
Procedure: Intellectual Property, Service Inventions, and Prevention of Conflict of Interests

Appendix A: Notification Form Regarding A New Invention

1. General:

This Procedure has been formulated with the intention of promoting actions to take advantage of know-how created within the framework of research activities at the University. This Procedure establishes the commercialization process of the know-how, whilst ensuring the existence of an orderly procedure and fair reward for those involved in the creation of know-how that has commercial value.

2. Aim:

The aim of this Procedure is to determine rules: **(a)** for cooperation between the various entities in the process for the commercialization of the know-how; **(b)** for maintaining and protecting intellectual property rights invented or developed in the University; and **(c)** to prevent a conflict of interests between the engagement in research and academic freedom and the property and commercial interests of the University as a non-profit institution and of its researchers.

3. Definitions:

In this Procedure the following terms shall have the meaning assigned alongside each one of them:

3.1 "Invention" – including a discovery, product, device, method or process (including know-how, software or computer applications, conclusions, documents and research results) that are new, beneficial, can be used are functional and have scientific or technological steps, whether "patentable" (as defined in Section 3 of the Patents Law, 5727 - 1967) or not patentable; including a change, improvement, completion or development of an original invention; or any other matter in relation to intellectual property rights, the fruits of scientific research or scientific discovery, embodying commercial potential even if they are not the subject of intellectual property rights; including specimens, plant species (whether such can be registered under the Plant Breeders Right Law, 5733-1973, or whether they cannot be registered as stated), organisms, micro-organisms, trans-genetic organisms and plants, genetic material, biological material, algorithms, hardware, software, models, samples and so forth

3.2 "Service Invention" – an Invention which the Inventor has achieved due to research activities or during the course of research activities at the University, or for the University or for a corporation under its control, whether within the confines of the University or elsewhere. Moreover, a Service Invention is an invention pursuant to the provisions of Chapter H of the Patents Law, 5727-1967, dealing with service inventions, to which the duty of notice applies pursuant to Clauses 131 and 137 of

that law. The provisions of this law can be viewed in full at the site of the Patents Office at the following address:

<http://www.justice.gov.il/MOJHeb/RashamHaptentim>

3.3 "The University" – Ben-Gurion University of the Negev.

3.4 **"Employee"** – anyone employed by the University, whether permanently or temporarily or provisionally, including a researcher or anyone on a sabbatical, advanced studies and/or unpaid leave (up to three years) and/or temporarily absent for other reasons.

3.5 "Inventor" – an employee, group of employees, and any person receiving a salary or other financial reward, directly or indirectly, from the University, even if he is not an employee as defined above, **as well as a postgraduate or higher degree student or any other person engaged** in research in the University, achieving an invention.

3.6 "Profits from a Service Invention" – balances remaining from the University and/or B.G. Negev's income from the commercial utilization of a Service Invention or the intellectual-property rights to it, after deduction from such of all expenses of B.G. Negev and the University in connection with the above-mentioned commercial utilization, including expenses in connection with the registration and protection of the intellectual property rights and the commercial utilization thereof.

In the case of the commercial utilization of a Service Invention by the Inventor, pursuant to the provisions of this Procedure, the **"Service Invention Profits"** will be the balances remaining from the revenues of the Inventor from the commercial utilization of the Service Invention or of the intellectual property rights therein, after deduction from such of all expenses of the Inventor, B.G. Negev and the University, in connection with the above-mentioned commercial utilization, including expenses in connection with the registration and protection of the intellectual property rights and the commercial utilization thereof.

3.7 "Intellectual Property Committee" – the committee established pursuant to Section 4.1 of this Procedure.

3.8 "Vice President" – whoever is serving at the relevant time as the Vice President and Dean for Research and Development at the University.

3.9 "B.G. Negev" – B.G. Negev Technologies and Applications Company Ltd., which is a company under the ownership of the University and which, in accordance with that agreed upon between the company and the University, is exclusively authorized to perform, *inter alia*, the following duties: to handle inventions, registration of patents, and utilization thereof; to conduct negotiations with third-party entities regarding everything relating to the commercial and industrial utilization of research results executed within the framework of the University; to initiate contractual undertakings between the University and its researchers and industrial or economic entities, for the purpose of supporting research within the framework of the University and the business realization thereof; to initiate activities for economic cooperation with entrepreneurs; to handle Service Inventions; to take all means required to obtain

protection on inventions, including the institution of legal measures; to determine directives for drawing up contracts for commercial and industrial utilization of inventions; to conduct negotiations and to enter into contracts; to manage and organize the provision of services on a commercial basis; to commercially and industrially create and utilize inventions developed, whether within the confines of the University, or for it, or in connection with it.

