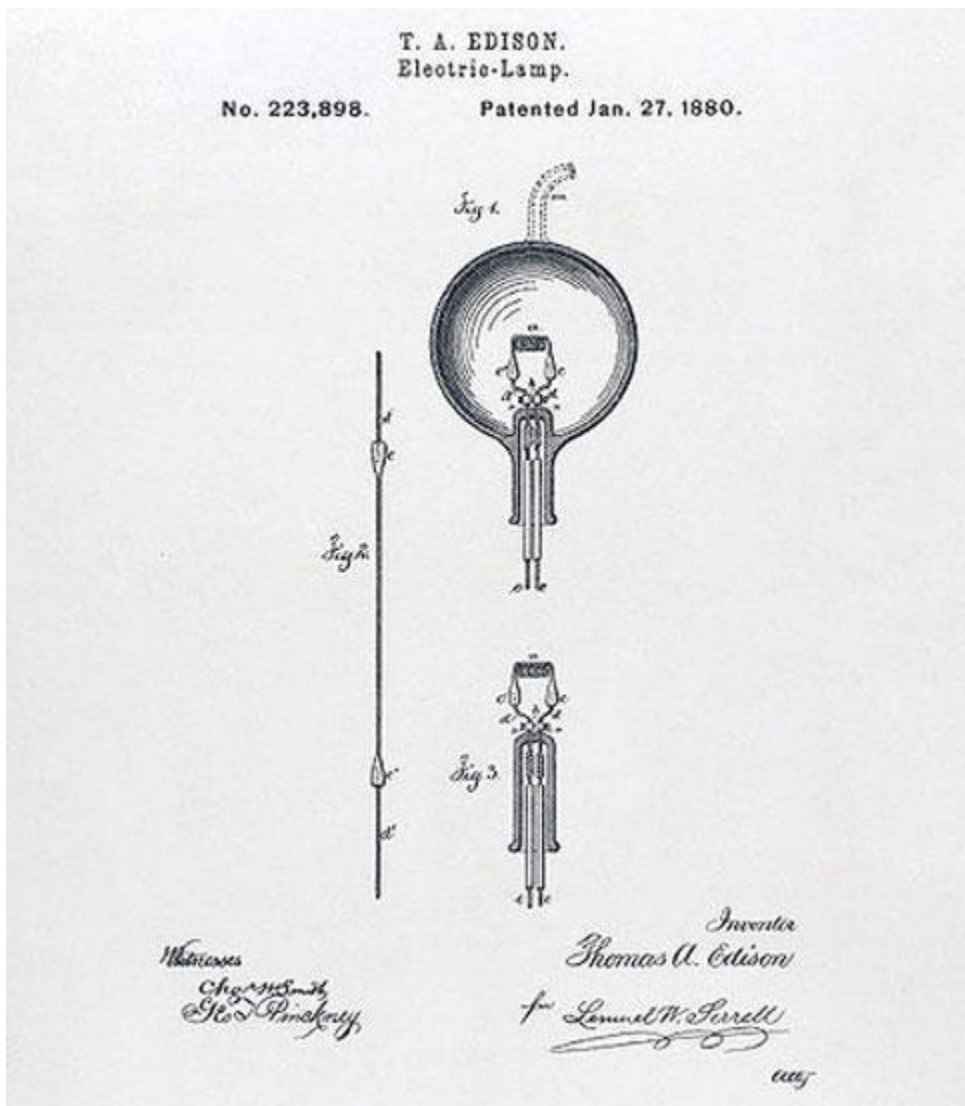




FREQUENTLY ASKED QUESTIONS

For Inventors





FREQUENTLY ASKED QUESTIONS

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TECHNOLOGY TRANSFER PROCESS

What is “intellectual property” (IP)?

Intellectual property is an invention and/or material that may be protected under the patent, trademark or copyright laws.

What are the steps to commercializing Virginia Tech intellectual property?

RESEARCH: Observations and experiments during research activities often lead to discoveries and inventions. An invention is any useful process, machine, composition of matter, or any new or useful improvement of the same. Often, multiple researchers may have contributed to the invention.

INVENTION DISCLOSURE: An invention disclosure is the written notice of invention that begins the formal technology transfer process. An invention disclosure remains a confidential document and should fully document your invention so that the options for commercialization can be evaluated and pursued.

REVIEW and ASSESSMENT: Your invention disclosure will be submitted and presented to VTIP for review. A VTIP licensing associate will be assigned to your disclosure and will work with you through the commercialization process.

