

UNIVERSITY OF CALIFORNIA

BERKELEY · DAVIS · IRVINE · LOS ANGELES · MERCED · RIVERSIDE · SAN DIEGO · SAN FRANCISCO



SANTA BARBARA · SANTA CRUZ

SENIOR VICE PRESIDENT—
BUSINESS AND FINANCE

OFFICE OF THE PRESIDENT
1111 Franklin Street
Oakland, CA 94607-5200

November 16, 1999

CHANCELLOR CICERONE

RE: Reassignment of Responsibility – Administration of University Patent and Other Intellectual Property Matters, Irvine Campus

On October 19, 1994 I assigned to the Chancellor of the Irvine Campus responsibility for implementing policies and procedures on matters pertaining to intellectual property, and executing documents necessary for the administration of such intellectual property for a period ending September 30, 1999.

That Reassignment is now extended indefinitely, subject to the conditions and restrictions set forth in the October 19, 1994 Reassignment, including the Reassignment of Responsibility-Operating Guidelines and a periodic review and assessment by my office of UCI activities.

Section II.4 and the attachment referenced therein to the Operating Guidelines are hereby deleted to reflect current organizational structure.

A handwritten signature in cursive script that reads "Wayne Kennedy".

V. Wayne Kennedy
Senior Vice President

Attachment: October 19, 1994 Reassignment and Operating Guidelines

cc: Executive Director Feuerborn
Special Assistant Gardner
General Counsel and Vice President Holst
Secretary Trivette

**REASSIGNMENT OF RESPONSIBILITY
OPERATING GUIDELINES
UNIVERSITY OF CALIFORNIA AT IRVINE**

This document constitutes an understanding between the Senior Vice President-Business and Finance and the Chancellor of the University of California, Irvine (UCI), implementing the Reassignment of Responsibility from the Senior Vice President-Business and Finance to the Chancellor of UCI for protecting and licensing certain intellectual property, including patents and tangible research products. Under that Reassignment, and in the name of The Regents, UCI will be responsible for carrying out certain activities in accordance with the provisions of these Operating Guidelines for "UCI Cases" as defined in Section II, below.

The purpose of these Operating Guidelines is to provide for a smooth reassignment of responsibilities to UCI and to clarify certain matters relating to administration.

In accepting this Reassignment, UCI represents that it will commit the necessary resources and staff to carry out the administration of intellectual property as described herein.

I. Policies/Authorities

All intellectual property activities conducted under the Reassignment will be conducted in accordance with University policy and policy guidance, including that contained in Business and Finance Bulletin G-40, "University of California Patent Program"; the University Patent Policy; University Contract and Grant Manual, Chapter 11; the May, 1989 Guidelines on University-Industry Relations and revisions thereto, and directives issued from time-to-time by the Senior Vice President-Business and Finance. The provisions for requesting exceptions to policy, as set forth in Business and Finance Bulletin G-40 and the University Contract and Grant Manual, will continue to apply.

All activities under the Reassignment shall be conducted under and in accordance with formally delegated Regental authority.

II. Case Responsibilities

1. UCI will be reassigned responsibility for administering an invention (hereinafter referred to as a "UCI Case") for which UCI requests reassignment and that meets at least one of the following criteria:
 - (i) an invention that is disclosed in writing after the effective date of the Reassignment and that is not a "Related Case," as defined below; or

- ii) an invention for which there is mutual agreement, after good faith consultation, between UCI and OTT for such reassignment.

"Related Cases" are those new cases that are appropriately managed in an integrated manner with existing OTT Cases, as defined below, based on legal or commercial rationales. Related Cases may include those that are dominant or subordinate to existing OTT Cases, involve derivative or improvement patent positions, or require integrated licensing strategies.

It is understood that the UCI Case selection criteria under Section II.1.(i) are as follows:

- (i) Technologies emanating from existing industry-sponsored projects and those which are the basis for developing potential university/industry research collaborations; or
- (ii) Technologies that enjoy a market that is served by a local company or companies where UCI could make a significant contribution to the economic development of the Orange County community (e.g. new medical devices); or
- (iii) Technologies that are within the principal scientific discipline or business expertise of a particular UCI licensing professional (e.g. physical sciences).

It is further understood that any reassignment of individual cases will be carried out in a manner that ensures a smooth transition, that includes effective ongoing case management, responsive service to inventors, and positive relationships with commercial partners. The terms of such reassignments may include financial considerations, as appropriate, based upon consistent accounting principles and fairness to both parties.

