The following information has been compiled for employees in the University of Oklahoma’s Intellectual Property Management Office (IPMO). It is intended to summarize the most common export control issues that will arise in the realm of IP management. This information will be incorporated into the University’s Export Control Management System (ECMS).

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**Background**

IPMO’s objective is to stimulate the creation of intellectual property (IP) and manage the resulting assets in support of the mission of the University of Oklahoma: to provide the best possible educational experience for our students through excellence in teaching, research and creative activity, and service to the state and society. IPMO has responsibility for commercially viable intellectual property originating on the University of Oklahoma’s three campuses: Norman, the Health Sciences Center in Oklahoma City, and OU-Tulsa at the Schusterman Center.

University activity that once was assumed to be exempt from export control regulation is now being reassessed by the federal government. It is therefore essential for IPMO to consider whether its actions in creating and managing IP is subject to export control regulation. With this in mind, guidelines have been created by the Office of Export Controls for the following functions of IPMO: Disclosures, Patentability Analysis, Patent Applications, Confidentiality Agreements, License Agreements, Material Transfer Agreements and Foreign National Employees.
Disclosures

IPMO is made aware of IP through the disclosure process. This process consists of a Principal Investigator (PI), who is an OU employee, filing a document known as a disclosure with IPMO.

Disclosures arrive at IPMO via two main channels: sponsored research and internal research. With each channel, guidelines for addressing export control issues are either in place or are currently being drafted and put into place.

With sponsored research activity, an outside sponsor (typically an industry or government sponsor) provides financial resources for research. The sponsored research process is handled by the Office of Research Services (ORS) and the Office of Research Administration (ORA). Disclosures that are routed through sponsored research comprise 40-50% of total disclosures and have been subject to ORS/ORA guidelines for export controls.

The remaining disclosures arrive in IPMO through internal, independent research performed by OU employees, generally referred to as PIs. The following guidelines are designed to catch and resolve any export control issues with this process.

Guidelines for screening disclosures for technologies with special export control restrictions

Certain technologies are highly regulated or are considered high profile from an export control perspective. Especially with encryption technologies and military, satellite, or intelligence technologies, the University has an obligation to screen for export control issues.

Encryption technologies are regulated differently than other exports of commodities, software, and technology. For example, encryption source code and mass market encryption software with symmetric key length exceeding 64-bits is regulated notwithstanding its public availability or educational use. If encryption technology is described on a disclosure, the Office of Export Controls (OEC) should be notified.

Similarly, special restrictions may apply to any technology that is specifically designed, developed, configured, modified or adapted specifically for military, satellite, or intelligence applications. If any such applications are described on a disclosure, OEC should be notified.
IPMO can ensure compliance with these special export control restrictions by placing the following language in the disclosure form and requiring the PI to provide responses to them:

a. Does your invention have military, satellite or intelligence applications?
   (http://exportcontrols.ou.edu/guidelines/researcher_itar.html)

   Explanation: Military and/or intelligence applications may require an export license for all exports to foreign persons, wherever located.

b. Does your invention have encryption capabilities?
   (http://www.bis.doc.gov/encryption/encryptionchecklist.pdf)

When a PI answers in the affirmative to either of these questions, IPMO should provide a template response to the PI indicating that the disclosure has been flagged for export control review. IPMO should then notify OEC indicating the PI involved and providing a copy of the disclosure at issue.

IPMO should draft the disclosure as well as any acknowledgment thereof such that the intent to publish is preserved for the University’s researchers. Language indicating that information in the disclosure or subject to patentability analysis is “confidential” or “proprietary” should not be used. Language that indicates that a temporary suspension or delay of publication in order to protect IP is necessary is acceptable and is discussed in greater detail in the guidelines for patentability analysis.

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1 In the electronic version of the form, a link should be provided that elaborates on the question posed.
**Patentability analysis**

One of the most challenging areas of managing IP while preventing export control issues involves the patentability analysis. A major part of preventing export control issues is maintaining the intent to publish the information or technology involved\(^2\). This intent to publish is also a cornerstone of academic institutions and a key element of academic freedom.

**Guidelines for performing a patentability analysis**

While assessing potential IP, the University will protect academic freedom and prevent export control issues by placing no more than a temporary delay on publishing information. Per University policy, researchers always have the full right to teach and disseminate information\(^3\). At no time should guidance issued by IPMO indicate anything to the contrary.

Upon the filing of a disclosure, the researcher will be informed by IPMO that publications should be suspended temporarily for a patentability analysis. Every effort should be made to ensure that this temporary suspension does not exceed ninety days. During this brief period of time, IPMO should inform PIs that information should be marked with “Hold temporarily – Patent Review Pending” or similar language. Under no circumstances should an indefinite hold be placed on publication, nor should PIs be informed to mark information as confidential or proprietary.