3.10 "Relative" – Spouse - including a wife or husband, a common-law wife or husband and family members of the spouse; **descendant, parent, parent of parent, descendant of descendant** - including the spouses of the above said and their descendants; In this matter **"Parent"** and **"Descendant"** – includes as a result of adoption;

4. Contents of the Procedure:

4.1 The Intellectual-Property Committee:

4.1.1 A University committee is hereby established for intellectual property.

4.1.2 The duties of the Intellectual-Property Committee are to constitute the last and final arbiter in all disputes between the University and/or B.G. Negev and the Inventors and amongst the Inventors themselves, in the interpreting of this Procedure, including with respect to the distribution of the income in accordance with the provisions hereof and with respect to the prevention of a conflict of interests. The committee will also take into account in its considerations the scientific and professional obligations of the Employee, including for the purpose of saving life or preventing severe public damage.

4.1.3 The members of the Intellectual Property Committee will be as follows:

- a. The Vice President of the University (the Chairman of the Committee).
- b. Two members of the University Senate - who will be elected for a fixed term by the Senate and at the request of the University Rector.
- c. Two public representatives to be appointed by the President of the University, in consultation with the Rector of the University.

4.1.4 The quorum for the meetings of the committee will be three members, provided that the Chairman of the Committee, a Senate member and a public representative participate.

4.1.5 Resolutions of the Committee will be adopted by an ordinary majority of those participating in the vote. When the votes are tied, the Chairman of the Committee will have an additional vote.

4.1.6 A member of the Committee who believes that he has a conflict of interests or may find himself in a situation of a conflict of interest, on a subject which is on the agenda of the Committee, will file notice of such with the Chairman of the

Committee at the commencement of the deliberations, and will act in accordance with the decision of the Chairman of the Committee in the matter.

4.2 Ownership of the Service Invention:

- 4.2.1 Subject to the agreements applicable, from time to time, between the University and B.G. Negev, the ownership of all Service Inventions and all intellectual property related to such, belongs to the University and/or B.G. Negev.
- 4.2.2 Without derogating from the rights of ownership to the above-said Service Inventions, the Inventor will be entitled to receive consideration from the profits of the Service Invention, pursuant to Section 4.6 below.
- 4.2.3 Where the University and B.G. Negev have waived the right of ownership of a service invention, the rights of the Inventor will be pursuant to Section 4.6.3 below.

4.3 Notice of Service Invention, Rulings on Disputes Between Inventors and Maintaining of Confidentiality:

- 4.3.1 An Inventor who believes that an invention attained by him has commercial potential and is interested in such being utilized, must file notice of such with B.G. Negev. The Inventor must file a written notice without delay as soon as possible after the date of the discovery of the Invention, on the form attached as **Appendix A** of this Procedure. Once the Inventor has filed the notice with B.G. Negev, as stated above, the provisions stipulated in Sections 4.3.2 to 4.5.5 below shall apply to him with respect to the Invention.
- 4.3.2 The Inventor is obligated, upon demand from the University or B.G. Negev, to provide full written details regarding the Service Invention, including any information, documents, plans, sketches and other details required for examination of the nature of the Invention.
- 4.3.3 When the Invention is made jointly by a number of Inventors, the notice of the Invention must detail the names of the Inventors and the distribution of the rights between them. This notice must be signed by all the Inventors related to the Invention, including those who are not University employees. The lack of consent on the part of any Inventor shall not delay the duty to provide notice by the Inventor as stated.
- 4.3.4 In the case of differences of opinion regarding the share of any Inventor in an invention, including in the case of a claim for rights to the Invention by another person, the parties will meet together with the Vice President, with the aim of reaching an agreed settlement. Where necessary, each party will file a written report to the Vice President on his position. In the case where no consent has been obtained, the matter will be brought for ruling of the Intellectual-Property Committee and its decision will be final.

-
- 4.3.5 The Inventor, or any other person on his behalf, will not publish and will not disclose details, whether in writing or verbally, in connection with the Service Invention, without the prior written consent of B.G. Negev.
- 4.3.6 The Inventor, or any other person on his behalf, must take all steps to maintain secrecy of the Service Invention, at least until receiving written notice from B.G. Negev and in accordance with the alternatives stipulated in Section 4.4.2 below.

