



BON SECOURS HEALTH SYSTEM

Policy/Procedure

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POLICY

It is the policy of Bon Secours Health System, Inc. (“BSHSI”) and each affiliate of BSHSI (BSHSI and its affiliates are sometimes referred to herein individually as a “Bon Secours Entity” and collectively as the “Bon Secours Entities” or “Bon Secours”) to foster innovation while continuing to focus on core clinical services. As an outgrowth of Bon Secours’ mission, vision and values, Bon Secours promulgates this Intellectual Property Policy (“Policy”) on the creation of intellectual property by Bon Secours employees and certain other persons who are associated with a Bon Secours Entity by contractual agreement.

SCOPE

This is a system-wide policy and applies to all Bon Secours Entities. This policy covers all Bon Secours Personnel (defined herein) and certain other persons who are not Bon Secours Personnel, but who are associated with one or more Bon Secours Entities by contractual agreement (“Other Personnel” defined herein).

RATIONALE

The guidelines and requirements set forth in this Policy are intended to foster innovation by fostering the creation, discovery and development of new technology and original works of authorship, and are not intended (and should not be interpreted) to inhibit the free communication of ideas, knowledge and research results through collaborative research, publications, training and teaching.

It is *not* Bon Secours’ policy to assert any interest in new technology and original works of authorship that are:

- a) Developed without use of Bon Secours Resources (hereinafter defined);
- b) Directly resulting from activities of an Author or Inventor (both as hereinafter defined) outside the scope of the Author's or Inventor's employment with a Bon Secours Entity or other relationship with Bon Secours or activities expected to be performed while engaged in services for a Bon Secours Entity; and
- c) Unrelated to Bon Secours, its operations or activities.

DEFINITION(S)

As used in this Policy, the following terms shall have the meanings set forth below:

“Author” means an individual who authors, develops, creates, discovers or otherwise generates a Work of Authorship.

“Bon Secours Resources” include but are not limited to: facilities, services provided by Bon Secours Personnel or Other Personnel engaged by one or more Bon Secours Entities, equipment, information systems, ancillary services, training, documentation, supplies, data or biological samples obtained from patients of a Bon Secours Entity, brand name/trademark or reputation, funds from capital or operating accounts, grants and/or other resources of a Bon Secours Entity, and any other tangible or intangible asset of a Bon Secours Entity.

“BSHSI Affiliate” means the Bon Secours Entity which employs the Author or Inventor or where the research or other activities leading to the creation of the Intellectual Property occurred.

“Bon Secours Personnel” is defined as all persons who are employed by a Bon Secours Entity, including but not limited to the following personnel categories:

- i. Clinical staff, including but not limited to physicians, residents, fellows, interns, nurses, nursing assistants, pharmacists, therapists and other clinical/medical care providers;
- ii. Research staff, including but not limited to physicians, fellows, research nurses, assistants, scientists, students and any other personnel involved in clinical or other research;
- iii. Technical staff, including but not limited to programmers, designers, technicians, equipment operators, engineers and other technical staff members; and
- iv. Administrative staff, including directors, managers, coordinators, quality assurance, finance, legal and other administrative personnel.

“Commercialization” or **“Commercialized”** means to make, use license, assign, use as collateral or sell to a third party or otherwise exploit, some or all of the Intellectual Property for monetary consideration.

“Confidential Information” means any information regarding Bon Secours business methods, business policies, procedures, experimentation, techniques, services, research or development projects or results of any Bon Secours Entity, or Intellectual Property of any Bon Secours Entity; historical or projected financial information, budgets, trade secrets, personnel

information, patient information, or other knowledge or processes of or developed by a Bon Secours Entity; or any other confidential information relating to or dealing with business, operations or activities of a Bon Secours Entity, not lawfully known by, or readily accessible to, the general public.

“Intellectual Property” means Inventions, Works of Authorship, Confidential Information and Trademarks (all as defined herein), and any other rights in same such as patents, copyright rights whether created or established by registration or operation of law.

