percent of any equity or other thing of value received (or receivable) by the Inventor for so long as the Inventor receives (or is able to receive) Gross Income, equity or other value for the Invention.
3. If the Hospital releases the Inventor's rights to his/her Invention, the Inventor is required to grant, and is deemed to have granted, to the Hospital a royalty-free, irrevocable, non-exclusive license to make or use the Invention for the purposes of the Hospital and Hospital Affiliates.

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4. If the Hospital releases an Inventor's rights, but there is more than one Inventor, the Hospital will release an undivided interest, as defined by United States Patent laws, to each Inventor unless directed otherwise in writing by all the Inventors prior to such release.

#### **I. License Agreements Favored**

In those cases in which the Hospital expects to obtain or has obtained Patent protection, the Hospital normally will seek to license or otherwise arrange for the commercial development of the Invention. In those cases in which the Hospital does not expect to obtain Patent protection, the IPA will determine on a case-by-case basis whether to seek to license or otherwise arrange for the commercial development of the Intellectual Property.

1. The Department of Technology Transfer will notify Inventors of prospective licensees in an early stage of the negotiation process. If the Inventor objects to the prospective licensee, he/she may, within thirty (30) days of such notification, file a written protest with the IPA, or his/her designee, who will render a written decision within thirty (30) days thereafter.
2. In the event that an arrangement for commercial development is not made within a reasonable period (a reasonable period where the Hospital expects to obtain or has obtained Patent protection, is a reasonable period after the date of issuance of a Patent), an Inventor may request in writing, directed to the IPA, that the Inventor be allowed independently to pursue commercial development on the Hospital's behalf. The IPA, or his/her designee, will consider the request and make a recommendation to the IIPAC, which may in its sole discretion grant (with or without conditions) or deny this request.
3. Inventors or Hospital Personnel involved in the potential licensing or other commercialization of an Invention or otherwise Intellectual Property, whether assisting the Department of Technology Transfer, acting independently as set forth in Section II.I.2. or otherwise, are required to disclose to the Conflicts of Interest Committee any relationship with a prospective licensee or other party and are required to otherwise comply with the Hospital's Conflict of Interest Policy.

#### **J. Release of Intellectual Property Other Than Patentable Inventions**

There may be situations with Intellectual Property, other than patentable Inventions, where the Hospital has determined it has no interest, or where the Hospital fails in a reasonable time to protect the Intellectual Property or to license or commercialize the Intellectual Property. In such situations, a creator of the Intellectual Property may request in writing, directed to the IPA, that the Hospital release to the creator rights in his/her Intellectual Property or allow the creator independently to pursue commercial development on the Hospital's behalf. The IPA, or his/her designee, will review the request and make a recommendation to the IIPAC, which will make the determination. Because these situations can vary significantly, the IIPAC will determine if and under what conditions such action is appropriate.

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1. The release of such Intellectual Property is not a release of improvements, enhancements or derivatives of the Intellectual Property and the creator is obligated to disclose and assign such improvements, enhancements and derivatives and any other Intellectual Property as new Intellectual Property pursuant to this policy.
2. If the Hospital releases the creator's rights to his/her Intellectual Property and the creator subsequently licenses or otherwise commercializes the Intellectual Property, the creator is required to distribute to the Hospital ten (10) percent of the Net Income and ten (10) percent of any equity or other thing of value received (or receivable) by the creator for so long as the Inventor receives (or is able to receive) Gross Income, equity or other value for the Intellectual Property.
3. If the Intellectual Property is released, the creator will grant to the Hospital a royalty-free, irrevocable, non-exclusive license to make or use the Intellectual Property for the purposes of the Hospital and Hospital Affiliates.
4. If the Hospital releases a creator's rights, but there is more than one creator, the Hospital will release an undivided interest, as defined by United States Patent laws, to each creator unless directed otherwise in writing by all the creators prior to such release.