PROTECTION: Patent protection, a common legal protection method, begins with the filing of a patent application with the [U.S. Patent and Trademark Office](#) and, when appropriate, foreign patent offices. Once a patent application has been filed, it will typically require several years and tens of thousands of dollars to obtain issued U.S. and foreign patents. Other protection methods include copyrights, trademarks and trade secrets.



MARKETING: With your active involvement, your VTIP licensing associate will identify candidate companies that have the expertise, resources and business networks to bring the technology to market. This may involve licensing the technology to an existing company or forming a start-up company.

LICENSING: A license agreement is a contract in which rights to a technology are licensed to a third party, without relinquishing ownership, for financial and other benefits. A license agreement is used with both a new start-up business or with an established company.

COMMERCIALIZATION: The licensee continues the advancement of technology and makes other business investments to develop the product or service. This step may entail further development, regulatory approvals, sales and marketing support, training, and other activities.

REVENUE: Revenues received from licenses are distributed to departments, inventors and to VTIP to fund unreimbursed patent and licensing costs and to encourage further participation in the technology transfer process. [Virginia Tech's Policy on Intellectual Property, Policy No. 13000](#) governs distribution of revenue received by VTIP from licenses.

How long does the tech transfer process take?

The process of protecting technology and finding the right licensing partner typically takes years to complete. Sometimes under the right circumstances, especially when there is an immediate interest in an invention disclosure the process of protection and licensing can be accomplished in a matter of months or even weeks.

How can I help this process?

- Contact VTIP when you believe you have created or discovered something unique with potential commercial or research value.
- Complete and submit the confidential VT Intellectual Property (IP) Disclosure form before publicly disclosing your technology or submitting a manuscript for review and publication.
- Contact VTIP before holding any discussions with people outside of the Virginia Tech community.
- Respond to VTIP and outside patent counsel requests.
- Keep VTIP informed of upcoming publications or interactions with companies related to your intellectual property.

RESEARCH

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What rights do you have to IP and what right does the university have to your creation?

General guidance on ownership under the university's IP policy is provided by the Office of the Vice President for Research in a document, ["Intellectual Property: Who Owns It?"](#)

Will I be able to publish the results of my research and still protect the commercial value of my intellectual property?

Yes, but since patent rights are affected by these activities, it is best to submit an invention disclosure well before communicating or disclosing your invention to people outside Virginia Tech.

May I use material or intellectual property from others in my research?

Yes, but it is important to document carefully the date and conditions of use so that VTIP can determine if this

use may influence the ownership and license rights of your subsequent research results. A Material Transfer Agreement must be completed for any materials that are transferred into or out of Virginia Tech. The Office of Sponsored Programs handles MTA's on behalf of Virginia Tech.

Will I be able to share materials, research tools or intellectual property with others to further their research?

Yes. However, it is important to document items that are to be shared with others and the conditions of use.

What rights does a research sponsor have to any discoveries associated with my research?

The Sponsored Research Agreement should specify the intellectual property rights of the sponsor. Virginia Tech generally retains ownership of the patent rights and other intellectual property resulting from sponsored research. However, the sponsor may have rights to obtain a license to the defined and expected outcomes of the research.

What are Virginia Tech's practices with respect to working with industry sponsors?

General information on collaborative research with industry and an overview of Virginia Tech's policies and procedures for performing research for industry is provided in an OVPR [Frequently Asked Questions About Working with Business and Industry](#) page.

INVENTION DISCLOSURE

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Why should I submit an Invention Disclosure Form?

When you disclose your invention, it starts a process that could lead to commercialization of your technology. If government funds were used for your research, you are required to file a prompt disclosure, which will be reported to the sponsoring agency. Similar requirements may exist for other sponsored projects.

How do I know if my discovery is an invention?

You are encouraged to submit an invention disclosure for all inventions and developments that you feel may solve a significant problem and/or have significant value. If you are in doubt, contact VTIP to discuss the invention and strategies for commercialization.

When should I complete an invention disclosure?

You should complete an invention disclosure whenever you feel you have discovered something unique with possible commercial value. This should be done well before presenting the discovery through publications, poster sessions, conferences, press releases, or other communication. Once publicly disclosed (i.e. published or presented in some form), an invention may have restricted or minimal potential for patent protection outside of the United States. Differences exist between the U.S. and other countries on the impact of early publication on a potential patent. Be sure to inform VTIP of any imminent or prior presentation, lecture, poster, abstract, website description, research proposal, dissertation/master's thesis, publication, or other public presentation including the invention.

Should I disclose research tools?

Yes, if your new tools would benefit other researchers and you are interested in providing them to researchers and to other third parties.



How do I submit an invention disclosure?

You can download an Invention Disclosure Form from the VTIP Home Page or VTIP Forms and Agreements page or just by clicking on this [link](#).

