



STATE OF NEW YORK
OFFICE OF MENTAL HEALTH
COUNSEL

JOHN V. TAURIELLO
Deputy Commissioner and Counsel

44 Holland Avenue
Albany, New York 12229

November 16, 2007

Elizabeth Hough
Contracts Administration
Public Employees Federation
P.O. Box 12414
Albany, New York 12212-2414

Dear Ms. Hough:

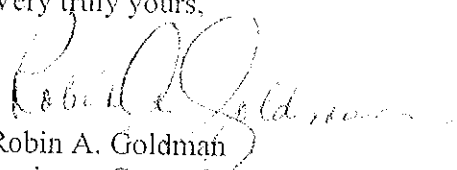
I am very pleased to enclose a fully executed original of the OMH Patents, Inventions and Technology Transfer Policy and the Patent Policy Notification Form (PEF), as approved by the Division of the Budget, the Governor's Office of Employee Relations and the Office of the State Comptroller, effective November 7, 2007. OMH will be deleting the "draft" line from the policy and including it in the OMH Policy Manual shortly. We will also be correcting a minor error in paragraph 6 of the form, changing "12 months" to "six months" to conform to the terms of the policy.

In the interim, I have asked the Research Foundation for Mental Hygiene, Inc. to take whatever steps are necessary and appropriate to make payments to any OMH employees or their heirs for whom funds have been held in escrow under the terms of an OMH-RFMH Technology Transfer Agreement.

As you know, the final approval of this policy is an important step forward for OMH and the OMH research community. It is, without question, a step which could not have been achieved without your considerable advocacy, effort, persistence and patience. It was truly a pleasure to work with you.

Thank you for all your help.

Very truly yours,


Robin A. Goldman
Assistant Counsel

Enc.



cc: Harold Koplewicz, M.D., w/o attach
Jeffrey Lieberman, M.D., w/o attach
John Allen, w/o attach
Cathy Cave, w/o attach
Jill Daniels, w/o attach
Chip Felton, w/o attach
Michael Hogan, w/o attach
Alan Holmes, w/o attach
Richard Miraglia, w/o attach
Robert Myers, w/o attach
Leesa Rademacher, w/o attach
Martha Schaefer Hayes, w/o attach
Lloyd Sederer, w/o attach
Keith Simons, w/o attach
John Tauriello, w/o attach
Jayne Van Bramer, w/o attach
Deborah Wagoner, w/o attach
David Woodlock, w/o attach
Darlene Shattuck, w/o attach
Robert Burke, w/o attach
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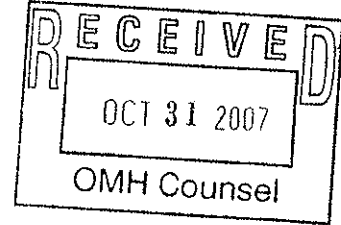
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Region 11

Doris Dodson
Region 12

Re: Patent, Invention and Technology Transfer Policy

Dear Mr. Tauriello:

This letter confirms our agreement on the attached OMH Patents, Inventions and Technology Transfer Policy and the Patent Policy Notification Form.

Assuming final approval by the Governor's Office of Employee Relations, Division of the Budget and the State Comptrollers Office, this policy has been negotiated and agreed to between the parties to the extent required by *Public Officer's Law* § 64-a and Article 14 of the *Civil Service Law*.

If you would, please countersign below to confirm our agreement and return a copy of this letter to me. I thank you for your cooperation in this matter.

Very truly yours,

Elizabeth S. Hough
Associate Counsel
Contract Administration Department

APPROVED Nov. 7, 2007

Patricia M. O'Connell
COMPTROLLER

TRUSTEES:

Julio Munoz
Robert Reynolds
Olubiyi Sahindemi

For the NYS Office of Mental Health:

John V. Tauriello,
Deputy Commissioner and Counsel

Date: 10/15, 2007

APPROVED

PAUL E. FRANCIS
DIRECTOR

BY
MICHAEL S. ATWELL
CHIEF BUDGET EXAMINER

DATE 10/28/07

A. Policy Statement

The New York State Office of Mental Health (OMH) engages in medical research and other scientific and technological investigation. Such research and investigation will occasionally produce patentable inventions or proprietary technology of value to the public. It is the policy of OMH to encourage the development of such inventions and technologies and, where feasible, promote the full exploration of the beneficial applications of such; to encourage and aid the inventor; to attract and retain research scientists and other staff of the highest caliber; to ensure that the public receives the benefit of these inventions and technologies and to provide an additional source of revenue for research and program enhancement through the management and transfer of such inventions and technologies. The OMH will take steps to secure research support, identify inventions and technologies, secure appropriate patents, market inventions and technologies through licensing and other arrangements and manage royalties and other related income.