2. OTT will be responsible for administering all inventions that are not UCI Cases (hereinafter referred to as "OTT Cases"). OTT will consider campus concerns in the disposition of such cases.
3. For joint inventions arising between a UCI inventor and an inventor from another UC facility for which UCI is reassigned responsibility, UCI and the ALO (Appropriate Licensing Office) that has responsibility for administering inventions for that facility shall confer to mutually agree upon which of the entities will handle the case. Should a UCI inventor relocate to another UC facility, the continued administration of that person's UCI invention will be coordinated between UCI and the ALO for that other facility, as will the administration of inventions of any UC inventor relocated to UCI.
4. OTT will assign a Licensing Officer to work with UCI under the terms of the attached September 10, 1994 letter from David Schetter of the Irvine Office of University/Industry Research and Technology to David Aston of the OTT.
5. For all cases, UCI will promptly notify OTT of any disclosure and transmit all relevant documents and information, including all Records-of-Inventions.

6. By October 1st of each year, UCI shall submit to the Senior Vice President-Business and Finance an annual progress report on the UCI program established to carry out its Reassignment of Responsibility. The report shall discuss the management of UCI Cases pursuant to these Operating Guidelines and shall identify any operational issues, special accomplishments or areas of concern arising during the prior fiscal year. Further, the report shall describe UCI's resource and technical capabilities in support of its reassigned responsibilities. The Senior Vice President and the UCI Chancellor shall confer, as appropriate, on issues and opportunities identified in the report to ensure a successful UCI program under the Reassignment.

III. Patent Prosecution and Licensing

UCI SHALL:

1. For UCI Cases, make invention patentability evaluations; make decisions concerning electing title and releasing inventions to inventors; make filing decisions for the United States and foreign countries; and market and license inventions to others.
2. Participate in any future systemwide system(s) established to determine if any of its inventions is a Related Case to one developed at other University locations.
3. For UCI Cases, engage and direct outside patent counsel through authority granted by the General Counsel for patent prosecution. Such counsel shall be appointed only from firms approved by the General Counsel. Control of U.S. prosecution must be retained by The Regents through independent outside counsel unless deemed otherwise by the General Counsel or his or her designee.
4. For UCI Cases, report possible or declared interferences to the General Counsel, or his or her designee.
5. For UCI Cases, incorporate in all licensing agreements certain provisions, as appropriate, that limit the license to the specific invention(s). Particular care will be taken to ensure that other background or foreground rights or know-how assigned to The Regents in other parts of the corporate organization are not inadvertently included, directly or indirectly, in any license issued by UCI.
6. For UCI Cases, incorporate in all licensing agreements, provisions to accommodate any obligations assumed on behalf of The Regents by UCI, or by the Office of the President and provided to UCI, through sponsored research or other agreements.

OTT SHALL:

1. For both OTT and UCI Cases, provide prosecution management and support services, elect title or release title to inventors pursuant to determinations made by the responsible licensing associate, report inventions to federal and non-federal sponsors pursuant to the terms of sponsored research agreements, and manage post-agreement matters.
2. Maintain all UCI cases in the Patent Tracking System (PTS).
3. Modify access to PTS, as appropriate, to allow UCI to enter certain information, as mutually agreed by UCI and OTT, into the PTS system for UCI Cases.
4. Develop, during the current fiscal year in coordination with UCI, written procedures for interaction between UCI and OTT regarding the various OTT services as they relate to UCI Cases. Such procedures shall reflect services comparable to those available to OTT licensing associates, officers, and managers for OTT Cases.

GENERAL COUNSEL (or designee) SHALL:

1. Review and approve all final secrecy, letter, option, and license agreements before execution and, as appropriate, authorize UCI's use of pre-approved standard agreements.
2. Manage all inventorship disputes, interferences, infringement actions, legal defense and other legal disputes that may arise, including primary administrative oversight for such matters. Campus concerns, as well as those of The Regents, will be considered in any litigation actions taken or being considered.

IV. General Responsibilities

OTT SHALL:

1. For both OTT and UCI Cases, perform all accounts receivable activities, including collecting fees and royalties due to University for all patent licensing and bailment agreements, and all accounts payable activities, including paying all direct costs incurred for patenting, marketing, and licensing activities. Calculate and distribute royalty and fee income to inventors and other entities in accordance with University Patent Policy and with any overriding contractual obligations of The Regents.
2. Coordinate PTS training for UCI personnel focussing on the development and implementation of the use of the PTS system in invention case administration.
3. Provide timely assistance to UCI on intellectual property provisions in research and material transfer agreements, including decisions on policy exceptions, upon request.