Who is considered an inventor for the purposes of tech transfer?

An inventor is an individual who has made a contribution to the conception of an invention.

If two or more persons work together to make an invention, and each had a share in the ideas forming the invention, they are joint inventors. If, on the other hand, one of these persons has provided all of the ideas of the invention, and the other has only followed instructions in making it, the person who contributed the ideas is the sole inventor.

Should I list visiting scientists or scientists at other institutions on my invention disclosure?

All persons that may have contributed to the ideas leading to a discovery should be mentioned in your disclosure, even if they are not Virginia Tech employees.

REVIEW AND ASSESSMENT

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How are invention disclosures assessed?

Each invention disclosure is reviewed by a VTIP licensing associate to review the novelty of the invention, protectability and marketability of potential products or services, relationship to related intellectual property, size and growth potential of the relevant market, amount of time and money required for further development, pre-existing rights associated with the intellectual property, and potential competition from other products/technologies. The inventor(s) are critical elements to this review and often may provide insights into the science and technology behind the invention that may not be found through existing resources.

If the inventors believe that all intellectual property should be licensed non-exclusively to all potential users for the public good, will VTIP honor our request?

VTIP will work with you to develop the appropriate commercialization strategy for the invention. We will try to accommodate inventors' commercialization wishes. The final decision, however, will be determined by VTIP's assessment of which strategy will produce the most benefits for the general public, consistent with governmental or institutional policies and other obligations.

Is an invention ever assigned to an inventor?

If VTIP decides not to pursue patent protection and/or VTIP chooses not to continue actively marketing an invention, rights in an invention may be transferred to an inventor through a license or outright assignment. Reassignment of inventions funded from U.S. Government sources requires the Government's prior approval.

PROTECTION

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What is a patent/copyright/trademark?

For general information concerning intellectual property, including patents, copyrights and trademarks, please see the OVP [Intellectual Property at Virginia Tech](#) page or the [Virginia Tech Library Patent and Trademarks](#) page.

Who is responsible for patenting?

When the VTIP Licensing Associate recommends that VTIP proceed with protecting and commercializing an invention, VTIP contracts with outside patent counsel for intellectual property protection, thus assuring access to patent specialists in diverse technology areas.

Why does Virginia Tech protect only some intellectual property through patenting?

Due to the expense and the length of time required to obtain a patent, patent applications are not possible for all Virginia Tech invention disclosures. VTIP welcomes cost sharing of patenting from departments and sponsored projects. Please contact your assigned VTIP Licensing Associate if you have a funding source you would like to use to help pay for patent costs.

Who decides what gets protected?

VTIP assesses each invention disclosure submitted and makes decisions regarding protection and commercialization. A sponsor or potential licensee may have an interest in protecting the invention and will ask VTIP to file a patent application on their behalf.

What if I created the invention with someone from another institution or company?

If you created the invention under a sponsored research or consulting agreement with another institution or company, your VTIP Licensing Associate will need to review that contract to determine ownership and other rights associated with the contract. Your VTIP Licensing Associate will work with the other institution or company to negotiate the appropriate agreement addressing protection and commercialization of the invention.

Will VTIP initiate or continue patenting activity without an identified licensee?

Yes. Often a patent application is filed before a licensee has been identified. At times, VTIP must decline further patent prosecution after a reasonable period of attempting to identify a licensee.

MARKETING

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How does VTIP market my inventions?

VTIP Licensing Associates use many sources and strategies to identify potential licensees and market inventions, such as existing relationships of the inventors, the VTIP staff and other researchers, market research, other complementary technologies and agreements, and faculty publications and presentations.

How are most licensees found?

A majority of licensees are known to the inventor prior to licensing. Thus, research and consulting relationships are often a valuable source for licensees. Licensees are also identified through existing relationships of the VTIP staff.

How long does it take to find a potential licensee?

It can take months and sometimes years to locate a potential licensee depending on the attractiveness of the invention, its stage of development, competing technologies, and the size and intensity of the market.



How can I assist in marketing my invention?

Your active involvement can dramatically improve the chances of matching an invention to an outside company. Your research and consulting relationships are often helpful in both identifying potential licensees and technology champions within companies.

What if I as an inventor or other faculty and I have an interest in involvement with a start-up company around a VTIP technology?

Contact VTIP of your interest and a Licensing Associate can discuss the steps that are involved and provide some helpful resources and contacts.

Can there be more than one licensee?

Yes, an invention can be licensed to multiple licensees, either non-exclusively to several companies or exclusively to several companies each for a unique field-of-use (application) or geography.

LICENSING

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What is a license agreement?

License Agreements describe the rights and responsibilities related to the use and exploitation of intellectual property.