If after analysis IPMO decides a patent should not be pursued, IPMO will communicate to the researcher that the temporary publication restriction no longer applies. Similarly, if and when a patent application is filed, the researcher will be informed that the temporary publication restriction no longer applies since the IP is protected from the point of filing the application. The OEC will assist IPMO in drafting appropriate language for each of these two scenarios. Preferably, this communication will be provided via email, and OEC should be copied.

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\(^2\) Research where the intent to publish is present generally qualifies for the Fundamental Research Exemption (FRE) 15 CFR 734.8, Educational Information Exemption (EI) 15 CFR 734.9, or Published Information and Software Exemption, 15 CFR 734.7.

\(^3\) Regent’s Policy Manual §2.1.2
Pursuing Patents

IPMO works with researchers and external legal counsel to protect IP by patent, copyright\(^4\), or other legal means. The most common method for protecting IP is filing patent applications with the USPTO\(^5\).

It is important to note that trade secret protection is a viable alternative to patents, but it is not generally utilized by the University as it would run counter to academic freedom principles. It is recognized that in some exceptional circumstances, trade secret protection may be warranted. IPMO shall notify the OEC for a review of the legal issues that may be created by seeking trade secret protection prior to engaging outside counsel for assistance with trade secret protection.

As a general rule, information and technology that is or will become publicly available is not subject to export control regulation. Upon filing of a patent application with the USPTO but prior to issuance of a patent, technology will not be subject to export control regulation if certain conditions exist. These are summarized below:

- A foreign filing license is issued
- The information/technology in the patent application is for 734.10\(^6\) purposes
- The information/technology is or will be published (through fundamental research, teaching of education materials, or otherwise making information available to the interested public)
- The patent application is published
- The patent is issued

\(^4\) While the focus of these guidelines is IP protection utilizing the patenting process, it is recognized that other forms of IP protection could be possible. Copyright protection, for example, may be used for protecting IP in software. However, copyrighted materials generally are or will become publicly available pursuant to academic policies.

\(^5\) United States Patent and Trademark Office

\(^6\) Export Administration Regulation, 15 CFR 734.10 (a) Information contained in a patent application prepared wholly from foreign-origin technical data where the application is being sent to the foreign inventor to be executed and returned to the U.S. for subsequent filing with the USPTO; (b) Information contained in a patent application, or an amendment, modification, supplement or division of an application, and authorized for filing in a foreign country in accordance with regulations of the USPTO in 37 CFR 5; or (c) Information contained in a patent application when sent to a foreign country before or within six months after the filing of a U.S. patent application for the purpose of obtaining the signature of an inventor who was in the U.S. when the invention was made or who is a co-inventor with a person residing in the U.S.
Guidelines for pursuing patents

As noted in the preceding guidelines on patentability analysis, it is essential for IPMO to assist PIs in preserving the intent to publish any information. Since IP is protected from the moment a patent application is filed, PIs should be encouraged to publish and teach information in a patent application once it has been filed.

As discussed in the preceding section, OEC will work with IPMO to draft appropriate language for such a communication. Preferably, these communications will be sent by IPMO via email, and, if so, OEC should be copied.
Confidentiality Agreements

A Confidentiality Agreement (CA) is a legally binding contract that prohibits the parties from disclosing information that one of the parties considers proprietary. These agreements can also be referred to as Non Disclosure Agreements (NDAs) and Proprietary Information Exchange Agreements (PIEAs).

Technology, data, or information that is subject to a CA is by definition not, “publicly available” within the meaning of export control regulations. Therefore, CAs should not be pursued unless there is an articulable justification for the need to send or receive confidential information.

Confidential information is subject to (although not necessarily controlled by) export control regulations. For example, client lists or personal information such as social security numbers may be subject to CAs for proprietary or other reasons. However, these examples are not controlled technologies or technical data that could be found in export control regulations. Therefore, the existence of a CA does not necessarily mean export controlled information is involved, it merely means that the information is subject to regulation, and further analysis should be performed before exporting the information in any manner.

Types of Agreements

The University participates in Agreements that can be broken down into two categories: Agreements governing the exchange of non-technical information7 (i.e., business practices, strategic alliances, etc.) and Agreements governing the exchange of technical information8 (University-generated, industry/government generated, or both).

Non-technical discussions

When an outside party wishes to engage a University employee in discussions that do not contemplate the exchange of any technical information or know-how, IPMO should utilize some form of legal agreement other than a confidentiality agreement to facilitate

7 Common examples of “non-technical information” include basic marketing information on function or purpose of particular items or technologies, and general system descriptions of items or technologies.

8 In contrast to the preceding footnote, “technical information” is generally understood to be information, including source code, required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of items or technologies. This “technical information” can take many forms, including blue prints, drawings, photographs, instructions, verbal or visual disclosures, etc.
those discussions. An initial business discussion document should be developed to allow for the confidential but non-technical information to be exchanged between the parties.

