

# Innovation Disclosure

*Page Heller*

---

*During the writing of this chapter, Page Heller was a senior licensing manager at The Texas A&M University System in College Station. He is now president of Hopes Creek Consulting, based in College Station, Texas.*

---

## Introducing the Innovation Disclosure

The launching pad for technical evaluations, market analyses, and strategies for statutory protection is a single document commonly called the *invention disclosure*. The word *invention*, however, implies that the subject matter of the disclosure only includes patents. If it were necessary to broaden the scope of the disclosure document to take in copyrights, it might lead to a decision to include a second type of documentation called the *software disclosure* or *copyright disclosure*. There might even be a third type for trademarks. To discuss all of these forms generically, they will be referred to as *innovation disclosures*. These are alternately referred to as *disclosures of innovation*, which you may occasionally see abbreviated as DOI. Let's examine what an innovation disclosure is and what it is not.

## What an Innovation Disclosure Is

An innovation disclosure is a document typically prepared by the inventor or innovator and submitted to the technology transfer office to notify it of an innovation. Most often, forms provided to the innovator by the technology transfer office guide the preparation of the document by posing a series of questions. The questions address the technical aspects, as well as the contractual and commercial aspects of the innovation. Fundamentally crucial questions that may impact statutory protection are often also included. By answering a series of questions, the innovator can submit a disclosure with assurance that he or she is addressing the fundamental questions pertinent to the evaluation.

To encourage the innovator to submit this document to the office for review, the forms should be simple. If they can be limited to one or two pages when printed, they will be more likely to be completed by the innovator. If the innovator must spend as much time

filling out the innovation disclosure form as he or she would authoring a technical paper, then he or she will likely opt for the paper.

The innovation disclosure is used to begin the commercial evaluation of the innovation. Information gleaned from the document will be used by an intellectual property manager to learn enough about the market for the innovation to formulate questions he or she can ask during the first interview with the innovator.

The innovation disclosure also aids the patent attorney in becoming familiar with the innovation, if patent protection is sought. Accordingly, the invention must be described in enough detail that someone skilled in the art could understand and make the invention.<sup>1</sup>

### **What an Innovation Disclosure Is *Not***

An innovation disclosure is not a patent application. There will be times when those unfamiliar with the technology transfer process will submit an innovation disclosure to your office and then call to find out how their patent application is proceeding, thinking they have just filed a patent application. Or, worse, an inventor may submit an innovation disclosure to your office just prior to a public disclosure, thinking he or she has filed an application.

It is important to know that an innovation disclosure does not stand alone. You must always contact the innovator to get the full picture. Treat the innovation disclosure as a tool to assist you in the early discussions with the innovator. Ensure that standard operating procedures exist in your office that result in immediate review of such documents as soon as they are received. Immediately upon receipt, study the document to ascertain whether or not public disclosure is imminent. If this is indeed the case, it may be necessary to contact the innovator to file the necessary paperwork in a short timeframe.

An innovation disclosure is not a dissertation. It is not intended for peer review, nor is it expected to rise to the level of a journal article. It should be much more concise than either of these types of documents. It should teach the whole innovation in language that is understandable by someone skilled in the art. In terms relating to patent law, that

means someone who is considered to have normal skills and knowledge in a particular technical field.

If a technical paper is used to describe the innovation, then ask the innovator which portions refer specifically to the innovative part of the overall technology described. Sometimes it is not evident to someone who is not a specialist in the specific field of the innovation; for example, the licensing manager reviewing the disclosure.

An innovation disclosure is not a public disclosure. Yes, the names are similar; and, yes, this sometimes causes confusion. Assure the innovator that the innovation disclosure is kept confidential. (Check your state law if you are a public entity to make sure the document is exempt from a public request for information.) Sometimes the document is requested by a potential licensee during negotiations. You may wish to remove the answers to questions relating to funding contracts and public disclosures before sharing the document, even under a nondisclosure agreement.