It is not the intent of this policy to inhibit OMH employees or others from obtaining prompt publication and dissemination of their research results. Nor is it the intent of this policy to hold anyone liable who compromises the proprietary rights of the involved parties, by publishing, in good faith, the results of their research. Instead, this policy is intended to set forth a process that will ensure the prompt disclosure of inventions and technologies to appropriate OMH officials, so that, where appropriate, through the timely application for patents or other protective measures, the proprietary rights of all parties are defined and protected as necessary.

B. Relevant Statutes and Standards

Public Officers Law Sections 64-a, 73 and 74.
Mental Hygiene Law Sections 7.07 and 7.15

C. Body of Directive

1. Applicability

- a) This policy applies to all Management/Confidential employees, all employees represented by the Public Employees Federation or any other bargaining unit with which OMH has reached agreement on this policy, all unrepresented employees, and all other individuals acting on behalf of, or volunteering for, the Office of Mental Health, as well as

all those utilizing OMH facilities or resources.

- b) All grants, and other sponsored research agreements, made available to the OMH, either directly or by or through the Research Foundation for Mental Hygiene, Inc. (Foundation), shall be subject to this policy. Nothing in this policy shall prevent the acceptance of research grants from, or the conduct of research for, other public or private entities, including agencies of the United States, either directly or through the Foundation. In those instances where Federal law or regulations require a different disposition of rights and entitlements to inventions, technologies or patents, or a different disclosure and assignment process, or a different distribution of royalties or other income, Federal law or regulations shall overrule this policy.
- c) Where this policy is at conflict with the policies of other public or private entities supporting or jointly engaged in research with the OMH, either directly or through the Foundation, this policy shall be deemed controlling, unless another arrangement has been agreed to by the OMH in writing as a condition for receiving such support or for engaging in such research. Any such arrangement would be subject to the approval of the New York State Comptroller.

2. Patents and Inventions Review Committee

- a) The Commissioner of the OMH shall establish and appoint a Patents and Inventions Review Committee and shall designate a chairperson, in accordance with the following terms and conditions:
 - (i) The Committee shall have no more than ten members who shall be selected in order to provide a broad range of expertise to the Commissioner of the OMH in the areas of basic and applied science and the patenting, development, financing, manufacturing, marketing, management or licensing of inventions and other technological products.
 - (ii) The members of the Committee may come from the public or private sectors. State employees and Foundation members shall serve without extra compensation, and all members shall serve at the pleasure of the Commissioner. The normal term of appointment for the members shall be three years.
- b) The Patents and Inventions Review Committee shall advise the Commissioner of the OMH on the following matters, including but not

limited to:

- (i) The extent of interest in pursuing a patent on, or the marketing of, an invention or technology. In advising the Commissioner on this matter, the Committee may, with the Commissioner's approval, take actions to verify the validity of an invention or technology.
 - (ii) The most appropriate strategy for patenting, developing, financing, marketing, managing or licensing of inventions and other technology.
 - (iii) The advisability of proposed business arrangements and contracts relative to the patenting, developing, financing, marketing, managing or licensing of inventions and technologies.
 - (iv) The ownership of a particular invention, technology or patent.
 - (v) The process and forms to be used by Inventors in disclosing inventions and technologies, or in assigning rights in such properties, to the OMH.
 - (vi) Revisions to this policy.
 - (vii) When necessary, the determination of the proportion of shares in any revenue generated by an invention or technology.
 - (viii) Other patent, invention or technology related issues deemed appropriate by the Commissioner or the Committee.
- c)
- (i) The Patents and Inventions Review Committee shall meet from time to time as the Commissioner of the OMH, or the Committee chairperson, may require. The Committee shall submit a report, detailing its review and recommendations, to the Commissioner after each review.
 - (ii) The Committee shall also report to each Inventor who has made a disclosure of an invention or technology pursuant to subdivision C, paragraph 5), subparagraph b) hereof on the status of the Committee's review of such invention or technology. Specifically, the Inventor shall be advised on each occasion when the Committee makes a recommendation to the Commissioner regarding his or her invention or technology, including but not limited to the need for further information,