“Invention” means any invention, discovery, concept, development, whether or not patentable, including devices; machines; systems; circuits; algorithms; software; databases; composition of matter, chemical and biological material such as tissue, proteins, genes, DNA constructs, cell lines and transgenic animals; immunoassays; compounds and therapeutics; diagnostics; methods or processes; synthesis methods; research notebooks; data; know how; new plant varieties; and further includes improvements to existing discoveries and inventions and new uses of known articles or substances.

“Invention Disclosure” is defined in Section 7.2.

“Inventor” means an individual(s) who contributes to the conception of any Invention. In the case of a patent or patent application, this contribution must be applicable to at least one claim.

“Other Personnel” is defined as persons who are not Bon Secours Personnel but who are associated with a Bon Secours Entity by contractual agreement, including but not limited to agents, physicians with admitting privileges or appointments at a facility operated by a Bon Secours Entity, contractors, consultants, volunteers and temporary staff.

“Net Proceeds” means the cumulative gross revenues or other payments received by BSHSI from the Commercialization of the Invention or Work of Authorship after the following has been subtracted:

- i. All legal fees (**“Legal Fees”**) (whether attributable to outside counsel or BSHSI’s in-house legal department) relating to:
 - a. The preparation, filing and prosecution of patent applications, and the maintenance of patents, including but not limited to government fees, e.g., government filing fees;
 - b. Patentability, patent validity, freedom to operate and marketability searches, expenses relating to the investigating, evaluating, promoting, developing, protecting and enforcing Intellectual Property rights covered by this Policy, including but not limited to, patent and copyright application preparation, prosecution, maintenance, and other fees, costs of searches, opinions, marketing, licensing, legal, and promotional, development and protection expenses; and
 - c. licensing, litigation, legal advice, and marketing costs.
- ii. Any other fees or costs (a) paid by any Bon Secours Entity to third parties for the

marketing, protection, research, creation, development, Commercialization, etc. of the Invention, including, but not limited to, fees, costs, royalties, percentage or other portion of gross revenues or income, all expenses or disbursements paid to third parties, joint ventures, etc., to reimburse patent, development or other costs incurred by a Bon Secours Entity or any of its designees, to fund related activities, or to compensate a Bon Secours Entity for providing training or other benefits related to such Commercialization, (b) including, at BSHSI's sole discretion, reimbursements to a Bon Secours Entity for Bon Secours Resources expended on the procurement and Commercialization of Intellectual Property that was *not* (i) created as a result of a request by a Bon Secours Entity to perform work, or under its direction nor (ii) derived from the activities of Bon Secours Personnel or Other Personnel while engaged in services to a Bon Secours Entity ("**Disbursements**"). See also Section 11.3.

iii. Legal Fees and Disbursements are together referred to as ("**Costs**").

"Publication Disclosure" is defined in Section 7.2.

"Non-Bon Secours Scholarly Works" means academic works such as text books, curriculum, articles for academic journals, power points for lectures, but only if they are prepared at the Author's own initiative and not at the request of, or under the auspices of a Bon Secours Entity, nor for Bon Secours's purposes, that do not make substantial use of Bon Secours Resources, and are not owned by, or obligated to a third party through any arrangement with a Bon Secours Entity. Non-Bon Secours Scholarly Works shall *not* be deemed to include works which were created at a Bon Secours Entity's request or works that describe or disclose an Invention or contain Confidential Information of any Bon Secours Entity or other BSHSI Intellectual Property. See Section 12.

"Trademarks" shall mean all trademarks, service marks, logos, slogans, design marks and the like used, applied for and/or registered by, or licensed to, a Bon Secours Entity to designate goods or services provided by one or more Bon Secours Entities or on their behalf, together with all domain names containing such marks, and shall include all trademarks, service marks, logos, slogans, design marks and the like owned by the Congregation of the Sisters of Bon Secours (the "Congregation") and licensed to BSHSI.

"Work Made for Hire" shall have the meaning ascribed to it in the U.S. Copyright Act as amended from time to time, currently:

- i. Work prepared by Bon Secours Personnel within the scope of his or her employment; or
- ii. A work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. For the purpose of the foregoing sentence, a "supplementary work" is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords, pictorial illustrations, maps, charts, tables,

editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes, and an “instructional text” is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.