#### **K. Resolution of Questions and Disputes**

1. All questions or disputes concerning the interpretation and application of this policy will be submitted in writing to the IPA for resolution.
2. Any person whose rights are affected by any decision, action, or failure to timely act of the IPA, or his/her designee, Chief Scientific Officer of the Hospital, or his/her designee, or IIPAC pursuant to this policy may appeal in writing, within thirty (30) days (or such shorter period as may be set forth in this policy) of such decision, action, or failure to timely act, to the President & Chief Executive Officer of The Children's Hospital of Philadelphia. The President & CEO, or his/her designee, will review the appeal, conduct any additional investigation he/she considers appropriate, and, within a reasonable time after receiving the appeal, render a final, binding, and non-appealable decision. The President & CEO, or his/her designee, may, but is not required to, consult with the Joseph Stokes, Jr. Research Institute Board Committee, or a subcommittee thereof appointed by its Board Chair, in reaching a decision. The President & CEO, or his/her designee, will report the decisions from appeals to the Joseph Stokes, Jr. Research Institute Board Committee. A failure to timely appeal or to cooperate in connection with an appeal will result in the affected person losing his/her right to appeal and the decision, action, or failure to timely act standing.

#### **L. Limitation of Hospital Liability**

The Hospital will not be liable for any damages resulting from any acts or omissions, including administrative and/or legal errors in its assessment of Intellectual Property, the failure to properly protect Intellectual Property (including with respect to prosecuting

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Patents, Trademarks, Service Marks and Copyrights), agreements entered into or that are not entered into with respect to sponsored research, licensing or other matters, or any other matter relating to the subject matter of this policy or to Intellectual Property of the Hospital, Hospital Affiliates, or Hospital Personnel.

**M. Use of Hospital Name, etc.**

Nothing in this policy is intended to confer rights in or authorize the use of the name, Trademarks, or Service Marks of the Hospital or Hospital Affiliates, or of other Intellectual Property of the Hospital or of Hospital Affiliates except as specifically allowed pursuant to this policy. Any commercial use of the name, logo, Trademarks, Service Marks or other identifying terms of the Hospital or of Hospital Affiliates, or of other Intellectual Property of the Hospital or of Hospital Affiliates except as specifically allowed pursuant to this policy, without prior written consent is strictly prohibited.

**N. Other Situations**

This Policy applies to all Hospital Personnel. It does not attempt to deal in detail with every possible situation that might arise, but rather to provide general guidelines that will be supplemented and interpreted on a case by case basis by the IPA, or his/her designee, in a manner consistent with the objectives of this policy.

**O. Notebooks, etc.**

Laboratory notebooks and other documents, in whatever form (regardless of media or format, including without limitation, oral, electronic or on paper), pertaining to Hospital research activities are the property of the Hospital and are required to be available to the Hospital at all times and may be copied and/or used by the Hospital without limitation for the purposes of this policy and for other appropriate purposes. Hospital Personnel who leave the Hospital must make arrangements, prior to leaving, with the IPA, or his/her designee, that assure the continued availability of laboratory notebooks and other documents to the Hospital as the Hospital considers appropriate. Where the Hospital requires the original materials, copies will be made available to Hospital Personnel.

**P. Failure to Cooperate**

All Hospital Personnel are required to cooperate fully and honestly with respect to all matters that are included in this policy, including those involving the disclosure, evaluation, protection, and commercialization of Intellectual Property, determining the relative rights and equities of parties, and disputes relating to Intellectual Property. Failure to so cooperate may result in a loss of rights, including the loss of right to share income from Intellectual Property, and can result in the termination of employment, termination of membership on the Hospital Medical and Research Staffs, and/or loss of the right to participate in research, apply or receive research grants, contracts or awards, or use Hospital Facilities, Hospital Funds or other Hospital Resources

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**Q. Effective Date of This Policy**

This policy, effective as of November 1, 2006 (the “**Effective Policy Date**”) supersedes the Patent Policy effective July 20, 2000 (“**2000 Policy**”). For Intellectual Property having an Effective Disclosure Date between July 1, 2005 and October 31, 2006, inclusive, Hospital Personnel may elect, which election is irrevocable, to have the Intellectual Property subject to this policy (in lieu of the 2000 Policy) by having all the Inventors, Authors or other creators of the Intellectual Property complete, sign, and submit to the IPA on or before March 31, 2007 an Election Form available from the Department of Technology Transfer and/or online on the Hospital’s intranet (in the Stokes Research Institute section under Tech Transfer). The IPA, or his/her designee, may conduct an investigation with respect to the eligibility for the election. Unless the IPA, or his/her designee, determines that the Effective Disclosure Date is before July 1, 2005 or that the Election Form was not properly submitted, this policy will apply to the Intellectual Property and the IPA, or his/her designee, will send the Inventors, Authors or other creators a confirmation notice to that effect. If the IPA, or his/her designee, determines that this policy does not apply, the IPA, or his/her designee, will notify the Inventors, Authors or other creators and any affected Inventor, Author, or other creator may appeal to the President & CEO in accordance with Section II.K.2.