## Parts of the Innovation Disclosure

Although tempting, it just isn't practical to include all the possible questions you may want to ask of an innovator in the innovation disclosure form. This would result in a form so lengthy it would deter the innovator from taking the time to fill it out. There are certain subjects, however, for which you must ascertain the answers to determine whether the innovation is worth pursuing. The following sections address information that is fundamental to a disclosure. Some offices will want to add areas beyond these by adding questions. Others may wish to stick to the basics in order to get the disclosure in the door.

### Technology Description

Most often the innovator will be able to provide a complete and extensive technical description of the innovation; after all, he or she is the creative source behind the technology. The innovator is trained to write in great detail and provide ample background and citations. Thus, as you would expect, the technology description is usually the best portion of the innovation disclosure. It is often constructed from technical papers, in fact.

Unfortunately, you are not necessarily looking for a full, detailed technical understanding of all aspects of a technical area of research in the same level of detail as is offered. You might prefer a more concise description that doesn't delve into adjacent fields of research. You may wish to encourage the innovator to identify specific sections of an attached technical paper that more specifically address the innovation.

In any event, it is desirable that the innovator describes the best mode for using the device or operating the process.<sup>2</sup> In other words, you do not want the innovator to hide the best way of operating in an attempt to thwart others from using the innovation. If patent protection is being considered, it will be important to describe the best mode known at the time. Should a competitor discover that the inventor has failed to disclose the best mode of operation, the patent could be invalidated. Even if patent protection is not an option, you will want to base your analysis of commercial potential on the best mode.

## Market

Some innovators are market savvy; that is, they know the problems industry is facing and they know how their innovation works as a solution to a certain subset of those problems. In these cases, this knowledge should be used to your advantage to get a head start in transferring the technology for public benefit. Put more simply, you would like to know what your innovators know.

Accordingly, the innovation disclosure should include questions related to identifying companies most likely to be interested in the technology. This information on potential licensees and competitors will facilitate your commercial analysis and shed light on how competitive the field is.

In contrast, there are innovators who don't have a clue as to what industry is doing. It is also important for you to know this fact about them. The same questions are likely to have terse answers or be left blank. This will also be a factor in your evaluation. Do you, as the licensing associate, know the market? How hard will it be to discover what problems

industry is having in the area of the innovation? Is it easy to determine how the innovation solves a problem? If you can't answer these questions, then you have the proverbial solution-looking-for-a-problem, and it will be very difficult to transfer the technology.

## Public Disclosure

It is imperative that your office be made aware of any past or future public disclosures when considering filing for patent protection. Since many innovators don't know what to consider when reporting a public disclosure, it is best to ask for information relating to technical papers, posters, dissertations, and meetings. When you interview the innovator, ask about anyone he or she may have talked to about the innovation. Sometimes this will bring out a casual conversation with colleagues at another institution that you may wish to consider.

As mentioned above, when a disclosure is received in my office, I immediately assess whether a public disclosure has or is about to occur. If the inventor filled out the form on her way to a conference, you may have very little time to make a rather important decision to file a patent application or forego it. These are the stressful situations that make the job so interesting.

Don't forget to ask about future plans for public disclosures. Sometimes a report to a funding agency is coming up and could have confidential material identified and extracted to an appendix. Sometimes you will learn of a poster session in the near future. One of the services you can provide to your innovators is the coordination of such events with commercialization efforts.

## Funding

When an innovation is conceived, it is often conceived as a piece of a larger body of work. The funding provided for that scope of work may be governed by a contract. Funding contracts may be a complicating factor in managing an innovation, so it is important to know what is contained in the contract before committing to any action. I cannot count the number of times a professor has come to me with a company interested in licensing his or her technology only to find that the funding contract stipulates rights to other parties.

Ask the innovator for contract numbers for the funding agreements they cite in their disclosure. Get to know your contracts office personnel so you will get expedient service from them when you ask for copies of the contracts.

Ask the innovator what his or her plans are for upcoming funding. Sometimes you can head off a problem. For instance, if the conception of a portion of the technology occurred under an industry consortium agreement, then refined and improved under a private contract, it may be better to separate the originally conceived invention from the improvement and work with each under separate innovation disclosures.