“**Works of Authorship**” means any original work of authorship, including a Work Made for Hire, fixed in any tangible medium of expression from which it can be perceived, reproduced or otherwise communicated, either directly or with the aid of a machine or device, whether or not copyrighted or copyrightable. Examples of Works of Authorship include but are not limited to manuscripts, books, journal publications, poems, compilations, computer software, computer programs, flow charts, web pages, databases, technical drawings, diagrams, designs, photographs, musical scores, video and audio materials and recordings, presentation slides and/or instruction materials and manuals.

PROCEDURE

1. General

1.1 This Policy applies to all Intellectual Property, including, for example, Inventions and Works of Authorship of Bon Secours Personnel and Other Personnel unless a provision of this Policy has been waived by BSHSI as provided in Section 10.1.

1.2 This Policy provides that all Intellectual Property created by Bon Secours Personnel or Other Personnel that is: (a) created as a result of a request by a Bon Secours Entity to perform work, or under its direction, or (b) is derived from their activities while engaged in services for any Bon Secours Entity, or (c) is made, in whole or in part, with the use of Bon Secours Resources, or (d) otherwise related to any operations or activities of Bon Secours, is to be owned by (and, if it otherwise does not vest upon creation in BSHSI, is hereby assigned to) BSHSI.

1.3 Bon Secours Personnel and Other Personnel shall receive a certain percentage of Net Proceeds from the Commercialization of Intellectual Property developed by them but, as to Inventions or Works of Authorship, then only if such Inventions or Works of Authorship were *not* created as a result of a request by a Bon Secours Entity to perform work, or under its direction, nor fall within the scope of employment or other activities expected to be performed by the Inventor or Author while engaged in services for a Bon Secours Entity.

1.4 No Net Proceeds will be distributed to Inventors of Inventions other than as described in Section 11.1, nor to creators of any other type of Intellectual Property even if Commercialized.

1.5 If BSHSI determines not to exploit an Invention, BSHSI will assign the Invention back to the Inventor under an appropriate agreement.

1.6 Scholarly Works are discussed in Section 12.

1.7 BSHSI Intellectual Property shall not be removed from Bon Secours premises, disclosed to third parties, or sold without the prior written consent of BSHSI. All BSHSI Intellectual Property is to be disclosed to BSHSI before publication, so that it can be protected

before publication, as necessary.

1.8 BSHSI Trademarks are only to be used in accordance with the *Sisters of Bon Secours – Design Standards*, any license agreement applicable to a BSHSI Trademark (including any license agreement between BSHSI and the Congregation), and this Policy.

2. Application

2.1 Coverage: Persons covered by this Policy include Bon Secours Personnel and Other Personnel.

2.2 Ownership: BSHSI shall own all Intellectual Property created by Bon Secours Personnel or Other Personnel that is:

2.2.1 Created as a result of a request by a Bon Secours Entity to perform work, or under its direction;

2.2.2 Derived from the activities of Bon Secours Personnel or Other Personnel while engaged in services for a Bon Secours Entity;

2.2.3 Made in whole or in part with the use of Bon Secours Resources; or

2.2.4 Otherwise related to any operations or activities of a Bon Secours Entity.

2.3 Conflicts:

2.3.1 Written Agreements: This Policy applies to Bon Secours Personnel and Other Personnel regardless of whether they have obligations to third parties and whether they separately execute an acknowledgment of same. Provisions in this Policy shall supersede any conflicting provisions in a written agreement executed between any Bon Secours Entity and Bon Secours Personnel or Other Personnel unless a provision of this Policy has been waived by BSHSI as provided in Section 10.1.

2.3.2 Other Policies: The provisions of this Policy shall supersede conflicting provisions in the Bon Secours employee handbook, Conflict of Interest policy, Confidentiality policy or other Bon Secours policies unless a provision of this Policy has been waived by BSHSI as provided in Section 10.1.