additional consultant expertise or whether to pursue patenting. Each Inventor shall be entitled to at least one report each year, but may request such additional reports as may be appropriate. The Committee may, from time to time, elect to create subcommittees for purposes of expediting the review and recommendation process.

- d) When reviewing and developing any recommendation to the Commissioner regarding a particular invention, technology or patent, the Committee shall provide the Inventor with an opportunity to present his or her opinion, position or recommendation and supporting documentation to the Committee prior to the Committee's deliberation on and recommendation regarding the particular invention, technology or patent.
- e) All members of the Patents and Inventions Review Committee shall maintain the confidentiality of the intellectual property they are asked to review and evaluate and shall be required to sign an agreement to that effect. A member shall disclose any actual or potential conflict of interest and shall excuse himself/herself from participation as appropriate in the circumstances.
- f) An Inventor who is not satisfied with a Committee recommendation may petition the Commissioner to review and reconsider the Committee's recommendation. The Commissioner may appoint a designee who is not a member of the Patents and Inventions Review Committee for this purpose. The Inventor shall be provided with the opportunity to present his or her opinion, position or recommendation and any supporting documentation to the Commissioner or the designee prior to any final decision by the Commissioner.

3. Management and Transfer of Inventions, Technologies and Patents

- a) The OMH may contract with public or private entities or private investors, for the purpose of obtaining services and advice with respect to the patentability and marketability of inventions and technologies; the obtaining of patents and other administrative approvals; the financing of applied research and product development, and the development, management or transfer of inventions and technologies. Such contracts shall be subject to approval of the New York State Comptroller and may provide for the division of income from an invention, technology or patent between such entity and/or private investors and the OMH. The terms of any

such contract will include reasonable provisions acknowledging the Inventor's role in the development of the particular invention or technology, and protection of the Inventor's rights to publish in the event that there is a determination that the invention or technology is not patentable. The OMH may directly contract with private legal counsel to pursue patents on such inventions and technologies. Such contracts shall be subject to the approval of the New York State Comptroller.

- b) The Commissioner of the OMH, either directly or by agreement with public or private entities, may transfer some or all of the OMH's rights in any inventions, technologies or patents for the purpose of utilizing such properties to further the purposes expressed in this policy and the interests of the public and the State of New York. The transfer of rights may be in the form of assignments, licenses or other arrangements in exchange for royalty payments or other considerations. Any such transfer shall be subject to approval by the New York State Comptroller as provided by New York State Law and shall include reasonable provisions acknowledging the Inventor's role in the development of the particular invention or technology, and protection of the Inventor's right to publish in the event that there is a determination that the invention or technology is not patentable.

4. Ownership

- a) As between OMH and its employees, all inventions and technology conceived, developed, made or reduced to practice by OMH employees in the course of their employment, and all patents which result from such activities, are the property of the OMH. For purposes of this section, OMH employees shall include volunteers.
- b) The OMH shall own and have rights to all inventions and technology, conceived, developed, made or reduced to practice by persons or agencies during the performance of a contract with the OMH, or the Foundation on behalf of the OMH, for specific research or scientific purposes and any applicable patents thereon, unless a specific waiver is granted in writing by the OMH.
- c) Inventions and technology developed wholly without the use of OMH facilities, resources or support, on an individual's own time, and unrelated to his or her duties and responsibilities at the OMH, shall not be deemed to be made in the course of his or her employment at the OMH. Such inventions and technology shall belong to the individual.