**III. DISTRIBUTION OF INCOME**

**A. Right to Share Income**

Income from the licensing or other commercialization of Intellectual Property will be distributed as set forth in this Section III; provided, however, (i) Program Income, as defined by the Hospital’s Policy on Program Income as in effect from time to time (available from the Department of Technology Transfer or online on the Hospital’s intranet in the Stokes Research Institute section under Tech Transfer) is not subject to distribution pursuant to this Section III and any distribution of income from Program Income is governed by that policy. All Income distributed pursuant to this Section III, other than the Inventor Share, is to be used in support of research activities; and (ii) vendors and other third parties have no right to any income under this policy.

**B. Distribution of Net Income**

Net Income will be distributed as follows:

- |   |       |
|---|-------|
| 1. Inventor Share (see Section III.C.)            | 30.0% |
| 2. Inventor Laboratory Share (see Section III.D.) | 12.5% |
| 3. Inventor Department Share (see Section III.E.) | 12.5% |
| 4. Hospital Research Share (see Section III.F.)   | 45.0% |

This Net Income sharing schedule pertains to amounts stemming from each item of Intellectual Property or collection of related Intellectual Property (such as from each

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Invention or collection of related Inventions). Where such Intellectual Property is licensed pursuant to a single licensing or commercialization agreement, whether prospectively or retrospectively, this schedule applies once as to income stemming from such agreement (and not successively as later improvements or enhancements may occur).

### **C. Inventor Share**

The Inventor Share, as set forth in Section III.B., is the total amount payable to all Hospital Personnel who are Inventors, Authors, or other creators of the Intellectual Property generating the Net Income.

1. If there is only one such Inventor, Author, or other creator, the total Inventor Share is payable to that person.
2. Where there is more than one such Inventor, Author, or other creator, and all such persons unanimously agree in writing how the Net Income should be distributed among them (by executing, and submitting to the IPA, the Hospital's Inventors Agreement for Distribution of Net Income), prior to the Hospital entering into a licensing or other agreement that may result in Gross Income, then the Net Income will distributed in accordance with such agreement.
3. Where there is more than one such Inventor, Author, or other creator, and all such persons have not unanimously agreed on the distribution by executing and submitting the Hospital's Inventors Agreement for Distribution of Net Income prior to the Hospital entering into a licensing or other agreement that may result in Gross Income, then the IPA, or his/her designee, will determine an appropriate allocation of Net Income among the Inventors, Authors, or other creators. Any affected Inventor, Author, or other creator may appeal the allocation to the President & CEO in accordance with Section II.K.2.
4. Each Inventor, Author, or other creator will be entitled to receive his/her Inventor Share of Net Income in accordance with this policy whether or not he/she remains Hospital Personnel. In the event of the death of an Inventor, Author, or other creator, such Net Income will be paid to his/her estate.

### **D. Inventor Laboratory Share**

The Inventor Laboratory Share of Net Income, as set forth in Section III.B., is the total amount that may be available to the principal Hospital laboratory or laboratories of the Inventors, Authors, or other creators of the Intellectual Property generating the Net Income.

1. The total Inventor Laboratory Share is limited to a maximum of Three Hundred and Fifty Thousand Dollars (\$350,000) available for any given July 1 fiscal year, irrespective of the number of principal Hospital laboratories involved. Half of any excess above the maximum with respect to any fiscal year is added to the Inventor Department Share and the other half is added to the Hospital Research Share.

