

TECHNOLOGY TRANSFER UPDATES

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PASSHE
Pennsylvania State System of Higher Education

Faculty Profiles:

New and updated profiles of PASSHE faculty researchers are available at www.passhe.edu/Techtransfer. Check out the exciting research that is happening on our campuses, in their own words.

Benjamin Legum	Clarion	Greg Kenning	Indiana
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Higher Education Modernization Act (HEMA):

In the fall, the Chancellor and guests conducted a series of Entrepreneurial Forums on the impact of HEMA (Act 132) on PASSHE Tech Transfer services. The Act created new avenues for the commercialization of faculty created products and inventions. PASSHE universities are now permitted to enter into license agreements (for the productions, distribution and sale of faculty–invented intellectual property) with a company owned by that faculty or a company that employs that faculty–inventor. All agreements must fall within the parameters of an “economic development agreement” as defined in Act 132.

The Forum guest speakers outlined the current technology patenting and licensing services that are available from Penn State via a partnership with PASSHE. The October 15 forum is available at [MediaSite](http://Mediasite). If the link does not work, copy and paste this URL into your browser:

<http://bupmediasite.passhe.edu/Mediasite/Play/eaf7fe80cbc747efb719ba49c668a5841d>

Entrepreneurial Forums Q&A:

Some questions from Forum participants about the effect of the Act required legal consultation. Responses and policy advice were provided directly to the universities involved. The situations may apply to many PASSHE universities so the Q&A is summarized here.

Q1. A faculty member owns a company participating in the university incubator/accelerator program. The **company occupies a university-owned building**. We’ve been advised this is in conflict with the Adverse Interest Act that prevents employees from signing contracts (i.e. lease) with the University. Does the HEMA legislation make the adverse interest concern a moot point?

A1. The HEMA Act does NOT make the Adverse Interest Act (AIA) a moot point. The AIA still prevents a faculty–owned company from signing a standard building

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occupancy agreement with the university. HEMA allows only “economic development agreements” that allow a PASSHE university to develop and market intellectual property owned by a PASSHE employee, including faculty and student-workers. We encourage the university to explore developing an economic development agreement with faculty owned companies in the incubator/accelerator. Space and services in the incubator/accelerator *could* be the University’s effort to “develop and market” the company’s IP. The company, in turn, would pay a fee for this service.

Q2. A university faculty member created a company in order to subcontract work with a major employer. The company participates in a non-profit incubator (not affiliated with the University). The **faculty wished to hire student interns** to complete most of the contract work at the incubator. The University signs Affiliation Agreements with all employers of student interns. We were previously advised that doing so would place the faculty member in violation of the Adverse Interest Act, which prevents employees from signing contract with the university. Has HEMA changed this?

A2. HEMA has NOT changed the prohibition on public employers and employees, such as PASSHE, signing agreements of a general business nature. However, legal counsel has advised that NO Pennsylvania statute *requires* PASSHE universities to execute Affiliation Agreements with employers of interns. It is simply accepted business practice. So this scenario could be accomplished without any agreement with the faculty-owned business. If there are sound reasons to have a written agreement with the faculty-owned business, it must be an economic development agreement as defined in HEMA, which would identify the university’s role in marketing and developing the company’s IP.

Legal Corner

by Kurt L. Ehresman, Esq. USPTO Registered Patent Attorney Rhoads & Sinon LLP

A big change in patent law is coming in less than two months, on March 16, 2013. On that date, major changes of the America Invents Act (AIA) take effect. In the U.S. patent rights have always been granted to the first person to invent a particular invention. Courts decided who invented first, and the outcome in many cases protected small inventors, and required large companies to license the patent rights from the first inventor.

However, under the AIA, as of March 16, 2013, patent rights will be granted only to the first inventor who files a patent application. Anyone who has a new invention and intends to seek a US patent should consider filing a patent application before March 16, 2012 so that they can still obtain a patent as the “first to invent.” For filings after March 16, an inventor loses his rights to another person who filed before him, if even by one day. So submit your invention disclosure to your University contact.