How is a company chosen to be a licensee?

A licensee is chosen based on its ability to commercialize the technology for the benefit of the general public. Sometimes an established company with experience in similar technologies and markets is the best choice. In other cases, the focus and intensity of a start-up company is a better option.

What can I expect to gain if my intellectual property is licensed?

A share of any financial return from a license is provided to the inventor(s).

What is the relationship between an inventor and a licensee, and how much of my time will it require?

VTIP does not require an inventor's participation with a licensee in the commercialization of an invention. Licensees may request the active assistance of the inventor to facilitate their commercialization efforts, especially in the early stages of development. This can range from infrequent, informal contacts to a more formal consulting relationship.

What is a start-up company and why choose to create one?

A start-up is a new business entity formed to commercialize one or more related inventions. Forming a start-up company is an alternative to licensing the intellectual property to an established business. A few key factors when considering a start-up company are:

- Development risk (often companies in established industries are unwilling to take the risk)
- Potential for multiple products or services from the same technology (few companies survive on one product alone)
- Sufficiently large competitive advantage and target market
- Potential revenues sufficient to sustain and grow a company



Who decides whether to form a start-up?

An inventor may choose to establish a new company to commercialize intellectual property. Inventors can contact VTIP for information and resources useful for starting a new business venture. Sometimes an external entity approaches VTIP to start a new company based on a license to a technology under management by VTIP.

What role does an inventor usually play in a company?

Virginia Tech inventors typically serve as technology consultants, advisors or in some other technical development capacity.

How much of my time and effort will it take?

Starting a company requires a considerable amount of time and effort. Until the start-up team is identified and engaged, the faculty member will need to champion the formation effort.

Can VTIP accept equity in the company?

VTIP can accept equity only in lieu of an upfront license fee. VTIP does not accept equity for its patent expenses or a royalty on sale of products or services.

Will VTIP pay for incorporating a start-up company?

No. As a separate entity, the start-up must pay for its own legal matters, including all business incorporation matters and licensing expenses.

What legal assistance is needed in creating a start-up?

In addition to corporate counsel, the start-up may have its own intellectual property counsel to assist with corporate patent strategy, especially if the company will be involved in a patent-rich area. The start-up's counsel must be separate from VTIP counsel. Also, it is wise for inventors to have agreements regarding their roles with the start-up reviewed by their own counsel.

COMMERCIALIZATION

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What activities occur during commercialization?

Most licensees continue to develop an invention to enhance the technology, reduce risk, prove reliability and satisfy the market requirements for adoption by customers. This can involve additional testing, prototyping for manufacturability, durability, and integrity, and further development to improve performance and other characteristics. Documentation for training, installation and marketing is often created during this phase. Benchmarking tests are often required to demonstrate the product/service advantages and to position the product in the market.

What is my role during commercialization?

Your role can vary depending on your interests and involvement, on the interest in the licensee in utilizing your services for various assignments, and on any personal contractual obligations you may enter into related to the license such as a consulting agreement.



What revenues are generated for VTIP if commercialization is successful?

Most licenses have licensing fees that can be very modest or can reach hundreds of thousands of dollars. Royalties on the eventual sales of the licensed products can generate revenues. Equity, if included in a license, can yield returns.

What will happen to my invention if the start-up company or licensee is unsuccessful in commercializing the technology? Can the invention be licensed to another entity?

Licenses typically include performance milestones that, if unmet, can result in termination of the license. This termination allows for subsequent licensing to another company.

REVENUE

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How are license revenues distributed?

VTIP is responsible for managing the expenses and revenues associated with license agreements. Revenues from license fees, royalties and equity – minus any unreimbursed patenting and marketing expenses – are shared with inventors in accordance with VT Policy 13000.

What are the tax implications of any license revenues I receive from VTIP?

License revenues are typically taxed as Form 1099 income. Because VTIP is a separate entity from Virginia Tech, we cannot withhold additional taxes from your paycheck that may be attributable to license revenue income from VTIP. Please consult your individual tax advisor whether you may need to file estimated withholding taxes to the IRS as a result of receiving license revenue income.

How are inventor revenues distributed if there are multiple inventors and/or multiple inventions in a license?

When an invention disclosure is submitted, a royalty sharing form (page five of the invention disclosure) is completed to document the distribution of any future revenue that may accrue from licensing the invention. Unless the inventors all agree otherwise, revenues from a license with multiple invention disclosures are distributed equally among the various disclosures.

How is equity from a license distributed?

When VTIP equity is liquidated, the resulting funds are treated as revenue from licensing and are distributed in accordance with the revenue distribution guidelines found in VT Policy No. 13000.

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