5. Disclosure and Transfer of Rights

- a) All OMH employees and others as set forth in subdivision C, paragraph 4), subparagraphs a) and b), shall receive a copy of this policy directive when they begin their affiliation with the OMH and are responsible for signing a Patent Policy Notification Form at that time. The Patent Policy Notification Form shall be in a form provided by the OMH, and distributed to the necessary parties by the appropriate appointing authority or designee. The appointing authority or designee shall be responsible for ensuring that this policy is received by these parties, and that a Patent Policy Notification Form is signed and filed as appropriate. All current employees who are otherwise covered by this policy shall be bound by this policy whether or not they have signed or are asked to sign a Patent Policy Notification Form. All inventions and technology conceived subsequent to the effective date of this policy directive shall be governed by the requirements of this directive. Inventions and technology conceived prior to the effective date of this policy directive shall be governed by the requirements of this directive if the employee-Inventor had a pre-existing duty to assign, did assign or does assign such invention or technology to the State or its designee.
- b) All inventions and technology conceived, developed, made or reduced to practice by employees of the OMH in the course of their employment, or by others as set forth above in subdivision C, paragraph 4), subparagraphs a) and b), shall be promptly disclosed by such Inventors to their appointing authority or designee. Employees shall also disclose (a) any patents issued to them previously; (b) any pending patent application in which they are named; and (c) any inventions or technology which they conceived, developed, made or reduced to practice prior to or outside of their employment with the OMH. These disclosures shall be in the manner prescribed by the OMH and on such forms as the OMH shall provide. Prompt reporting of potentially patentable inventions is imperative, since the publication of research results may compromise the OMH's and Inventor's rights in the patent process.
- c) All such Inventors shall assign and transfer all rights, title and interest that he or she has or may acquire in inventions and technology owned by OMH pursuant to subdivision C, paragraph 4), subparagraphs a) and b), and all resulting patents, to the OMH or its nominee. Such an

assignment shall be made at the time of disclosure of the invention or technology and in the manner prescribed by the OMH. Any assignment document shall provide that the assignment is being made for good and valuable consideration, including that provided for in the Patents, Inventions and Technology Transfer Policy of the New York State Office of Mental Health. All Inventors shall assist the OMH as necessary in applying for patents on such inventions or technologies, or otherwise cooperate in the transfer of rights to such inventions and technologies as deemed appropriate by the OMH. Inventors shall also assist OMH in the defense or prosecution of the patent or any related matter which is in, or may give rise to, litigation.

- d) All such Inventors shall maintain the confidentiality of their invention or technology and shall take no action which might conflict with their obligations of disclosure, assignment and cooperation hereunder or with their responsibilities and duties as an employee of OMH and the State of New York with respect to such invention and technology.

- e) The Commissioner shall determine whether and to what extent it is in the interests of the public or the State of New York to pursue a patent on a particular invention or technology, or to make efforts to develop or to commercialize the invention or technology. If the Commissioner determines that it is not in the interests of the public or the State of New York, the Commissioner may elect not to pursue a patent or to develop or to commercialize the invention or technology. In this event, the Commissioner shall, upon appropriate terms and conditions and subject to approval of the New York State Comptroller, release or transfer all rights, title and interest that the OMH has in such invention or technology to the individual who previously assigned rights to the particular invention or technology to OMH; provided however, that the Commissioner shall not be obligated to so release or transfer rights, title or interest in any invention or technology if the Commissioner determines that it is in the best interests of the State for the invention or technology to be dedicated to the public domain. "Best interests" means in the interest of public health and safety or in the case of a public emergency. Prior to a determination to dedicate an invention or technology to the public domain, the Commissioner will provide a written explanation of the reasons for such proposed determination to the Inventor and the Inventor will be provided an opportunity to submit written objections to the proposed determination. The Commissioner will then advise the Inventor and provide a written explanation of the reasons for the final determination. Any dedication of an invention or technology to the public domain will include reasonable provisions

acknowledging the Inventor's role in the development of the particular invention or technology, and protection of the Inventor's right to publish.

