

Holland Bloorview
Kids Rehabilitation Hospital

Bloorview
RESEARCH INSTITUTE

Invention Policy



Preamble

The purpose of this policy is to enable the transfer of technologies, Inventions and Intellectual Property developed at the Hospital to practical use for the benefit of children with rehabilitation and complex cares needs and their families, both within the Hospital community and around the world.

Successful technology transfer requires the investment of resources by the Hospital and the dedication of its staff. The intention of this policy is to clarify the roles and responsibilities of each of the stakeholders involved in technology transfer and ensure a smooth process for commercialization.

This policy rewards staff for participating in the “translational research” that contributes to keeping Holland Bloorview at the forefront of clinical care, research and education.

Policy Statement

This policy describes the ownership of Inventions; the duty of Hospital staff to disclose Inventions; the options for commercialization of Inventions; the options for Inventors if the Hospital elects not to commercialize Inventions; and the distribution of income from commercialization of Inventions.

Procedure:

Term

The term of this Policy shall commence on April 1, 2021 and shall expire on March 31, 2023, at which time it may be revised and renewed.

1. Definitions

- 1.1. **“Bloorview Research Institute”** or **“BRI”** means the Bloorview Research Institute at the Hospital.
- 1.2. **“Commercialization Office”** means the functional operating arm of the BRI that supports the commercialization activities within the Hospital.
- 1.3. **“Hospital”** means Holland Bloorview Kids Rehabilitation Hospital.
- 1.4. **“Intellectual Property Commercialization Committee”** or **“IPCC”** means the committee responsible for advising the Hospital via the Senior Management Team on: (a) the allocation of revenues after termination of an Inventor’s employment; (b) whether or not to commercialize Inventions or continue IP protection; and (c) the creation of a company as an appropriate vehicle for the commercialization of an Invention. On some matters, such as company creation, the IPCC will provide advice to the SMT, which will in turn make recommendations to the Hospital Board of Directors. The IPCC shall consist of staff members who represent the interests and values of the Hospital and the Bloorview Research Institute, including its’ researchers.
- 1.5. **“Intellectual Property”** or **“IP”** means the rights arising from the legal protection of inventions, works and creations (including but not limited to copyright, trademarks, patents and industrial designs); know-how; and trade secrets.
- 1.6. **“Invention”** means an intangible or tangible invention, work or creation, that is unique and original, and is invented, conceived, developed, created, discovered, made or improved by an Inventor (as defined below), as well as any IP related thereto. Inventions include but are not limited to any new and useful art, process, machine, manufacture or composition of matter, technical information, formulae, computer software and hardware, drawings, graphics, designs, concepts, ideas apparatus, processes, research tools (including without limitation, biological materials, devices and other tangible research property) and any improvements thereof, and all original literary, dramatic musical and artistic works (including without limitation, books, book chapters, architectural works, choreographic works and cinematographic works), all print materials, multimedia electronic and audiovisual materials, manuals, program packages and educational materials.

- 1.7. **“Invention Disclosure Form”** means a form of confidential disclosure attached hereto as Schedule A.
- 1.8. **“Inventor”** means any member of the Hospital staff (including all employees, persons with appointments at the Hospital, students and post-doctoral fellows) or any non-member of the Hospital staff (including visiting staff and volunteers) who invents, conceives, develops, creates, discovers, makes or improves an Invention related to their duties, responsibilities or research at the Hospital.
- 1.9. **“Net Revenue”** means royalty, licensing and other income or equivalent financial consideration or equity received from the assignment or licensing of the rights to an Invention and associated Intellectual Property, less legal and other expenses incurred directly in the process of establishing and maintaining the legal protection of such IP and any third party payments determined by third party agreements related to the Invention.
- 1.10. **“Public Disclosure”** means any disclosure of Inventions or IP to any individual who is not a Hospital staff member without a confidentiality agreement in place duly signed by an authorized representative of the Hospital, including, without limitation, publication in scientific journals, poster presentations, oral or written abstracts, thesis or dissertation defense, seminar, lecture or informal conversation.
- 1.11. **“Senior Management Team”** or **“SMT”** means the Senior Management Team of the Hospital.

2. IP Ownership

- 2.1. In the absence of an agreement to the contrary, duly signed by a signing authority of the Hospital or BRI, Inventors will assign sole ownership of all Inventions to the Hospital, and any moral right contained therein shall be waived in favour of the Hospital.
- 2.2. Inventors shall sign any further documentation that is required to confirm the ownership of Inventions by the Hospital and shall cooperate fully in the preparation, prosecution, filing and maintenance of IP protection.
- 2.3. Notwithstanding the foregoing, the Hospital shall not own copyright in the scholarly articles, papers or theses written by Inventors for the non-commercial purpose of publication in scientific journals or in pursuing academic careers.
- 2.4. The Hospital does not claim any rights to Inventions that have been:
 - a) Made prior to an individual being employed by the Hospital;
 - b) Made outside the normal course of Hospital activities, on a Hospital employee’s own time, without the aid of resources or funds owned, operated, controlled or

administered by the Hospital and unrelated to the employee's duties, responsibilities or research at the Hospital.

- 2.5. In cases where Inventor(s) hold appointments at other institutions outside of the Hospital, determination of rights and the allocation of Net Revenues arising from commercialization shall be subject to the terms and conditions of an agreement between the Hospital and the other institution(s).