4.4 The Response of B.G. Negev to the Inventor:

- 4.4.1 B.G. Negev will provide a written response to the Inventor, no later than 90 working days from the date of receiving notice of the invention. Where necessary, and with the approval of the Vice President, B.G. Negev may postpone the date for provision of its response by a further 45 working days and B.G. Negev will notify the Inventor of the above-said postponement. The notice of B.G. Negev to the Inventor will include one of the following alternatives:
- a. Notice that the Invention is not a Service Invention.
 - b. Notice that the Invention is a Service Invention but that B.G. Negev does not intend to file a patent application for the Invention and that it has no intention to take advantage of it by any other means.
 - c. Notice that the Invention is a Service Invention and that B.G. Negev intends to act to utilize it commercially.
- 4.4.2 The response of B.G. Negev to the Inventor will also include reference to the possibility of publishing material relating to the Service Invention by the Inventor, in the following manner:
- a. Where the response of B.G. Negev to the Inventor includes notice that the Invention is not a Service Invention (Section 4.4.1a above) or that B.G. Negev does not intend to take advantage of the invention commercially (Section 4.4.1b above), - the Inventor may publish the details of the invention.
 - b. Where B.G. Negev's response to the Inventor includes notice that the Invention is a Service Invention and that B.G. Negev intends to act to commercially utilize it (Section 4.4.1c above), B.G. Negev shall notify the Inventor as follows:
 - (1) That B.G. Negev has no objection to the publication requested by the Inventor, as the publication does not harm the possibility of receiving a patent on the Invention or utilizing it in any other way; or;
 - (2) Should an application be filed for the registration of a patent by B.G. Negev, or if other actions have been taken to protect the intellectual

property rights of the Service Invention, the Inventor will coordinate publication rights with B.G. Negev.

- 4.4.3 The response of B.G. Negev under Section 4.4.1c above will not obligate B.G. Negev to take any registration or commercialization actions, and B.G. Negev will be entitled, at its discretion, to decide what authorization and/or commercialization action must be taken, and to change, from time to time, its said decisions.
- 4.4.4 In the case of differences between the Inventor and B.G. Negev, in the matter of the position of B.G. Negev on the issues as stated in Sections 4.4.1, 4.4.2 and/or 4.4.3 above, the parties will meet together with the Vice President, with the aim of reaching an agreed settlement. Where necessary, each party will submit a written report to the Vice President regarding its positions. In the case where no consent has been obtained, the matter will be brought for the ruling of the Intellectual Property Committee and its decision will be final. At the same time, the Committee is not authorized to oblige B.G. Negev to take any commercial action in connection with the Service Invention.

4.5 Application to Register a Patent and the Filing Thereof:

- 4.5.1 Where B.G. Negev has decided to file an application for the registration of a patent for a Service Invention and/or its utilization by any other means, the Inventor will bring to its attention any detail related to the Service Invention and will do everything required for the purpose of protecting the Service Invention and assisting in the utilization of all the rights therein.
- 4.5.2 B.G. Negev will take the appropriate and required measures in its view for the commercial utilization of the Service Invention (including registration of patent on it), and will finance the expenses related to such, in any country, at its exclusive discretion.
- 4.5.3 As a rule, for everything related to the handling of an application for the registration of a patent, at all its various stages and so long as B.G. Negev has not filed notice otherwise to the Inventor, the Inventor must receive the written approval of B.G. Negev in everything relating to the Service Invention, the patent and the application for the registration of the patent.
- 4.5.4 Where an agreement has been signed between B.G. Negev and third parties in connection with the commercialization of the Service Invention, the Inventor will assist B.G. Negev, where required, to fulfil the said agreement and for its commercial utilization thereunder of the Service Invention.
- 4.5.5 Where written notice has been filed at any stage with the Inventor from B.G. Negev that B.G. Negev has no intention of starting or continuing with the commercialization process of the rights in the Service Invention in any way, the Inventor may then trade with it and may file an application for the registration of a patent, at his expense and in his name, or may continue to handle an existing application by himself, without B.G. Negev bearing any

responsibility for such, and without derogating from or prejudicing the rights of the University or B.G. Negev, including reimbursement of their expenses and receipt of their share in the profits of the Service Invention, as stated in Section 4.6.3.