- f) In the event that the OMH fails to take any action regarding the development, patenting or marketing of an invention or technology within six months of submission of a request for action to the Patent and Inventions Review Committee, the Commissioner shall, either:
 - (i) upon appropriate terms and conditions, release or transfer, pursuant to subdivision C, paragraph 5), subparagraph e) above, all rights, title and interest to such invention or technology to the individual who previously assigned rights to the particular invention or technology to OMH, or
 - (ii) create a subcommittee pursuant to subdivision C, paragraph 2), subparagraph c), clause ii) of this policy directive for the express purpose of taking the requested action. If no action is taken by the subcommittee created pursuant to subdivision C, paragraph 2), subparagraph c), clause ii) within six months, the invention or technology must be transferred pursuant to subdivision C, paragraph 5), subparagraph e) above. For purposes of this paragraph, an action by OMH includes but is not limited to: a request to the Inventor for further information, a direction to the employee to take further action and, efforts, whether or not successful, to identify potential licensees and/or develop commercial interest in a particular invention.
- g) OMH employees or others who wish to pursue the development or commercialization of their independently owned invention or technology may offer such inventions or technologies to the OMH for its consideration. Where the development or commercialization of the invention or technology would serve the purposes expressed in this policy, and the interests of the public and State of New York, the OMH may elect to pursue the development or commercialization of the invention or technology. Such an election will be accomplished by way of an agreement between, at a minimum, OMH or its nominee and the employee and shall be subject to approval of the New York State Comptroller.
- h) Any individual who has assigned rights in an invention or technology to the OMH pursuant to this policy may at any time thereafter petition the Commissioner of the OMH for the return of such rights. The OMH may,

at its option, and upon appropriate terms and conditions, release such rights, title and interest it has in the invention or technology to such individual. Such release or transfer shall be subject to approval by the New York State Comptroller.

- i) Appropriate terms and conditions, as discussed in subparagraphs e), f) and h) of this paragraph, shall be defined to include no more than: (i) Allowed Costs, as defined in subdivision C, paragraph 6), subparagraph a) below, incurred by the OMH or with OMH approval prior to the reversion of title and interest to the Inventor, such Allowed Costs to be payable only to the extent that the assigned invention or technology generates income; (ii) 10% of the income, equity or other consideration received by the Inventor or his/her heirs, assignees, transferees, etc., following such reversion; and (iii) reasonable provisions for acknowledging the State's role in the development of the particular invention or technology. Where appropriate, the OMH may agree to waive reimbursement of all or a portion of incurred Allowed Costs and/or may agree to a percentage of net cash income which is less than 10%.

6. Distribution of Income

The OMH will share income it derives from the development, assignment, licensing or management of inventions, technology or patents with the Inventor pursuant to the following schedule:

- a) Income shall be first utilized to offset any reasonable and necessary expenses incurred by the OMH, or with OMH approval, in the patenting, development, assignment, licensing or management process relative to a particular invention, technology or patent, provided that such costs have not otherwise been reimbursed by the licensee ("Allowed Costs"). Allowed Costs do not include the cost of research which led to the invention or technology but shall include, without being limited to, the defense of patents against claims of invalidity or enforceability. Any negative balances, caused by Allowed Costs attributable to a particular invention, technology or patent in excess of the revenue derived from the project, shall be carried forward to future periods and applied against any further revenues derived from the particular property.
- b) 50% of any residual or net cash income, which is income less Allowed Costs, shall be distributed annually to the Inventor and his or her heirs or legatees.

- c) As used in this policy, the term "Inventor" may represent two or more individuals. Where there is more than one inventor, the inventors will be expected to agree among themselves on their respective fractional share of royalties to be paid under the terms of this policy. In the absence of a written agreement signed by all the inventors and deposited with OMH prior to the distribution of any income as provided in subdivision C, paragraph 6), subparagraph b) above, each inventor shall be paid an equal share of such distribution.

APPROVED Nov. 7 2007
Patricia M O'Donnell
DIRECTOR

APPROVED

PAUL E. FRANCIS
DIRECTOR

BY Michael A. Howell
CHIEF BUDGET EXAMINER

DATE 10/28/07

PATENT POLICY NOTIFICATION FORM
(for PEF employees)

The New York State Office Of Mental Health ("OMH") has adopted a Patents, Inventions and Technology Transfer Policy ("Policy") for inventions and technologies conceived or developed, in whole or in part, by OMH Management/Confidential employees, employees represented by the Public Employees Federation or any other bargaining unit with which OMH has reached agreement on the Policy, all unrepresented individuals, and others who are acting on behalf of or volunteering for OMH, as well as those utilizing OMH facilities or resources. The Policy, a copy of which is attached, defines: (a) the ownership rights in inventions and technologies, (b) the relative responsibilities and duties of OMH and its employee or other covered inventors, (c) the procedures to be followed in the disclosure, assignment, development and management of covered inventions and technologies or related patents, and (d) a distribution formula and process for income received by OMH or its agents, from the development, assignment, licensing or management of such patents.

