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| Title | CC - Intellectual Property | | | | |
| Region | Carle Health Central - Eureka, Carle Health East, Carle Health South, Carle Health West - Methodist, Carle Health West - Pekin, Carle Health West - Proctor | | | | |
| Scope | CFH, CHRHC, CEH, CRMH, Methodist, Proctor, Pekin | | | | |
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| Owner | Lisa Gonigam (Associate Counsel) | | | | |
| Reviewer(s) | Kurt Leifheit (VP, Deputy General Counsel) | | | | |
| Approver(s) | APM Administrators, LJ Fallon (Exec VP & Chief Legal Officer) | | | | |
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ATTACHMENTS N/A

PURPOSE/SCOPE

- A. This policy sets forth Carle’s expectations for the ownership of intellectual property, the assignment of intellectual property rights, the distribution of revenue produced from Carle-owned intellectual property, as well as the guidelines for disclosing activities to Carle.

DEFINITIONS

- A. **Carle** means The Carle Foundation and its affiliates and subsidiaries including, but not limited to, The Carle Foundation Hospital, Carle Hoopeson Regional Health Center, Carle Richland Memorial Hospital and Carle Physician Group.
- B. **Course of Employment** means during the performance of his/her duties for or on behalf of Carle or through the use of Carle Assets or for activities that are related to his/her duties at Carle.
- C. **Creator** means the individual Carle workforce member, medical staff member, student or resident, regardless of full-time, part-time or independent contractor status, who authored, invented, discovered, conceived, developed or otherwise made a substantive intellectual contribution to the creation of the Intellectual Property at issue. As used in this policy, the term “Creator” includes the definition of “inventor” used in U.S. Patent Law and the definition of “author” used in the U.S. Copyright Law.
- D. **Carle Assets** includes tangible assets, such as facilities, equipment, materials or funds, and intangible assets, including, but not limited to, Patient Medical Records, trade secrets, confidential or proprietary information, as well as the time, skill and expertise of Carle personnel.
- E. **Intellectual Property** and **IP** mean all tangible and intangible conceptions, ideas, innovations, discoveries, inventions, processes, machines, formulae, formulations, compounds, compositions, equipment, improvements, enhancements, modifications, technological developments, know-how, show-how, methods, techniques, systems, designs, schematics, production systems and plans, software, documentation, data, programs and information, and works of authorship, whether or not patentable, copyrightable, or susceptible to any other form of legal protection.
- F. **Intellectual Property Rights** and **IP Rights** mean any and all forms of intangible property rights in any jurisdiction throughout the world, including without limitation all rights to: (a) all patents, trade secrets, Trademarks, trade names, copyrights, moral rights, rights of publicity, mask work rights, and all other industrial or intangible property rights throughout the world, including without limitation rights in inventions, technologies, designs, and utility models; (b) all grants and registrations worldwide in connection with any of the foregoing, and all rights with respect thereto; (c) all applications for any such grant or registration; (d) all rights of priority under international conventions to make such applications and the right to control their prosecution, and all amendments, continuations, divisions and continuations-in-part of such applications; and (e) all corrections, reissues, patents of addition, extensions, and renewals of any such grant, registration, or right.
- G. **Net Revenue** means all Revenue received by Carle minus all out-of-pocket payments or obligations attributable to protecting (including defense against infringement or enforcement actions), marketing, licensing or administering the Intellectual Property, including any in-kind contributions from Carle (e.g. use of Carle Assets).
- H. **Revenue** means cash from payments including, but not limited to, royalties, option fees, and license fees or from the sale of Carle’s equity interest.
- I. **Trademark** means a word, phrase, symbol, design or a combination thereof that identifies and distinguishes the source of goods or services. This term refers to both trademarks (i.e. used for goods) and servicemarks (i.e. used for services). Trademarks can be registered or common law. Registered Trademarks have been approved by the examiners and registered in the USPTO and/or the Illinois Secretary of State Trademark Division. Upon registration,

the trademark symbol contains the symbol ® to the upper, right-hand corner of the word. Common law Trademarks are not registered and have the ™ symbol applied to them.

