

FREQUENTLY ASKED QUESTIONS ABOUT INTELLECTUAL PROPERTY AND ENTREPRENEURSHIP AT THE UNIVERSITY OF WYOMING

DEFINITIONS:

TTO: Technology Transfer Office; at UW this is the Research Products Center, or, **RPC**.

IP: Intellectual Property. Includes patents, trademarks, copyrights, trade secrets, etc.

ROI: Return on Investment

USPTO: United States Patent and Trademark Office

INTELLECTUAL PROPERTY (IP):

If I start a company using UW IP, how does that work?

- Assuming you've already identified the technology as UW property, contact the Research Products Center (the UW Tech Transfer Office, or TTO).
- All UW IP is available for licensing, unless already licensed on an exclusive basis by somebody else.
- Terms are negotiated with the RPC and those terms are almost always preferably structured to help leverage startups by Wyoming citizens, especially students, staff, and faculty.
 - The university RPC negotiates terms in good faith with a goal of maximizing either or both impact to the state through economic development and/or revenue capture.

What is a patent?

- A patent is an ECONOMIC TOOL; it is not a reward for good work nor is it acknowledgement or validation for successful research. As such, a patent must:
 - Have a potential positive value proposition – a Return on Investment (ROI).
 - Be enforceable, meaning infringement can be detected readily.
- A patent is intellectual property as defined by international treaties and Federal statutes. It provides a 20 year (from filing the Non-Provisional application) window within which the inventor or assignee has a monopoly on the disclosed technology. The inventor/assignee in turn can license that IP to a third party if they wish.

If I come up with an invention, who owns it?

- The rules are simple:
 - If the concept/invention was developed using ANY UW asset, e.g., lab, equipment, under any sort of grant or research support, under the advisement of a professor, etc., it is University of Wyoming property unless negotiated otherwise specifically with the UW VP Research Office.
 - If the concept/invention is developed completely independently from any project on which you are working at UW, and completely using your own assets, equipment, and labor, then it's yours.

How does the UW patent process work and who pays for a patent?

- The RPC determines if work performed at UW and submitted to the RPC via an invention disclosure has a viable potential value proposition. If so, then the university pays all legal fees for pursuing IP protection.
 - Generally, a PROVISIONAL patent application is filed first after a preliminary patent search is completed, performed by the RPC. A Provisional can be very inexpensive and often doesn't need patent counsel to develop the specification and/or claims.
 - A Provisional application ONLY preserves a priority date for your invention.
 - It is FILED, but never, "issued," "acquired," or otherwise publicly acknowledged. There is no review of a Provisional filing by the USPTO.
 - It carries no leverage for enforcement other than assignment of the priority date. In a busy technology field, that priority date can be very important.

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- A Provisional application holds for one year from filing. After that one year anniversary, it figuratively vanishes unless a NON-Provisional Application is filed within that year.
- A NON-Provisional patent application is filed within the one-year window of the Provisional filing. It can also be filed directly without a Provisional preceding it, but there are zero advantages to this timeline.
- A NON-Provisional filing is officially acknowledged by the USPTO and examination of invention validity is initiated, which depending on complexity can take from 1 – 5 years.
 - Roughly 18 months after filing a Non-Provisional application, the Application itself is published and then considered part of the public domain.
 - Inventors/companies can claim, “Patent Pending,” during this examination period.
 - After examination by the USPTO and negotiation regarding validity of the filed claims, a Non-Provisional application can convert to an ISSUED patent. Then and only then is the patent considered enforceable.

How do UW inventors get rewarded for IP?

- The State of Wyoming and UW have some of the most lucrative (for inventors) guidelines in the USA in dealing with inventors.
 - 60% of any royalty revenue recovered, after compensating UW for patenting costs, are distributed directly to the listed inventors commensurate with the number of inventors.
 - For example, with two inventors, each inventor gets 30%; with three inventors, each get 20%, etc.
 - Inventors are seen as equal in the eyes of the Federal government. This is not negotiable.
 - Royalty rates are negotiated for each license, and rates vary depending on multiple factors. These are modest, looking mainly to recover patent costs over the life of the license.

Who is an inventor?

- An inventor is defined by Federal statutes and international law as an individual who has provided substantive inventive contribution(s) to the overall invention. That means all inventors must be able to define their own AND their co-inventors’ inventive contributions to the patent. Without this inventor consensus, the patent is invalid.
- An inventor is not a professor who simply paid for the work unless the invention was due to an inventive insight by the professor directly leading to manifestation of the overall invention. An inventor is not a student or GA working on a project that leads to an invention unless the student provided inventive content enabling the overall invention to be manifested. These rules are not negotiable and are covered by Federal statutes.
 - Willful violation of these statutes, e.g., adding a non-inventor to a patent or excluding an actual inventor from a patent, is considered perjury and covered by Federal laws.

STARTUPS AND ENTREPRENEURSHIP:

Does having documented IP translate into company ownership?

- No. IP and company ownership are discreet, separate concepts.
- Generating IP through a patent or otherwise, which is then licensed to a startup or company, does *NOT* translate in any way to any rights of start-up or company ownership.