### **Contribution**

The innovation disclosure should identify all the innovators who have conceived any part of the innovation. You will need to have an idea of how many inventors may be cited on a patent application or how many authors are to be included in a copyright registration. This will impact your evaluation, since it is harder to manage an innovation with twelve inventors than an innovation with two inventors. You will also find it necessary to have the contact information for each person involved to facilitate execution of the necessary papers associated with such filings.

It is also a good idea to ask the innovators to identify their level of contribution to the innovation at the time of disclosure. It is far easier to get agreement on this point when the innovators are submitting the innovation than it is after revenues start to flow. If you bundle technologies, the split might change, but it is still good practice to know the level of contribution of each innovator at the outset.

### **Predisclosure Meetings**

Too many technology transfer offices get in a mode of being 100 percent responsive rather than being proactive. By this I mean that they wait for disclosures to show up at their door to begin work. It is easy to do, after all, since there are typically many more disclosures coming in the door than can be effectively managed. But, that is no excuse for becoming a fully reactive (and, thus, less effective) office. This can only result in some good technologies languishing and being forgotten in the labs.

Ideally, your office would receive only high-quality innovation disclosures. To get those, you will need to meet with the potential innovator before they disclose. You can actually guide the process by helping the innovator know how you evaluate technologies and what to look for when making the election to send a disclosure with your office. In your discussions with potential innovators, you might even discover how a technology could solve an industry problem and ask for a specific technology.

Some technology transfer offices are actively going to industry partners to find out what problems they face, then coming back and searching for the solution among known innovators. This aggressive tactic can lead to innovation disclosures coming into your office with the licensee in hand.

## Duty to Report

If the innovation disclosure cites a United States federal funding agreement, there is likely to be a reporting requirement back to the funding source. Most often, either your office or the contracts and grants office performs this function. It may be necessary to coordinate with different offices to ensure that these reporting requirements are met within a set timeframe. It is imperative to review the contracts so you are aware of all reporting requirements outside your office. The USA Code of Federal Regulations (37 CFR 401.14) implementing the Bayh-Dole Act stipulates, for instance, that the agency must be notified of the innovation disclosure within sixty days of your receipt.

Reporting requirements may be different for innovations you intend to protect under copyright law rather than patent law. There is no election of title, for instance, for copyright works. The title is immediate and resides with the author unless governed specifically by contract. Once again, the wording of the funding agreement is critical.

For federally funded inventions you intend to patent, you will make a decision to elect title within a two-year period after reporting the invention. The government retains certain intellectual property rights.<sup>3</sup> The initial notification, election to title, and status changes can all be electronically transmitted to the federal agency through iEdison, a secure interagency, interactive, Web-based system for reporting.

## Troubleshooting

You might run into a few stumbling blocks when getting your innovators to disclose to your office. Here are some of the more common problems you may face.

### When an Innovator Is Withholding

Occasionally, you will find an innovator who is intent on “gaming” the system; that is, playing a mental game designed to get around the policy requirements. An innovator like this may send an innovation disclosure to your office in strict accordance with the letter of your policy, but withhold critical information in an effort to circumvent the spirit of the policy.

For instance, an innovator may write the technical portion of the disclosure in a way that makes an invention appear to be a minor improvement over the state of the art, indicating to you that it would be hard to protect and that it would carry a low value. He or she may also withhold mention of an important company representative who has contacted him or her wanting to learn more about the invention. The innovator may seek a release of rights from your office so he or she may own the resulting invention (and presumably license it personally to the interested party).

It is hard to protect against such game playing, but it is possible to make the game harder to play by making sure the innovator’s department head or superior sees the disclosures. The department head may recognize the understatement or know of the company interest. Another safeguard would be to have a reporting requirement for license agreements secured for technologies that have been released to an innovator. This functions as a good check for conflict of interest.

### When an Innovator Doesn’t Have Time

You may know of commercially viable innovations resulting from a research project, but can’t get the innovator to disclose it to your office because he or she just doesn’t have time. If the technology seems important enough, many licensing professionals will fill out an innovation disclosure form themselves through a process of interviewing the innovator



and then simply get the innovator to edit and sign it. The interview might even be with a graduate student of the innovator or a subordinate to the lead innovator so his or her time is not compromised.

