

DELEGATION OF AUTHORITY FOR INTELLECTUAL PROPERTY LITIGATION

Summary: The Office of Innovation in the Division of Research and Innovation Partnerships (RIPS) has responsibility for establishing and protecting University owned intellectual property. Intellectual Property (IP) is broadly defined as a creation of the mind and includes inventions, software, literary works, performing and visual arts, digital works, film, photographs, designs and tangible research property. With respect to inventions, on behalf of the University, RIPS processes non-disclosure agreements, initiates or accepts invention patents, and negotiates and collects royalties and licensing fees.

Occasionally, the party to a royalty or licensing agreement fails to meet contractual obligations. Typically, such breaches of contract are resolved through communication and, if appropriate, renegotiation of terms. This was recently the case in a copyright infringement that resulted in a favorable settlement to the University.

Unfortunately, such good faith actions are at times ineffective, leaving litigation as a final remedy. We have recently encountered such a situation with a firm that provides products and services for inventory control. For over two years, the firm has failed to provide required sales reports or paid the sales-based fees. The lost revenue is estimated between \$50,000 and \$100,000.

At this point, litigation seems to be the remaining remedy. The authority to pursue legal action rests with the Board of Trustees. However, rather than request authority for this individual case, we believe the Board should consider delegating authority to litigate all IP matters to the President of the University. The option to quickly and efficiently move to litigation when warranted will strengthen the University's ability to protect IP and discourage future abuse of University IP.

Recommendation: To ensure a complete and effective set of tools to protect intellectual property, the University requests that the Board of Trustees delegate authority to litigate intellectual property matters to the President of the University. If approved, this delegation of authority would be documented in an amendment to Section VII, Subsection E. of the Regulations of the Board of Trustees, which would read (additions are highlighted):

SECTION VII. OTHER OPERATIONAL MATTERS Subsection E. Legal Proceedings and Actions

1. CLAIMS AND COLLECTION ACTIONS

For legal matters involving (a) relatively routine collection matters or (b) forcible entry and detainer actions when any tenant of a university facility fails to abide by the terms of the lease due to nonpayment of rent or otherwise, instituted by the university involving less than \$250,000, the Board of Trustees delegates authority to the president or appropriate designee to initiate and resolve proceedings on behalf of the Board of Trustees in appropriate courts or other suitable forums to enforce, collect or protect legal interests of the Board and the university. Where a cross-claim or counterclaim is raised in a collection case, the Board Chair shall be promptly consulted on the matter.

2. ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS AND INTERESTS

For legal matters involving the enforcement of the University's intellectual property rights and interests, the Board of Trustees delegates authority to the president or appropriate designee to initiate and resolve proceedings on behalf of the Board of Trustees in appropriate courts or other suitable forums to enforce, collect, or to protect the intellectual property rights and interests of the Board and the university. When determining whether to initiate or resolve such legal proceedings, the president or designee shall appropriately consult with the university's general counsel and the vice president who is charged with the responsibility of maintaining the university's intellectual property portfolio. Additional consultations may be necessary depending upon the circumstances. The president (or designee) or general counsel shall provide the Board with notice that such legal proceedings have been initiated or resolved as soon as practical.

The Research and Innovation, Legal and Legislative Affairs Committee endorsed this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on September 13, 2018.