Efficiently Protecting Your Intellectual Property in Research Proposals

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What is Intellectual Property?

• Intellectual Property
  – Patents
  – Copyright
  – Trade Secret
  – Trademark

Patentability
• Useful,
• Novel,
• Non-Obvious,
When should you begin thinking about your intellectual property?
Grant Proposals

• Grant proposal submission
  – Last minute
  – Personal data/identification issues
  – Signatures
  – Rush in overnight mail or electronic

• Intellectual Property is an afterthought
What’s the problem related to intellectual property that is caused by grant proposals?
Prior Art

• Prior art is largely defined by 35 U.S.C. Sect. 102. For example, the particularly relevant sections of 35 U.S.C. § 102 state:

• A person shall be entitled to a patent unless -
  – (a) the invention was...patented or described in a printed publication...before the invention thereof by the applicant for patent, or
  – (b) the invention was patented or described in a printed publication...more than one year prior to the date of the application for patent in the United States,...
Patent Act – Public Disclosure is Prior Art

What is disclosure?
• If an inventor discloses his invention to another in any manner without securing a promise of confidentiality, communication of the knowledge of the invention to the public results...

Why?
• The knowledge is no longer controlled by the inventor.
Case Law


Key: “public accessibility.”

The court found the grant proposal at issue (a NSF grant proposal) to be publicly accessible due to the fact that the proposal was:

1) filed, indexed by title, author, institution and grant number;
2) available upon request under FOIA; and
3) cited by grant number in a published article written by the author of the proposal.
Quick Public Disclosure Test

Disclosure:

1) *Would it enable a person of ordinary skill in the art to make the invention?*

2) *Is the information made publicly available?*
Hypothetical Example

• Dr. Jones and the cure for baldness
  – Oct. 2012 - Submits Proposal detailing state of the art, research plan, and anticipated results to NSF
  – April 2013- Begins research, and she has a major breakthrough
  – April 2015 - Submits invention disclosure to university technology transfer office
  – Never discloses to anyone, and doesn’t publish
  – Result?
Hypothetical Result

1) Would it enable a person of ordinary skill in the art to make the invention?
   – What if it wasn’t “tested or proven at the time?”
   – What if it wasn’t described fully?
   – What if only 4 people in the world could reproduce it?
Hypothetical Result Continued

2) *Is the information made publicly available?*

- What if it was published online in a restricted database?
- What if only 4 people can see it, and only one of them isn’t on the research team?
- Theses and Dissertations
- Presentations at conferences
- Presentations at professional meetings
- Handouts in meetings
How Proposal Information Becomes Publicly Accessible

1. If posted online or in other publicly accessible manner.
2. If requested under the Freedom of Information Act
   - FOIA gives any person, including a competitor, the right to request access to company documents in the possession of a federal agency. (5 USC § 552)
3. If requested under state public records acts.
   - Alaska Public Records Act
     - Every person has the right to inspect a public record in the state.
     - (AS 40.25.110-AS 40.25.125)
4. If private grant guidelines require that no information is proprietary
   - “Author hereby acknowledges that all information submitted shall not be subject to any claims of confidentiality, and hereby acknowledges that no information in the proposal is confidential.”
The Solution: Marking Legends
Marking Legends

• A grant proposal can avoid having the effects of invalidating prior art if marked correctly.
• Marking the proposal as confidential may exempt the information contained in the proposal from being publicly accessible
  1. online through a government website,
  2. via a FOIA request, or
  3. via a State records act request.
Statutes that Protect Your Information

• Trade Secrets Act (18 U.S.C. § 1905)
  – It is a criminal offense for a federal government official to disclose trade secret or confidential commercial or financial data “to any extent not authorized by law.”
  – “Any formula, pattern, device, or compilation of information that is used in one’s business, and gives him an opportunity to obtain an advantage over competitors who do not know or use it.”
Statutes that Protect Your Information