This method of getting a disclosure on file is an easy way to keep a busy and important innovator happy with your office. He or she, of course, will benefit if you are right and the innovation proves to be commercially viable.

### **When Questions Are Unanswered**

You will find that some innovators leave questions on the innovation disclosure form blank. Thus, you might not know, for instance, whether there was an enabling public disclosure or whether there was none if the answer to the question regarding publications is left blank.

Technology transfer offices handle these cases differently. If you are struggling to get a good flow of innovation disclosures into your office, you may accept the disclosure and fill in the blanks yourself during the upcoming personal interview.

On the other hand, you may have more innovation disclosures coming in the door than you can handle with your current resources. In that case, you may wish to notify the innovator that the innovation disclosure has not been accepted because it is incomplete and that you will be glad to log it when the innovator answers all questions. By taking this approach, you will be working with the innovators who most want to work with your office.

### **Sample Innovation Disclosure Forms**

Here are some links to examples of innovation disclosure forms from various universities. You will see that each carries a different style; yet, they each address the same fundamental areas. They may provide some insight into the various ways of designing your own form.

- [TTP\\_V3\\_\\_P2\\_disclosetamu.pdf](#)
- [TTP\\_V3\\_\\_P2\\_discloseTampere.pdf](#)
- [TTP\\_V3\\_\\_P2\\_disclosePSU.pdf](#)
- [TTP\\_V3\\_\\_P2\\_discloseAustralian.pdf](#)

## Notes

1. MPEP 2164.05(b) Specification must be enabling to persons skilled in the art: The relative skill of those in the art refers to the skill of those in the art in relation to the subject matter to which the claimed invention pertains at the time the application was filed. Where different arts are involved in the invention, the specification is enabling if it enables persons skilled in each art to carry out the aspect of the invention applicable to their specialty. *In re Naquin*, 398 F.2d 863, 866, 158 USPQ 317, 319 (CCPA 1968).

When an invention, in its different aspects, involves distinct arts the specification is enabling if it enables those skilled in each art, to carry out the aspect proper to their specialty. “If two distinct technologies are relevant to an invention, then the disclosure will be adequate if a person of ordinary skill in each of the two technologies could practice the invention from the disclosures.” *Technicon Instruments Corp. v. Alpkem Corp.*, 664 F. Supp. 1558, 1578, 2 USPQ2d 1729, 1742 (D. Ore. 1986), aff’d in part, vacated in part, rev’d in part, 837 F. 2d 1097 (Fed. Cir. 1987) (unpublished opinion), appeal after remand, 866 F. 2d 417, 9 USPQ 2d 1540 (Fed. Cir. 1989). *In Ex parte Zechnall*, 194 USPQ 461 (Bd. App. 1973), the board stated “appellants’ disclosure must be held sufficient if it would enable a person skilled in the electronic computer art, in cooperation with a person skilled in the fuel injection art, to make and use appellants’ invention.” 194 USPQ at 461.

2. MPEP 2165 The best mode requirement: The specification. . . shall set forth the best mode contemplated by the inventor of carrying out his invention.

“The best mode requirement creates a statutory bargained-for-exchange by which a patentee obtains the right to exclude others from practicing the claimed invention for a certain time period, and the public receives knowledge of the preferred embodiments for practicing the claimed invention.” *Eli Lilly & Co. v. Barr Laboratories Inc.*, 251 F.3d 955, 963, 58 USPQ2d 1865, 1874 (Fed. Cir. 2001).

The best mode requirement is a safeguard against the desire on the part of some people to obtain patent protection without making a full disclosure as required by the statute. The requirement does not permit inventors to disclose only what they know to be their second-best embodiment, while retaining the best for themselves. In *re Nelson*, 280 F.2d 172, 126 USPQ 242 (CCPA 1960).

3. For more, see the Council on Governmental Relations Web site at <http://www.cogr.edu/>.