STATEMENT OF POLICY

- A. Carle recognizes that Intellectual Property may result from the activities of a Creator during his/her Course of Employment. It is Carle's policy that it will bring such inventions into practical use for public benefit. Carle's objectives are to encourage and facilitate such development of Intellectual Property by all means appropriate to a publicly (not for profit) supported institution and to advance the respective interests of Carle, its research sponsors, and the Creator(s).

PROCEDURE

A. Ownership of IP

1. Except as otherwise stated by Carle in writing, all of the Creator's rights, title and interest in Intellectual Property developed during his/her Course of Employment shall belong to Carle.
2. The Creator will receive a written statement as to Carle's IP Rights.

- B. **Assignment of IP.** As a condition of employment, Carle requires each Creator who develops Intellectual Property during his/her Course of Employment or uses Carle Assets to assign to Carle in writing all of his/her IP Rights arising from therefrom.

1. Carle may also accept an offer to assign ownership in Intellectual Property that does not meet the foregoing conditions, provided that such action is determined to be consistent with Carle's objectives in the development of Intellectual Property. Intellectual Property so accepted will be administered in a manner consistent with the administration of other Carle-owned Intellectual Property.
2. Carle may require Creator(s) to execute an assignment document and/or other related documents necessary to assign his/her/their IP Rights and to further the patenting and development of Intellectual Property. Creator shall cooperate with Carle in such activities. The Creator's obligation to assign rights to Carle is subject to the provisions of the Illinois Employee Patent Act.

C. Disclosure

1. Each Creator shall promptly disclose to Chief Legal Officer, or his or her designee, in a form and format prescribed by Carle, all Intellectual Property in which Carle has an ownership interest under the provisions of this policy and that has the potential to be brought into practical use for public benefit.

D. Disposition

1. Carle shall have the sole right to determine the disposition of Carle-owned Intellectual Property subject to any prior contractual obligations to external sponsors or funders. Such disposition shall be in a manner that, in the judgment of Carle, is in the best interests of Carle, the Creator, its research sponsors, and the public.
2. After evaluation of the Intellectual Property and review of applicable contractual commitments, Carle may develop the Intellectual Property through licensing, may release the Intellectual Property to its Creator, or may take such other actions as are consistent with its objectives regarding Intellectual Property including, without limitation, the retention of a nonexclusive, royalty-free license to practice the invention for internal purposes.

E. Research

1. In the event of Intellectual Property and/or any IP Rights arising from research or research related activities, then the research policy regarding Intellectual Property and IP Rights (currently, RES124) shall control and govern over those matters.

F. Distribution of income.

1. Revenue received by Carle from the transfer, commercialization or other exploitation of Carle-owned Intellectual Property will be divided among the Creator and Carle. When Revenue is received by Carle, all out-of-pocket payments or obligations attributable to protecting (including defense against infringement or enforcement actions), marketing, licensing or administering the Intellectual Property, including in-kind contributions from Carle (e.g. use of Carle Assets) may be deducted from such Revenue. The Net Revenue remaining after deductions shall be allocated as follows:

Creator Share 40% of Net Revenue

Carle Share 60% of Net Revenue

The Creator (or Creator's heirs, successors, and assigns) will, with limited exception, receive 40% of Net Revenue. If there is more than one Creator, 40% of Net Revenue will be net divided among them as they mutually agree. If the Creator's fail to agree on a division of Net Revenue, Carle shall determine the division.

G. Relations with Creators

1. Employees engaged in external consulting work or business are responsible for ensuring that agreements emanating from such work are not in conflict with Carle policies or with Carle's contractual commitments. Such

employees should make their Carle obligations known to others with whom they make such agreements and should provide other parties to such agreements with a statement of Carle policies on Intellectual Property.

2. In no event shall a Creator enter into or purport to enter into a license that permits another party to profit from Carle-owned Intellectual Property without Carle's express written approval.

H. Trademarks

1. Carle maintains the IP Rights to its Trademarks. Trademarks must be used in accordance with Carle's branding guidelines as established by Carle's Marketing and Communication department.
2. Trademarks are not permitted to be used or reproduced without the permission of the property owner until a time when they become public domain. It is strongly recommended that any permission received from the property owner should be in writing and confirm the details related to the use of the Trademark. Use of the Trademark shall only be used within the permission given.
3. Employees who see Carle's Trademarks being misused should report this misuse to Legal Services.

OTHER RELATED LINKS AS APPLICABLE TO SITE N/A

REFERENCES N/A