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2. If there is only one Inventor, Author, or other creator, or if there is more than one such Inventor, Author, or other creator and they share the same principal Hospital laboratory, then the total Inventor Laboratory Share is available to that principal Hospital laboratory. If there is only one Inventor, Author, or other creator and such person leaves the Hospital, or if all of the Inventors, Authors, or other creators share the same principal Hospital laboratory and all such persons leave the Hospital, the Inventor Laboratory Share is added to the Inventor Department Share.
3. Where there is more than one Inventor, Author, or other creator and they do not share the same principal Hospital laboratory, then the Inventor Laboratory Share is available to their respective principal Hospital laboratories in the same proportion that the Inventor Share is allocated among them. In the event that one or more of the Inventors, Authors, or other creators leave the Hospital, but at least one Inventor, Author, or other creator remains, then the Inventor Laboratory Share is available to the principal Hospital laboratories of the remaining Inventors, Authors, or other creators in the same proportion that the Inventor Share is allocated among them without regard to the Inventor Share of the leaving Inventor(s), Author(s), or other creator(s). If all of the Inventors, Authors, or other creators leave the Hospital, the Inventor Laboratory Share is added to the Inventor Department Share.
4. Where an Inventor, Author, or other creator does not have a principal Hospital laboratory, or remains at the Hospital but ceases to have a principal Hospital laboratory, the Inventor Laboratory Share attributable to such person is added to the Inventor Department Share.
5. In the event that Inventors are students, residents, fellows, post-docs, trainees, technicians, occupants of the Hospital laboratories, volunteers of the Hospital, their principal Hospital laboratory is the laboratory, if any, in which they worked resulting in their becoming Inventors. Where they do not have a principal Hospital laboratory, the Inventor Laboratory Share attributable to such person is added to the Inventor Department Share.
6. The Hospital will advise the Inventor's Laboratory (or Inventors' Laboratories, if applicable) on or about January 31 of each year of the amount of Inventor Laboratory Share received by the Hospital in the immediately prior calendar year and available to the Inventor's Laboratory for research purposes in the upcoming July 1 fiscal year. The Inventor's Laboratory may submit a proposal, including a budget, with respect to how it proposes to spend all or part of the available Inventor Laboratory Share for research purposes in the upcoming fiscal year beginning July 1. The proposal must be approved by the applicable Division Chief and Department Chair and submitted to the Chief Scientific Officer for his/her approval no later than March 31. If the Chief Scientific Officer, or his/her designee, approves the proposal, then the amounts will be available for expenditure in accordance with the budget, which will be administered by the Vice President - Research Administration. If the Chief Scientific Officer, or his/her designee, does not approve the proposal, or all of the proposal, then the Inventor's Laboratory may appeal the decision to the President & CEO within two weeks after the decision of the Chief Scientific Officer, or his/her designee, in accordance with Section II.K.2.

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7. Any portion of the Inventor Laboratory Share not approved for expenditure for the upcoming fiscal year beginning July 1, or not expended in such upcoming fiscal year in accordance with the approved budget, will be added to the Hospital Research Share.
8. The principal Hospital laboratory of an Inventor, Author, or other creator is determined as of March 31 with respect to of the amount of Inventor Laboratory Share received by the Hospital in the immediately prior calendar year. If an Inventor, Author, or other creator changes principal Hospital laboratories after March 31, the principal Hospital Laboratory for purposes of the Inventory Laboratory Share for the upcoming July 1 fiscal year remains that in effect on March 31, but the succeeding year's principal Hospital Laboratory for purposes of the Inventory Laboratory Share is determined based on the principal Hospital Laboratory of the Inventor, Author, or other creator as of the succeeding March 31.

#### **E. Inventor Department Share**

The Inventor Department Share of Net Income, as set forth in Section III.B., together with any amounts added to the Inventor Department Share in accordance with Section III.D., is the total amount that may be available for research purposes to the primary Hospital Department or Departments of the Inventors, Authors, or other creators of the Intellectual Property generating the Net Income. For purposes of the Inventor Department Share, a Department is a clinical department of the Hospital, currently the Departments of Anesthesiology & Critical Care Medicine, Child & Adolescent Psychiatry; Pathology & Clinical Laboratories, Pediatrics, Radiology, and Surgery.