1. The Policy has been fully negotiated between the State of New York and your collective bargaining agent, the Public Employees Federation, AFL-CIO. As a PS&T Unit employee, you are required to comply with and abide by the terms of the Policy.

2. Pursuant to the Policy, employees shall fully and promptly disclose to OMH all inventions and technologies which they conceive, develop, or reduce to practice, either alone or with others, in the course of their employment with OMH, as set forth in the Policy, and in such manner as provided for by OMH. Employees shall also disclose (a) any patents issued to them previously, (b) any pending patent application in which they are named, and (c) any inventions or technology which they conceived, developed, made or reduced to practice prior to or outside of their employment with OMH.

3. Employees must assign and transfer any rights, title and interest that they may have or acquire in inventions and technologies which are conceived, developed or reduced to practice in the course of their employment with OMH, as set forth in the Policy, at the time and in the manner prescribed by OMH. Following such assignment, inventors shall assist OMH: in applying for patents on such invention or technology; in transferring rights to such invention or technology, as appropriate; and, in defending the patent or pursuing any related matter which is or may be litigated.

4. The Patent and Inventions Review Committee ("Committee") is responsible for developing all recommendations to the Commissioner of OMH regarding development, patenting, financing, licensing, marketing or managing inventions or technologies covered by the Policy. Pursuant to the Policy, inventors are provided an opportunity to comment and submit documentation to the Committee prior to the issuance of any recommendation regarding inventions or technologies which they conceived or developed in whole or in part. In addition, if an inventor disagrees with a recommendation of the Committee, the inventor is entitled to petition the Commissioner for review and reconsideration of the Committee's recommendation in accordance with the procedures established in the Policy.

5. OMH and its Commissioner have no obligation to pursue, secure or maintain any patent, or to develop or commercialize such inventions or technologies. However, if OMH decides not to

pursue a patent, or to develop or commercialize such inventions or technologies, the rights to such inventions or technologies are to be transferred to the inventor upon appropriate terms and conditions and subject to approval of the New York State Comptroller, unless OMH determines that it is in the State's best interests to dedicate the inventions or technologies to the public domain as discussed in the Policy.

6. If OMH fails to take action in a timely manner, as defined in the Policy, regarding the development, patenting or marketing of an invention or technology, all rights to such invention or technology may revert to the inventor. Generally, if OMH fails to take action within 12 months of a request for such, OMH must either release the right to the invention or appoint a subcommittee expressly directed to address the request. If no action is taken by the subcommittee within six months of its appointment, rights to the invention or technology must be transferred to the inventor.

7. In the event of a transfer to the inventor as described in Paragraphs 5 or 6 above, OMH may seek appropriate compensation, as defined in the Policy, in the event the invention or technology generates income. This shall include no more than, reimbursement for reasonable and necessary expenses and up to 10% of net income from the invention or technology.

8. If an invention or technology is successfully patented and marketed, any income will first be used to offset any reasonable and necessary expenses of patenting, licensing and/or marketing of the invention or development, as defined in the Policy. Thereafter, 50% of net cash income will be distributed annually to the inventor.

I HAVE RECEIVED A COPY OF THIS PATENT POLICY DISCLOSURE FORM AND THE ATTACHED OMH PATENTS, INVENTIONS AND TECHNOLOGY TRANSFER POLICY. I UNDERSTAND THAT THIS DISCLOSURE FORM OUTLINES MY RIGHTS AND RESPONSIBILITIES UNDER THE PATENT POLICY. HOWEVER, IN THE EVENT OF CONFLICT BETWEEN THESE DOCUMENTS I UNDERSTAND THAT THE TERMS OF THE PATENT POLICY WILL CONTROL:

Signature

Full Name-Printed

Facility or Bureau

Date