• **Economic Espionage Act (18 USC § 1831)**
  – Imposes criminal sanctions for misappropriation or theft of trade secrets by any person

• **Procurement Integrity Act (41 USC § 423)**
  – Prohibits federal procurement officials from disclosing bid or proposal information to any person other than those persons authorized to receive such information.
  • (Only during procurement process, not afterward)
Statutes that Protect your Information

• Homeland Security Act – Critical Infrastructure Information 42 USC 5195c(e)
  – Prohibits release of information so vital to the U.S. that the incapacity or destruction of such systems would have a debilitating effect on economic and public security.
FOIA Exemptions

• 5 U.S.C. Sect. 552(b)(4) prevents disclosure of the grant proposal to a third party FOIA requester if the information in the proposal is considered “trade secrets and commercial or financial information obtained from a person and privileged or confidential.”

• 5 U.S.C. Sect. 552(b)(3), prohibits disclosure of agency records that would be exempted from disclosure by another statute.

(Also see 15 USC 3710a(c)(7) – CRADA information)
State Records Act Exceptions

• Exception required to be kept confidential by state law.
  – “The public records inspection requirement of AS 40.25.110-40.25.121 do not apply to writings or records that consist of intellectual property or proprietary information received, generated, learned, or discovered during research conducted by the University of Alaska or its agents or employees until publically released, copyrighted, or patented, or until the research is terminated[...]”
Marking Legends in an RFP

• Three Steps:
  A. Mark the title page with a large, prescribed legend;
  B. Mark the each sheet with confidential data with a small legend; and
  C. Mark the proposal separately and distinctly with the FOIA and state public records act legend.

FAR 52.215-1
48 C.F.R. 1452.215-71
A. Title Page Marking

• “This proposal includes data that shall not be disclosed outside the government and shall not be duplicated, used, or disclosed-in whole or in part- for any purpose other than to evaluate this proposal. If however, a contract is awarded to this offeror as a result of – or in connection with– the submission of this data, the government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the government’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets [insert page numbers or identifiers]”

FAR 52.215-1
B. Mark Each Page with Confidential Information

“Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal.”

FAR 52.215-1
C. FOIA and State Records Act Legend

- You cannot modify the marking legend required under the FAR provisions.
- Separately and distinctly mark the proposal with something similar to the following:
  
  “The information specifically identified on pages ___ of this proposal constitutes trade secrets or confidential commercial and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act. The offeror requests that this information not be disclosed to the public, except as may be required by law. The offeror also requests that this information not be used in whole or part by the Government for any purpose other than to evaluate the proposal, except that if a contract is awarded to the offeror as a result of or in connection with the submission of the proposal, the Government shall have the right to use the information to the extent provided in the contract.”

48 C.F.R. 1452.215-71
What if a marking legend will not work?

Non-Disclosure Agreements, and
Letters Stating Protection Position
How Proposal Information Becomes Publicly Accessible (Revisited)

1. Posted online or in other publicly accessible manner.
2. Requested under the Freedom of Information Act
3. Requested under state public records acts.
4. Private grant guidelines that require that no information is proprietary
   
   “Author hereby acknowledges that all information submitted shall not be subject to any claims of confidentiality, and hereby acknowledges that no information in the proposal is confidential.”
Non-Disclosure with Private Grant Sources

• What if the private grant source states that all information in the proposal is not proprietary?
  – Non-Disclosure clause negotiation
  – Could hold back information
  – Copyright clause
    • Questionable level of protection here
Letters Describing Confidentiality Requirements

- Sometimes federal, state, and private grant sources will ask you why you believe your information is protected.
- Legal counsel - draft letters for faculty, staff, and students stating position.
Dealing with a Changing Atmosphere

Government agencies have specific rules about how they like information to be marked.

- Ex: NASA
- Ex: Army Research Labs

- The requirements change.
- The people at the agencies change.
- Talk to your Intellectual Property Office.
- Mark your confidential and proprietary information
Questions?

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