4. Negotiate "master" systemwide intellectual property agreements with research sponsors or providers of proprietary materials, as appropriate.
5. Promote systemwide awareness of technology transfer issues, concepts, and processes, and support systemwide consistency among University licensing personnel by developing and coordinating systemwide training programs and materials concerning such matters.
6. Establish and maintain systemwide administrative systems and databases, including PTS, as necessary, to support an effective systemwide technology transfer program, including the capability to meet internal and external reporting obligations and needs.
7. Coordinate, formulate, and present University intellectual property policy in accordance with responsibilities assigned by the Senior Vice President-Business and Finance and authorize exceptions thereto in accordance with delegated Regental authority.
8. Coordinate, formulate, and present University legislative and regulatory analysis and response with respect to intellectual property in accordance with responsibilities assigned by the Senior Vice President-Business and Finance.
9. Develop systemwide responses and reports to governmental agencies, professional associations, University management, and The Regents, as appropriate.

UCI SHALL:

1. Reimburse OTT for OTT administrative costs reflecting the services provided to UCI by OTT. Such OTT costs shall be based upon standard OTT methodology for allocating OTT costs systemwide.

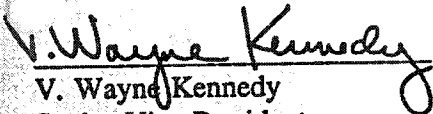
V. Communications/Reporting

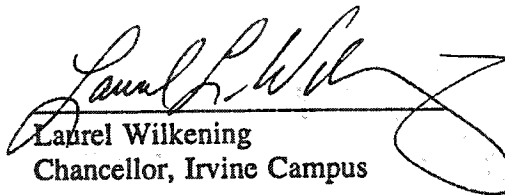
1. Interaction between UCI and OTT will be in the spirit of cooperation, seeking the best interest of the University and its inventors. UCI and OTT staff will meet as necessary to ensure a continuing high degree of coordination and synergism in carrying out the letter and spirit of these Operating Guidelines. UCI will continue to participate in University Patent Coordinators' Meetings.
2. It is recognized that certain records of the University with respect to invention disclosures, research agreements, patent applications, and licenses contain proprietary information. UCI will establish procedures to safeguard such proprietary information, both internally and externally, to prevent unauthorized access and/or the use or misuse of such information for personal gain.
3. While all parties anticipate cooperative interactions and good faith negotiations between UCI and OTT staff on the complex issues involved in these Operating Guidelines, there

may be occasions on which agreement is not reached. In such cases, the Senior Vice President-Business and Finance shall resolve any outstanding issues.

VI. Term of Agreement

The provisions of these Operating Guidelines shall be effective for five years, beginning October 1, 1994 and terminating on September 30, 1999. The UCI Chancellor and the Senior Vice President-Business and Finance will evaluate the success of UCI activities under the Reassignment after the completion of the fourth year of the Reassignment. Any extension of these Operating Guidelines beyond the termination date, or any revisions thereto, shall be by mutual written agreement.


V. Wayne Kennedy
Senior Vice President-
Business and Finance


Laurel Wilkening
Chancellor, Irvine Campus

10/19/94
DATE

11/4/94
DATE

Attachment: Letter to D. Aston from D. Schetter, September 10, 1994

BF
CG
DF6



HS

J.W. PELTASON
President

OFFICE OF THE PRESIDENT
300 LAKESIDE DRIVE
OAKLAND, CALIFORNIA 94612-3550

V. WAYNE KENNEDY
Senior Vice President—
Business and Finance

October 19, 1994

CHANCELLOR WILKENING

Reassignment of Responsibility--Administration of University Patent and Other Intellectual Property Matters, Irvine Campus

Effective October 1, 1994 and for a period of five years thereafter, as Chancellor of the Irvine Campus, you are assigned responsibility to implement policies and procedures on matters pertaining to intellectual property, including patents and tangible research products, and to execute documents necessary for the administration of such intellectual property, including those which may contain commitments existing longer than seven years, subject to conditions specified in the Bylaws and Standing Orders of The Regents of the University of California, subject to terms of applicable Regental and Presidential policies which are or may be established from time to time, and subject to the attached Reassignment of Responsibility - Operating Guidelines. The Senior Vice President-Business and Finance will remain responsible for preparing, for the President's review, annual and other reports to The Regents pertaining to patent and other intellectual property matters (see also Bylaw 12.3 (k)).

The responsibility assigned to you for administration of intellectual property matters may not be reassigned. However, the responsibility to execute documents may be reassigned. Any such reassignment by you shall be in writing with copies provided to the Senior Vice President-Business and Finance, the Special Assistant-Coordination and Review, the General Counsel and Vice President for Legal Affairs, and the Secretary of The Regents. Such reassignment shall be at least as restrictive as, but may be more restrictive than, this reassignment to you.

Wayne
V. Wayne Kennedy

Attachment

- cc: General Counsel and Vice President Holst
- Secretary Trivette
- Director Mears
- Interim Director Feuerborn
- Special Assistant Gardner

UNIVERSITY OF CALIFORNIA