3. Ownership of Intellectual Property/Assignment

3.1 BSHSI shall solely own, upon creation, all Intellectual Property which falls within the provisions of Section 2.2, excluding Non-Bon Secours Scholarly Works.

3.2 Bon Secours Personnel and Other Personnel hereby assign all right, title and interest in Intellectual Property that is owned by BSHSI pursuant to this Policy, to BSHSI or its designee.

4. Disclosures of Prior Intellectual Property and BSHSI Intellectual Property

4.1 Each Bon Secours Personnel must, using a BSHSI approved disclosure form, at the time he or she becomes employed by a Bon Secours Entity, or at such later time as approved by BSHSI, disclose in writing, in sufficient detail to define clearly, all Intellectual Property invented, authored, made, or conceived by the Bon Secours Personnel, alone or with others, (before his or her employment with a Bon Secours Entity) each a “**Prior Development**”, including, without limitation, listing all papers, abstracts, patent applications, patents, together with the name of the owner of the intellectual property, and any confidentiality, noncompete, nonsolicitation, assignment of Intellectual Property or other similar agreements or policies to which he or she is a party or otherwise is subject. Any Intellectual Property not disclosed will be presumed to have been created after its creator’s employment with Bon Secours and will be subject to this policy.

4.2 Such disclosure shall be made to the BSHSI Legal Department. BSHSI shall determine, in its sole discretion, the ownership interest of all Intellectual Property disclosed and, if determined to be Prior Developments, such Prior Developments will not be deemed to be BSHSI Intellectual Property.

4.3 Any Prior Development(s) used in the creation, development, use, preparation, acquisition or promotion of, or otherwise in any relation to BSHSI Intellectual Property is (are) hereby licensed to BSHSI.

5. Restrictions on Use of Intellectual Property

5.1 Purpose. The restrictions in this Section are necessary to provide BSHSI or its designees the opportunity to take appropriate action, such as to file patent applications and execute appropriate confidentiality agreements to protect intellectual property rights in the Inventions and/or Works of Authorship. Public use and/or disclosure of an Invention or Work of Authorship before proper protective measures are in place can result in an inability to protect the intellectual property rights therein. Further, in certain circumstances, BSHSI has legal obligations to the federal government or third parties with respect to the reporting and protection of Intellectual Property.

5.2 Restrictions. Unless and until BSHSI provides express written permission, which shall not be unreasonably withheld, Intellectual Property owned in whole or in part by BSHSI shall not be:

5.2.1 Removed from Bon Secours premises;

5.2.2 Disclosed to third parties; or

5.2.3 Transferred, sold, assigned, mortgaged, used as security or licensed to third parties.

5.3 Material Transfer. In no event shall any materials be removed from Bon Secours premises unless and until a material transfer agreement is approved by BSHSI and properly executed.

5.4 Publication.

5.4.1 Early publication of research results is a major objective of research. Bon

Secours does not intend for this Policy to impede Bon Secours Personnel's ability to publish. However, public disclosure of a patentable invention prior to filing a patent application may preclude the availability of patent protection in the U.S., and will preclude the availability of patent protection in most other countries. A "public disclosure" includes any non-confidential written or oral disclosure that describes the invention, e.g., at a scientific meeting, in a journal, online, or even in an informal discussion with outside colleagues, any public use of the invention, any offer for sale, or the invention was otherwise available to the public.

5.4.2 Accordingly, for the reasons stated in this Section, in no event shall any Invention or Work of Authorship be published in any form, or disclosed in any form to any third party who is not Bon Secours Personnel or Other Personnel bound by a written confidentiality agreement with BSHSI, unless and until such Invention or Work of Authorship has been disclosed in writing to the BSHSI Legal Department as provided in Section 7.2. below, and BSHSI has provided written authorization for such publication or disclosure. BSHSI shall have the right to prohibit the oral or written disclosure of any Invention or Work of Authorship that contains Confidential Information. Further, Inventors and Authors may be required to enter into a confidentiality agreement with BSHSI with respect to any such Invention or Work of Authorship that contains Confidential Information that BSHSI decides to exploit and for which a decision has been made by BSHSI not to seek patent protection or publication.

