



## Inventions Policy

### Preamble

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This Inventions Policy (this “**Policy**”) has the following objectives:

- to assist the Hospital in achieving its mission of services to the community through excellence in basic, clinical, and population based research, and education;
- to promote the dissemination and utilization of new knowledge regarding disease mechanisms and new treatment modalities to improve patient care;
- to promote the advancement of medical research by providing a favourable research environment for all stakeholders;
- to ensure a balance between academic freedom of researchers and the desire of the Hospital and Inventors to commercialize intellectual property being developed;
- to protect the intellectual property rights that researchers and the Hospital may have; and
- to ensure that commercialization of research discoveries and inventions shall occur in a timely and efficient manner and in a way that supports the interests of the Hospital, researchers, and the broader community; and to raise funds to promote and support research at the Hospital.

### Application

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#### Principles and Definitions

#### APPLICATION – GENERAL PRINCIPLES

This Policy applies to all Inventors, as defined herein.

This Policy does *not* apply to Inventions created or developed in the course of:

- (a) demonstrably private research unrelated to the Inventor’s Hospital functions, duties or responsibilities; or
- (b) consulting activities to outside bodies, where and when such activities do not involve the substantial use of Hospital facilities or resources.

For greater certainty, this Policy:

- (a) shall *not* apply to Inventions (a) created or developed in the course of or pursuant to a clinical trial agreement; and

- (b) shall not in any way apply to, or modify or amend any agreement existing as of the date of the adoption of this Policy by the Hospital.

## DEFINITIONS

In this Policy,

- (a) “**Disclosure Form**” means the form of disclosure attached hereto as Schedule B;
- (b) “**Hospital**” means St. Michael’s Hospital;
- (c) “**Invention**” means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter (s. 2, *Patent Act*, R.S.C. 1985, c. P-4) and includes related computer software, know-how and new life forms.

For the purposes of this Policy, the term “Invention”, as used herein, applies to all inventions, enhancements or innovations, whether they are patentable, or not, to computer software, to trademarks relating to those Inventions and computer software and to any like proprietary right or interest.

- (d) “**Inventor**” means and includes all members of the Hospital staff, including all employees, persons with appointments at the Hospital (physicians, dentists, midwives, status-only scientists), students and post-doctoral fellows;
- (e) “**Net Revenues**” means royalty, licensing and other income received from the assignment or licensing of the rights to an Invention, less legal and other fees and expenses incurred directly in the process of establishing and maintaining the legal protection of such rights. For the purposes of this Policy, claims for legal and other fees and expenses may only be made by the party who has actually incurred such fees and expenses.

## Disclosure Process and Rights to the Invention

- 2.1 This Policy is based on the procedures set out in the flow chart attached hereto as Schedule A.
- 2.2 When an Invention is created or developed by an Inventor, the Inventor shall have all first rights to the Invention in accordance with this Policy.
- 2.3 The Inventor shall complete and submit the Disclosure Form to the Vice-President - Research, or to his or her designate.
- 2.4 The Inventor shall, within ten (10) days of completing and submitting the Disclosure Form, elect between one of the two following options:
  - (a) the Inventor elects to assume exclusive responsibility for the commercialization of the Invention; or
  - (b) the Inventor elects to offer the Invention to the Hospital for commercialization.
- 2.5 *Inventor Assumes Invention Commercialization*

Where the Inventor elects 2.4 (a), the Inventor shall:

- (a) assume all rights, but not the obligation, for the legal protection and/or commercialization of the rights to the Invention; and

- (b) be entitled to retain seventy-five percent (75%) of the Net Revenues and the Hospital shall be entitled to receive twenty-five percent (25%) of the Net Revenues.

The Hospital and the Inventor shall enter into an agreement as may be necessary or desirable to give full effect to 2.5 (a) and (b), and shall execute such further agreements or documents as may be necessary or desirable to give effect to these terms.

#### 2.6.1 *Inventor Offers Invention Commercialization to Hospital*

Where the Inventor elects 2.4 (b), the Hospital shall:

- (a) assume all rights, but not the obligation, for the legal protection and/or commercialization of the rights to the Invention; and
- (b) be entitled to retain seventy-five percent (75%) of the Net Revenues, and the Inventor shall be entitled to receive twenty-five percent (25%) of the Net Revenues.

The Hospital and the Inventor shall enter into an agreement as may be necessary or desirable to give full effect to 2.5 (a) and (b), and shall execute such further agreements or documents as may be necessary or desirable to give effect to these terms.

- 2.6.2 Where the Inventor elects 2.4 (b), the Hospital shall have the option to decline the Inventor's offer to commercialize the Invention. If the Hospital declines the Inventor's offer, all rights to commercialize the Invention shall belong to the Inventor in accordance with 2.5.
- 2.6.3 Where the Inventor elected 2.4 (b) and a period of two years passes since the date of the Inventor's election in favour of 2.4 (b) and the Hospital cannot demonstrate substantial progress towards commercializing the Invention, the Inventor shall have the option to re-elect and to require that interests revert in accordance with the terms of 2.5.
- 2.7 Notwithstanding this Policy, but subject to their mutual agreement, the Hospital and an Inventor may negotiate and execute an agreement on such mutually acceptable terms as both parties may agree.

### **Arbitration**

- 3.1 If a dispute arises between the Inventor and the Hospital with respect to the application or interpretation of this Policy, the dispute shall be referred for decision to an arbitrator with suitable expertise in the City of Toronto and selected jointly by the parties. If the parties cannot agree on an arbitrator, either party may apply to a judge of the Superior Court of Ontario to appoint an arbitrator with written notice to the other party.
- 3.2 Until a decision is given by the arbitrator, no action shall be brought by the Inventor against the Hospital, or by the Hospital against the Inventor, in any court of law on any matter arising from this Policy.

### **Effective Date**

- 4.1 This policy shall apply to all disclosures submitted to the Hospital after July 20<sup>th</sup>, 2005.

**SCHEDULE A**

**FLOW-CHART**