3. Invention Disclosure

- 3.1. For Inventions intended to be used outside the Hospital or Inventions with any commercial potential, Inventors have a duty to disclose such Inventions to the Hospital by completing an Invention Disclosure Form. This form must be submitted to the Commercialization Office prior to any further activity surrounding the Invention, including Public Disclosure of the Invention.
- 3.2. Where there are multiple Inventors of an Invention, the proportionate distribution of the Inventors' share of Net Revenues among Inventors must be declared at the time of disclosure on the Invention Disclosure Form.

4. Revenue

- 4.1. The first one thousand (\$1,000) of Net Revenues generated by the Hospital each fiscal year through the commercialization of an Invention shall be distributed to the Inventor's research program. Any remaining amount will be distributed as follows:
 - a) Forty per cent (40%) of Net Revenues shall be distributed to the Inventor(s);
 - b) Forty per cent (40%) of Net Revenues shall be shared between the Hospital, and Bloorview Research Institute, as appropriate;
 - c) Twenty per cent (20%) of Net Revenues shall be distributed internally according to the following:
 - i. if the Inventor is currently a researcher at the Bloorview Research Institute this share will be distributed to the Inventor's research program;
 - ii. otherwise, this share will be distributed to the Inventor's department.
- 4.2. If the Inventor(s)'s employment at the Hospital is terminated for any reason, no Net Revenues will be distributed to the Inventor's research program after the date of termination; however the Inventor(s) will continue to receive their portion of the Net Revenue as described in Section 4.1.a) of this policy and any remaining Net Revenues will be allocated at the discretion of the Hospital on the recommendation of the SMT as advised by the IPCC.

5. Assignment of IP to Inventors

- 5.1. If, on the advice of the IPCC, the Hospital decides not to protect an Invention, nor to make efforts to commercialize the Invention, or if the Hospital decides to abandon commercialization activities and protection of the associated IP, then the Hospital, at the Inventor(s)'s request, shall assign to the Inventor(s) all rights in and to such Invention or IP ("**Assigned Invention**") on the following conditions:
- a) Any revenues generated from the commercialization of the Assigned Invention shall first be used to repay all expenses that have been incurred by the Hospital in connection with the protection of the associated IP;
 - b) Any Net Revenues in excess of the amount specified in Section 5.1(a) shall be distributed as follows:
 - i. Twenty-five per cent (25%) shall be distributed to and shared between the Hospital, and BRI, as appropriate;
 - ii. Seventy-five per cent (75%) shall be retained by the Inventor(s).
 - c) The Hospital shall retain the right to use the Assigned Invention for its internal, non-commercial academic research and teaching purposes and the Inventor(s) shall not enter into any agreement that prohibits the foregoing.
- 5.2. The IPCC shall make best efforts to ensure that decisions regarding the Hospital's intent to commercialize Inventions or protect associated IP will be made within ninety (90) days from the date of its receipt of the Invention Disclosure Form.

6. Consulting

- 6.1. Notwithstanding anything in this Policy, where an Inventor accepts a consulting contract with a company, any remuneration, including but not limited to salary, options or equity received by the Inventor pursuant to such a contract does not fall under this Policy and vests solely to the Inventor, provided that the services provided by the Inventor do not result in new IP, improvements or modifications to IP or reduction to practice of IP, owned by the company or the Hospital since all such services must be the subject of an agreement between the company and Hospital.
- 6.2. The administration of the Bloorview Research Institute shall review all consulting contracts to ensure they do not conflict with this or other Hospital policies.

7. Company Creation

- 7.1. Creating a company to commercialize Inventions requires further investment from the Hospital (financial, administrative or both) and confers more risk to commercialization. Startup company creation will be considered by the Hospital's Board of Directors on the recommendation of the SMT and on the advice of the IPCC and the Inventor(s).

- 7.2. Should the Hospital decide that creating a company is the best means to commercialize the Invention, it will act diligently to enable the creation of such a company, including, when appropriate, seeking outside investment, and the Hospital shall license the Invention to the company. In this scenario all founding equity in the company will be held by Hospital. When received by the Hospital, the proceeds of any disposition of the founding equity will be distributed in accordance with the formula set out in the Section 4.1 of this Policy. In cases where the Inventor will also play an active role in the company, equity split will be negotiated on a case-by-case basis with input from the Commercialization Office, IPCC and SMT.

8. Licensing

- 8.1. Should the Hospital decide that creating a company is not in its best interests, it may, at the Hospital's sole discretion, and on commercially reasonable terms, license the Invention to a company, on the following terms:
- a) If the Inventor(s), alone or collectively hold a ten per cent (10%) interest, or less, in such company at the time such license agreement is executed, any Net Revenue will be distributed in accordance with Section 4.1 of this Policy.
 - b) If the Inventor(s), alone or collectively, hold more than a ten per cent (10%) interest in such company at the time such license agreement is executed, the Inventor(s)'s share of any Net Revenues will not be paid to the Inventor(s) as described in Section 4.1 of this Policy and, instead, forty per cent (40%) of the Net Revenue will be redirected to the Inventor(s)'s research program or department. Any remaining revenue will be distributed as per Section 4.1(b) and (c).
 - c) If the Inventor(s), alone or collectively, hold more than a twenty-five per cent (25%) interest in such company at the time such license agreement is executed, the Inventor(s)'s share of any Net Revenue will not be paid to the Inventor(s) as described in Section 4.1 of this Policy and will instead be redirected to the Hospital and BRI, as appropriate.

Review Date: Mar 31, 2021