5.4.3 BSHSI will make every effort to expedite the evaluation process when Bon Secours Personnel indicates a compelling need for rapid publication.

5.4.4 The following notice is to be applied to Works of Authorship owned by BSHSI:

- Copyright © [Year] Bon Secours Health System, Inc. All Rights Reserved.
- The date in the notice should be the year in which the work is first published.

5.5 Trademarks

5.5.1 BSHSI Trademarks may be used only as permitted under the terms of applicable license agreements, including any license agreement between BSHSI and the Congregation.

BSHSI Trademarks may not be used in connection with the transfer, dissemination, display, advertising, sale or gift of any goods or services provided by Bon Secours Personnel or Other Personnel on their own behalf.

5.5.2 BSHSI Trademarks may not be used to indicate Bon Secours Personnel's

affiliation except as otherwise permitted by BSHSI.

5.5.3 Permitted use of BSHSI Trademarks shall be in accordance with the Sisters of Bon Secours – Design Standards.

5.6 Third Party Intellectual Property. Bon Secours Personnel and Other Personnel shall respect the Intellectual Property rights owned by Bon Secours and third parties, and not infringe such Intellectual Property rights.

6. Collaborations and Sponsored Research

6.1 Collaborative Research. Where a Bon Secours Entity participates in collaborative research (as opposed to sponsored research addressed in Section 6.3. below) with non-Bon Secours investigators at universities, medical centers and other research institutions, or receives grants or other financial support from government agencies or private industry, the written agreements underlying these collaborations and sponsorships shall be treated as set forth below:

6.1.1 All Confidential Disclosure Agreements, Non-Disclosure Agreements, Sponsored Research Agreements, Material Transfer Agreements, Laboratory Services Agreements, Research Service Agreements, License Agreements and other documents that propose agreements with research institutions, medical centers, private industry or universities involving Intellectual Property owned by BSHSI or the possibility of Intellectual Property being developed, must be approved in writing by appropriate officers of BSHSI in order to ensure protection of BSHSI Intellectual Property.

6.1.2 BSHSI shall retain ownership of all documents, notebooks, records and other tangible evidence, whether in electronic or other format, of research conducted at any Bon Secours Entity, by Bon Secours Personnel or by Other Personnel.

6.1.3 Publication of results is subject to the provisions in Section 5.4, above. Accordingly, the right to publish results of such research must be requested of BSHSI sufficiently in advance of the publication to allow appropriate protection to be obtained for patentable Inventions.

6.2 Proprietary Information of Third Parties. Where written agreements provide that proprietary information of third parties collaborating with a Bon Secours Entity or sponsoring research is being provided to a Bon Secours Entity, such proprietary information shall be specifically identified in the written agreement, and Bon Secours shall not assert ownership of the specifically identified proprietary information. Notwithstanding the foregoing, as between BSHSI and any Bon Secours Personnel or Other Personnel, any and all Intellectual Property arising from such research, other than the proprietary information identified in the written agreement, shall be owned by BSHSI.

6.3 Sponsored Research. BSHSI may agree to assign its ownership of Intellectual Property to a third party according to the terms of a written research agreement approved by

BSHSI and executed by the appropriate parties. An example of such an agreement might be a sponsored research agreement where the third party provides sufficient financial incentives for BSHSI to prospectively assign its intellectual property rights.

7. Author and Inventor Rights and Obligations.

Authors and Inventors shall:

7.1 Confidentiality. Maintain the confidentiality of, and refrain from oral and written disclosure of any Intellectual Property until disclosure to the BSHSI Legal Department has granted written permission to proceed with any disclosure.

7.2 Disclosure of Intellectual Property to BSHSI. Thoroughly and accurately disclose all Intellectual Property to the BSHSI Legal Department, including an identification of all Authors or Inventors, and a summary of the concepts, relevant data, observations and possible general claims, disclosure of all relevant prior art, manuscripts and drafts in a **Publication Disclosure** or **Invention Disclosure** form provided by BSHSI (*a sample of which is attached hereto*), and submit same to BSHSI Legal Department within thirty (30) days after discovery of the Invention or completion of the Work of Authorship, if not already submitted to BSHSI under Section 5.4, above.