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Can I start a company without IP?

- Yes. Patentable IP is tough and expensive to get and should not be confused with the viability of a solid value proposition.
 - IP also encompasses things that are NOT patented, things like trade-secrets, high technology hurdles, and know-how that isn't common knowledge....so you probably HAVE some IP, but perhaps not a patent.
 - IP does include Copyrights. For example, computer code is generally no longer accepted by the USPTO for consideration in a patent (exceptions apply), BUT, code is absolutely covered under copyright laws through the USPTO.

If I am an inventor of UW intellectual property, how do I become an owner of the startup or company who licenses that IP from UW?

- There are only two real ways leading to ownership/equity in a company; 1) TIME is invested, and/or, 2) MONEY is invested. All other factors are pretty much irrelevant. And if you personally are the actual founder, but fail to do either #1 and/or #2, the company will likely fail. No shortcuts here.
- If a third party, e.g., an outside company, licenses your UW owned invention, you have zero rights of ownership of that third party company....unless you independently buy into that entity with cash and/or time.

How do I get help in starting my business?

- The State of Wyoming provides a number of organizations who can help you start or grow your business. Through the University of Wyoming, that mainly is accomplished through the Business Resource Network, or BRN. The BRN reports to the UW Vice President for Research and Economic Development.
 - The Research Products Center (RPC) handles all patents, non-patent IP, and licensing of UW IP. The RPC does not substitute for direct legal counsel from an attorney, but can provide some general legal advice. The RPC does actively protect and manage any/all UW intellectual property generated within the university system.
 - The Wyoming Technology Business Center (WTBC) is chartered to provide deep-dive start-up business counseling and mentoring in a wide array of technology, business, and financial topics. In general, WTBC follows similar guidelines in building a startup as the National Science Foundation's "Lean Launchpad." The WTBC operates three separate business incubators, one on campus at 22nd and Harney, in Casper, and in Sheridan.
 - The Small Business Development Corp (SBDC) operates statewide providing assistance mainly to Wyoming (e.g., non-UW) companies needing help with functional aspects of their businesses.
 - Manufacturing Works (MW) is chartered to assist existing Wyoming companies with operational excellence, including factory productivity, company structure, and other topics.
 - The SBIR/STTR Office (SSO) is chartered to assist Wyoming startups and small companies identify and improve odds of getting Federal government grants through the Small Business Innovation Research grant umbrella.
 - The Marketing Research Office (MRO) is chartered to assist Wyoming businesses with market research and analysis.

How much will it cost or how much of my company ownership must I give up to get help from the BRN?

- All BRN services, with the exception of MW are provided as free services to Wyoming citizens and companies.

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- Wyoming state statutes forbid any of the BRN organizations and employees within those organizations taking any company equity or payment as a quid pro quo for services provided.
 - There are only two exceptions:
 - MW can invoice for services rendered, depending on scope and duration of their engagement with a Wyoming company using MW services.
 - In lieu of up-front royalty or exclusivity cash payments, the RPC can instead be modestly compensated with a small piece of company equity, usually not exceeding 5%. The company can buy this equity back when their cash flow is appropriate, or UW sells their equity during a cash infusion event, for example, from an outside investor or at a takeover event. It is not the goal of UW to be long-term investors nor have any voting rights in any company. Rather the logic of equity in lieu of cash was established to help early-stage companies *protect* their small cash reserves, better insuring their long-term growth and health.

How do I start working with the WTBC?

- This is open to anyone in the State.
- Make an appointment to speak with one of the WTBC mentors (uwyo.edu/wtbc).
- Initial topics range broadly from, "...I'd like to think about starting a business, but I don't really have any good ideas yet...", to, "...I have a company at \$X million revenue and I'd like some further advice about how to optimize my future product development processes and growth.." And everything in between. Manufacturing Works (MW) might also be an appropriate group to contact for the latter.
- Regular status and growth meetings are highly encouraged.
- WTBC makes no contract nor has any required progress expectations once you engage with them; progress is entirely up to the entrepreneur or business owner.

How do I become a formal WTBC incubator client?

- There are a couple of ways to become an incubator resident client with complete access to building assets and resources. Note that being a resident does require rent payment commensurate with space used at roughly standard Laramie commercial rates:
 - Start a company and request space and/or client status at the WTBC.
 - The WTBC Board reviews these applications, and the company must defend their value proposition as valid and amenable to growth. A good template to use can be found at, <https://www.udacity.com/course/how-to-build-a-startup--ep245> . This site contains the basis for the NSF's Lean Launchpad process.
 - Technology companies with the potential for growth to \$3-5+M in revenue within 5 years are the WTBC target.
 - Win the Ellbogen 50K competition sponsored through the College of Business; WTBC provides one year of free rent for the winners at the winners' option.
 - Become a Fisher Innovation Challenge Qualifier; WTBC provides one year of free rent for Fisher Qualifiers, at the option of the Qualifier.
- Being a formal WTBC incubator client comes with a commitment to meet regularly with WTBC staff for status updates, progress reports, and counseling/mentoring as appropriate.