**Technical discussions**

When an outside party wishes to engage a University employee in discussions involving technical information that is confidential, IPMO is responsible for taking certain steps prior to executing the CA, which are described in the following guidelines.

**Guidelines for CAs covering technical discussions**

Any CA covering technical discussions should involve a specific and articulated subject matter as well as a discrete list of individuals that will be party to the CA. IPMO will provide this information to OEC when providing notice of the need to review the CA for export control issues. This information will assist OEC in reviewing the need for export licenses or other required measures, such as a Technology Control Plan (TCP).

All CAs should include the following export control language:

> Parties agree to handle all information, data and related materials and/or items in compliance with applicable U.S. export control laws and regulations. These laws and regulations include the Export Administration Regulations (15 C.F.R. 730-774), the International Traffic in Arms Regulations (22 C.F.R. 120-130) and any trade sanctions administered by the U.S. Department of Treasury's Office of Foreign Assets Control.

Any requests to deviate from the standard export control language or to have it stricken from the CA must be reviewed and approved by OEC.

Export control regulations affirm that in a regulated transaction, the exporter of record should exercise due diligence to ensure that regulated items or technologies are not released to an individual or organization that is on any of the restricted party lists. These lists are compiled by the U.S. government’s Departments of Commerce, State and Treasury. If the recipient of a regulated item (in a physical export situation) or technology (in a deemed export situation) is on a restricted party list, license requirements may exist for that particular situation.

Since information that is covered by a CA is not publicly available and is therefore subject to regulation, it is standard practice in a University setting to screen the restricted party lists for parties to a CA. OEC subscribes to an online service that screens all of these lists simultaneously, and automatically records the search which assists in complying with federal recordkeeping provisions. The search generally takes a few minutes once a full name and street address for the parties is provided to OEC.
IPMO is responsible for providing the name of the individual(s) or organization(s) that will be covered by the CA to OEC. A full street address for any non-University parties should also be provided to OEC for this purpose.

In the event that a CA is executed, IPMO shall provide the following information to the PI when emailing the executed draft of the CA:

In order to avoid a violation of export control regulations, it is essential for all University of Oklahoma employees to understand the responsibilities associated with accepting confidential and/or proprietary materials. The individual(s) accepting the materials must handle them in a manner consistent with applicable export control laws. Violations of export control regulations can subject OU, as well as the individuals involved, to significant penalties including fines and/or jail time.

Non-Disclosure Agreements (NDAs), CAs, Proprietary Information Exchange Agreements (PIEAs), and other agreements that restrict the publication, disclosure, or transfer of certain materials or information can trigger export control regulations. Some of the items shared under these agreements cannot be freely shared with foreign nationals, regardless of their status as graduate students or post docs.

Please also keep in mind that confidential information covered by this agreement should not be taken outside of the U.S. via laptop or other portable electronic device without first consulting the terms of this agreement as well as the Office of Export Controls.

If you have any questions about export controls, confidential and/or proprietary materials, or agreements that restrict the publication or transfer of certain types of information, contact Gretta Rowold at (405) 325.5052 for assistance.

This information should be provided by IPMO via email, and OEC should be copied. IPMO should provide a periodic email reminder advising recipients of the ongoing obligations under the CA and export control regulations.
License Agreements and Other Contracts

The University utilizes licensing agreements when it wishes to license University-owned technology to an outside organization or individual.

Guidelines for licensing agreements

When a licensing agreement needs to be issued, OEC will perform a Restricted Party Screening on the licensee. The name of the individual and organization, as well as a full street address will be provided by IPMO to OEC for this screening. OEC will make every reasonable effort to provide the results of this screening to IPMO within one business day.

The licensing agreement should contain the standard export control compliance clause:

    COMPANY agrees to handle all information, data and related materials and/or items in compliance with applicable U.S. export control laws and regulations. These laws and regulations include the Export Administration Regulations (15 C.F.R. 730-774), the International Traffic in Arms Regulations (22 C.F.R. 120-130) and any trade sanctions programs administered by the U.S. Department of Treasury’s Office of Foreign Assets Control.

Requests to deviate from this language or to have the language stricken from the agreement must be referred to OEC for approval.
Material Transfer Agreements

A Material Transfer Agreement (MTA) governs the physical export of research materials. All MTAs are routed through IPMO for review of potential IP in the materials.

Guidelines for Material Transfer Agreements

If the MTA involves shipping or otherwise transferring research materials to a destination in another country, IPMO will notify OEC.

MTAs will be screened by the Export Control Analyst in the Office of Export Controls for a Restricted Party Screening as well as a screening for potential license requirements. The results of these steps will be communicated to IPMO as soon as possible.
Foreign National Employees and the Intellectual Property Management Office

Any individual working in IPMO may come into contact with sensitive or restricted information in the form of disclosures, CAs, etc. While this issue requires more research and analysis before comprehensive guidance can be issued, the following guidelines should assist IPMO if a foreign national applies for a position within IPMO.