4.6 Distribution of the Profits of the Service Invention:

The profits of the Service Invention will be distributed in one of the following ways:

4.6.1 Where B.G. Negev or the University have acted to commercially utilize a Service Invention and/or to protect the intellectual property embodied in the Service Invention, the profits of the Service Invention will be distributed as follows:

- a. **40% to the Inventor/s (and to their heirs and successor/s);**
- b. **60% to the University, of which the University will allocate 20% in favor of research in the unit;**

In the matter of this Section, "**research in the unit**" shall mean: scientific research in which the Inventor engages or has an interest in, within the framework of the unit in which he operates in the University or in the unit in which the Inventor operated, if he has concluded his service in the University. Should a change occur to the structure of the unit, the University management may designate this income for the promotion of research in the faculty.

4.6.2 Where the utilization of the Service Invention has included the allocation of stock of any sort, options or any other consideration that is not in cash - that share that is not in cash as stated will be divided into equal shares between the Inventor/s on the one hand and the University on the other hand.

4.6.3 A Service Invention that B.G. Negev has decided not to utilize and that the Inventor himself has brought about its commercial utilization shall have the profits of the Service Invention distributed as follows:

- a. **80% to the Inventor/s (and to their heirs and successor/s); and**
- b. **20% to the University.**

4.6.4 An Inventor who has brought about the commercial utilization of a Service Invention as stated in Section 4.6.3 above will provide the University, from time to time, and at its request, with full written reports and details regarding the status of the commercialization, the income in connection with the commercialization and any other relevant information in connection with the Service Invention, its commercialization and any revenue and/or benefits arising from it.

4.6.5 It is clarified that should the Service Invention originate in research activity that was financed by external means (not financed by the University), the

distribution of ownership of the intellectual property and the income from the Service Invention are subject to the provisions of that agreement. Should the intellectual property rights and the revenue from the Service Invention be received by the University and/or B.G. Negev, only such shall be distributable (after deduction) in accordance with the other provisions of this Procedure.

4.6.6 Each party will bear the taxation applicable to him under law, from his share of the profits of the Service Invention.

4.7 Conflict of Interests:

4.7.1 An employee owes a duty of trust to the University.

4.7.2 No employee will become engaged in a business or corporation or will not provide service (including consultation) to a business or corporation, whether or not for consideration, and will not hold rights or shall not be an interested party (including as a shareholder, member of the board of directors, advisor, etc.) in a business or corporation whose aim(s) or business or intention(s) include engaging in a business competing with that of the University, in the field in which the employee is engaged within the framework of his services in the University or in any other activity that may place him, actually or potentially, in a conflict of interests with his duty of trust to the University.

4.7.3 As a reservation to that stated in Section 4.7.2 above in the event that the Employee has received prior written consent of the University. The Vice President, in consultation with the President of the University, may determine conditions and reservations for the above-said permit, whether for a specific case or generally and for various types of engagement.

4.7.4 Conditions to be determined by the Vice President as stated above will not limit the Employee where the duty of disclosure applies to him due to the obligation to save lives. Moreover, such shall not prevent an employee from acquiring, under ordinary free market conditions, listed shares of any public company provided that the acquisition of the said rights and/or shares will not be executed within the framework and/or in return for the transfer of know-how that may lead to the Service Invention.

4.7.5 An employee, to whom the terms of Section 4.7.2 above apply to his relatives, will file written notice of such with the Vice President.

4.7.6 Without derogating from the provisions of any procedure in the matter of the permit to engage in additional work, and in addition to the said provisions, an employee seeking approval to engage in additional work will detail in his application all information relating to a possible conflict of interest involved in such an undertaking, including: the term of the contract, the relationship between the fields of engagement of the entity and the research areas of the Employee, the consideration of a fee and that which is not for a fee, which has been received for such an undertaking in all forms (payment of royalties, shares, stocks, options or percentages of control and ownership) and other

intellectual property rights which the Employee has or which shall be granted to him (or to his relative) in the business entity, by virtue of this undertaking.

4.7.7 The Employee will file a written notice to the University of any change to any of the details stipulated in Section 4.7.6 above, immediately upon the occurrence of the change.

4.7.8 It is hereby clarified that no additional approval for work shall permit an Employee to use, or disclose to a third party, or transfer the rights of a Service Invention or know-how, or of information or of an idea that is part of a research at the University, which may lead to a Service Invention and in the additional work the Employee will only use his expertise and know-how attributed to that additional place of work.