1. The total Inventor Department Share, including any amounts added to the Inventor Department Share in accordance with Section III.D, is limited to a maximum of Five Hundred Thousand Dollars (\$500,000) available for any given July 1 fiscal year, irrespective of the number of primary Hospital Departments involved. Any excess above the maximum with respect to any fiscal year is added to the Hospital Research Share.
2. If there is only one Inventor, Author, or other creator, or if there is more than one such Inventor, Author, or other creator and they share the same primary Hospital Department, then the total Inventor Department Share is available to that primary Hospital Department. If there is only one Inventor, Author, or other creator and such person leaves the Hospital, or if all of the Inventors, Authors, or other creators share the same primary Hospital Department and all such persons leave the Hospital, the Inventor Department Share remains with the Inventor Hospital Department.
3. Where there is more than one Inventor, Author, or other creator and they do not share the same primary Hospital Department, then the Inventor Department Share is available to their respective primary Hospital Departments in the same proportion that the Inventor Share is allocated among them. In the event that one or more of the Inventors, Authors, or other creators leave the Hospital, the Inventor Department Share remains with the Inventor Hospital Departments.

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4. Where an Inventor, Author, or other creator does not have a primary Hospital Department, the Inventor Department Share attributable to such person is added to the Hospital Research Share.
5. In the event that Inventors are students, residents, fellows, post-docs, trainees, technicians, occupants of the Hospital laboratories, volunteers of the Hospital, their primary Hospital Department is the Department to which they are assigned, if any. Where they do not have a primary Hospital Department, the Inventor Department Share attributable to such person is added to the Hospital Research Share.
6. The Hospital will advise the Inventor's Department (or Inventors' Departments, if applicable) on or about January 31 of each year of the amount of Inventor Department Share received by the Hospital in the immediately prior calendar year and available to the Inventor's Department for research purposes in the upcoming July 1 fiscal year. The Inventor's Department may submit a proposal, including a budget, with respect to how it proposes to spend all or part of the available Inventor Department Share for research purposes in the upcoming fiscal year beginning July 1. The proposal must be submitted to the Chief Scientific Officer for his/her approval no later than March 31. If the Chief Scientific Officer, or his/he designee, approves the proposal, then the amounts will be available for expenditure in accordance with the budget, which will be administered by the Vice President - Research Administration. If the Chief Scientific Officer, or his/her designee, does not approve the proposal, or all of the proposal, then the Inventor's Department may appeal the decision to the President & CEO within two weeks after the decision of the Chief Scientific Officer, or his/her designee, in accordance with Section II.K.2.
7. Any portion of the Inventor Department Share not approved for expenditure for the upcoming fiscal year beginning July 1, or not expended in such upcoming fiscal year in accordance with the approved budget, will be added to the Hospital Research Share.
8. The primary Hospital Department of an Inventor, Author, or other creator does not change for purposes of the Inventor Department Share even if an Inventor, Author, or other creator changes primary Hospital Departments.

**F. Hospital Research Share**

The Hospital Research Share of Net Income, as set forth in Section III.B., together with any amounts added from the Inventor Laboratory Share, as set forth in Section III.D., and from the Inventor Department Share, as set forth in Section III.E., is the amount available to the Hospital for research purposes, to be expended as determined by the President & CEO, or his/her designee. The President & CEO may, at his option, choose to establish a hospital fund that includes the Hospital Research Share to the extent it exceeds Two Million Dollars (\$2,000,000) in any calendar year. If established, such fund will not constitute an endowment and is available to be used for research purposes as determined by the President & CEO, or his/her designee.

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**G. Sale of Revenue Stream**

Should the Hospital decide to sell the revenue expected to be generated from the licensing or other commercialization of Intellectual Property, or otherwise monetize the value of Intellectual Property, the Inventor Share of Net Income will be based on the monies received, and the President & CEO, or his/her designee, will determine, in his/her absolute discretion, how the Hospital will calculate the Inventor Laboratory Share and the Inventor Department Share.

**H. Equity**

The Hospital will consider, in appropriate cases, whether to accept, and/or whether to allow Inventors, Authors, or other creators to accept, equity in lieu of, or in addition to, other compensation for Intellectual Property, and, if so, under what terms and conditions. In such situations, the President & CEO, or his/her designee, will determine how such equity will be treated in calculating and distributing Net Income in accordance with this policy.