These restrictions do not apply in the case where the duty of disclosure applies to an Employee due to the obligation to save life.

4.7.9 Where an Employee has received approval for additional work, the University shall not have rights and demands regarding intellectual property rights created by the Employee within the framework of the additional work, provided that the Intellectual Property Committee has held that the Employee has fulfilled all his duties and obligations towards the University in accordance with this Procedure.

5. Responsibility:

The Vice President and the Dean for Research and Development of the University.

6. Application: This Procedure is valid from its publication date and shall apply with respect of any Service Invention reported to B.G. Negev (according to the date of approval of receipt of the form of invention in B.G. Negev) after its publication date.

David Bareket
Vice President and CEO



Date: _____

To:

B.G. Technologies and Applications Ltd.

Stamp of Receipt

Notification Form Regarding a New Invention

1. Inventor's Name (Hebrew and/or English)

2. The Content of the Invention [Please attach a Short Description (1-2 pages) of the Invention including Background, Nature and Advantages]

3. Field/s of the Invention: (Pharmaceutical, Optic Communications, Medical Equipment, etc.)

4. Nature of the Invention:

- Process Method Composition Product
- Other _____

5. Invention Stage:

- Idea Initial Research Advanced Research Product Model
- Other _____

6. Has Information about the Invention been Published or Sent for Publication?

- No Yes

If yes, please specify the manner of the publication:

- Lecture Poster Show Article, Synopsis or Report
- Other _____

Name of Journal, Seminar, Convention, etc., in which the Publication was Made: _____

Title of the Publication: _____

Date of the Publication: _____

7. Has a Patent Application been filed for this Invention by any Entity?

- No Yes, Application No. _____
- Date: _____ The Filer: _____

8. Was the Research which led to the Invention financed by any Entity (You may mark more than one)?

- No Yes

If yes, please specify the name of the financier:

- Ben-Gurion University of the Negev
- Magnet/Magneton/Nofar/Nataf (The Ministry of Industry, Trade and Employment)
- The Fund for Applied Research (managed by B.G. Negev)
- Government Ministries other than the Ministry of Industry, Trade and Employment (Science, Agriculture, etc.) _____
- Business Company _____
- Scientific Fund _____
- Other _____

9. Does any Undertaking Exist for the Delivery of the Invention or to Give any Rights to any Entity?

(For example, to a business company, a government ministry, etc.)

- No Yes, What is the Undertaking and to Whom: _____

10. Has Information about the Invention been Forwarded to Other Entities (Companies, Organisations, etc.)

- No Yes,

Company, organisation Name, etc.: _____

What Information was Forwarded: _____

Date of Transferring the Information: _____

11. Results of Scientific Publications Review

Specify What was Found

12. **The Results of the Patent Review**

Specify What was Found

13. Details Regarding the Inventors and their Role in the Invention:

1

2

	<i>Inventor's Name</i>	<i>Shares (%) in the Invention</i>	<i>Place of Work: Ben-Gurion University/ IDF/Private*/Other/ (Specify)</i>	<i>Position in Ben-Gurion University Employee/Researcher/Undergraduate Student/Postgraduate Student and Higher</i>	<i>For an Employee of Ben-Gurion University: Was the Invention made during the period of your employment for Ben-Gurion University?</i>	<i>For an Employee of Ben-Gurion University: Was the Invention in your field of engagement in Ben-Gurion University?</i>	<i>Signature</i>
1)					Yes / No	Yes / No	
2)					Yes / No	Yes / No	
3)					Yes / No	Yes / No	
4)					Yes / No	Yes / No	
5)					Yes / No	Yes / No	

* -An undergraduate student and a postgraduate student who does not receive a scholarship or fee from Ben-Gurion University will be deemed to be private.

20

21

14. Details of the Inventors:

22

	Full Name in Hebrew + in English (for purposes of filing a patent)	Private Address + E.Mail Address	Tel:
1)
2)
3)
4)
5)

15. I hereby confirm with my signature the veracity of the details in this form, and do hereby undertake not to transfer any information related to the invention to any third party and not to publish material related to the invention without the prior written consent of B. G. Negev and to cooperate with B.G. Negev in the commercialisation of the invention, to sign any required document, including documents for the transfer of ownership (for employees of Ben-Gurion University) in connection with the Invention, in any country in which it will be filed for registration.

37

38

39

40

41

	Name in Full	ID No.	Date	Signature
1)				
2)				
3)				
4)				
5)				