**I. Timing of Distribution of Net Income**

Upon receipt of Gross Revenues, the Department of Technology Transfer, or his/her designee, will initiate distribution of Net Income. Net Income will be distributed on a quarterly basis, with amounts received by the end of the second month of a calendar quarter distributed on or about the end of that quarter. The IPA, or his/her designee, will inform Inventors, Authors, or other creators and other interested parties of any exceptional circumstances that may result in a delay in distribution.

**IV. THE INSTITUTIONAL INTELLECTUAL PROPERTY ADMINISTRATOR**

**A. Intellectual Property Administrator**

The Institutional Intellectual Property Administrator, or the IPA, is the Director of the Department of Technology Transfer or such other person designated by the Chief Scientific Officer of the Hospital.

**B. Duties of IPA**

The IPA has the following responsibilities with respect to Intellectual Property, including without limitation, Inventions and Copyrights, and the administration of this policy:

1. To administer this policy, provide general guidance regarding the policy, and promote the fair and uniform application of this policy;
2. To establish liaison with appropriate investigators and staff to monitor research and to assist in the identification of Intellectual Property developed by Hospital Personnel, including Inventions.

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3. To receive all disclosures of Intellectual Property, including Inventions;
4. To determine, in accordance with this policy, the ownership of Intellectual Property developed by Hospital Personnel or involving the use of Hospital Facilities, Hospital Funds, and/or other Hospital Resources, the date that specific Intellectual Property within the scope of this policy is conceived, disclosed, and reduced to practice, and the relative rights and equities of parties involved in the creation of Intellectual Property;
5. In consultation with the Inventor(s), Author(s), or other creator(s), and with the IIPAC, to evaluate Intellectual Property in which the Hospital has an interest, including possible commercial uses and potential marketing opportunities;
6. To seek to license or otherwise commercialize Intellectual Property in which the Hospital has an interest, as appropriate, including the negotiation of licenses and agreements;
7. To establish liaisons with governmental and private sponsors of research to ensure compliance with provisions in sponsored research and other sponsored agreements regarding Intellectual Property;
8. To work with the IIPAC to determine whether, the extent to which, and the manner in which the Hospital, through the Office of General Counsel, should attempt to protect specific Intellectual Property in which the Hospital has an interest, including the filing of Patents and Copyrights;
9. To determine the sharing of Net Revenue in accordance with this policy with respect to specific Intellectual Property subject to this policy;
10. To recommend when Intellectual Property should be returned to the Inventor(s), Author(s), and other creator(s);
11. To assist in obtaining funds for research that may result in the creation or further development of Intellectual Property;
12. To maintain complete records regarding disclosures of Intellectual Property, actions taken with respect to the protection of Intellectual Property, the dates that specific Intellectual Property within the scope of this policy is conceived, disclosed, and reduced to practice, the appropriate distribution of Net Income from Intellectual Property in which the Hospital has an interest, the resolution of contested matters, and other matters relating to this policy;
13. To review this policy periodically with the Office of General Counsel to determine whether changes should be made;
14. To report to the Hospital, including the Joseph Stokes, Jr. Research Institute Board Committee, on matters bearing on Intellectual Property and this policy;

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15. To seek counsel, as appropriate, from the IIPAC on the prioritization of investments in the Hospital's technology portfolio, licensing strategies, and other matters.
16. To assure that Intellectual Property administration complies with Bayh-Dole and other legal requirements; and.
17. To seek legal advice and counsel from the Hospital's Office of General Counsel, and when it is agreed that the assistance of outside counsel is desirable, to ask the General Counsel of the Hospital, or his/her designee attorney in the Office of General Counsel, to select patent, licensing, and/or other counsel to assist the Hospital's research enterprise, including the Department of Technology Transfer.

**C. Accountability of the IPA**

In fulfillment of his/her responsibilities, the IPA is accountable to the Chief Scientific Officer and to the President & Chief Executive Officer of The Children's Hospital of Philadelphia.

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**RESPONSIBILITY FOR MAINTENANCE OF THIS POLICY:**

VICE PRESIDENT - RESEARCH ADMINISTRATION

<b>Supersedes</b>  <b>7/20/2000</b>	<b>Approved by:</b>  <b>Signature:</b> _____  Gavin R. Kerr, Executive Vice President and Chief Operating Officer
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