7.3 Documentation. Execute any and all documents requested by BSHSI or other Bon Secours Entity to further memorialize the assignment of Intellectual Property effected by this Policy, or otherwise perfect title in the Invention or Work of Authorship, including any patent applications, patents, copyright applications or copyright registrations, to BSHSI.

7.4 Assistance

7.1.1 Assist in the preparation and prosecution of all patent and copyright applications covering the Intellectual Property.

7.4.2 Provide reasonable assistance to BSHSI for the marketing and Commercialization of the Intellectual Property.

7.4.3 Assist in the defense of all Intellectual Property and comply with all applicable laws and regulations (both foreign and domestic), relating to BSHSI Intellectual Property derived from government sponsored research or commercially sponsored research agreements

8. BSHSI Rights and Obligations:

8.1 After disclosure of Intellectual Property by an *Author* to BSHSI, BSHSI shall:

8.1.1 Within thirty (30) business days of submission of a *Publication Disclosure* pursuant to Section 7.2, notify the Author that:

8.1.1.1 Publication is approved; or

8.1.1.2 Further review by BSHSI under Section 5.4 is necessary to protect a potentially patentable Invention from disclosure.

8.2. After disclosure of Intellectual Property by an Inventor, to BSHSI, BSHSI shall, within a reasonable period of time of said Invention Disclosure, pursuant to Section 7.2, notify the Inventor of BSHSI's intention to file a patent application or otherwise protect, retain title and commercialize the Intellectual Property. BSHSI in making its determination shall include in its consideration the following:

8.2.1 Benefits to the community, Bon Secours and the Inventor;

8.2.2 Whether it can be patented;

8.2.3 The estimated costs (including but not limited to attorneys' fees and official government fees) of applying for and prosecuting patent application(s) and whether such costs shall be borne by licensees or other third parties;

8.2.4 The estimated costs of any further development required; and

8.2.5 Whether there are any other third parties who may claim rights to the Intellectual Property.

BSHSI may seek professional advice, including legal advice, from such sources as it deems proper in making such determination. If BSHSI determines that a patent application should be pursued, BSHSI shall proceed as soon as practicable with the patent application.

8.3 Where BSHSI elects not to exploit or to terminate exploitation of the Intellectual Property, BSHSI shall notify the Inventor in writing as soon as practicable. The Inventor shall then be free at his or her own expense to pursue the exploitation of Intellectual Property as further provided herein, except that the Inventor and the Invention shall be subject to Section 9, "Assignment Back to Inventor."

8.4 BSHSI shall distribute Net Proceeds to the Inventor as set forth in Section 11.

8.5 BSHSI may Commercialize BSHSI Intellectual Property directly or with the help of affiliates or third parties by, for example, contracts or by establishing or expanding corporations, partnerships, or other commercial enterprises. In such cases, BSHSI or other Bon Secours Entities and/or third parties may receive and hold equity shares in companies as vehicles for the Commercialization or investment of BSHSI Intellectual Property.

8.6 Nothing in this Policy shall be construed to prevent BSHSI from having the right to make, use, license, assign or sell to a third party (including another BSHSI Entity) some or all of BSHSI's rights in any Intellectual Property.

8.7 BSHSI will determine who is to prepare and prosecute all patent, trademark, or copyright applications, as well as any matter related thereto. Upon disclosure of BSHSI Intellectual Property to the BSHSI Legal Department, BSHSI will determine whether to file a patent, trademark, or copyright application, publish a paper or abstract, or maintain the property or information as a trade secret. The BSHSI Legal Department or its designee will select the attorney or law firm that is to prepare and prosecute all patent, trademark or copyright applications. Bon Secours Personnel may not select outside consultants, attorneys, accountants,

or any other service provider, without the express written permission of BSHSI.

8.8 BSHSI reserves the right to determine whether all Author(s) and/or Inventor(s) are in fact legally inventors or authors for statutory Intellectual Property protection purposes. If counsel determines any one or more of the creators are not legally an inventor or author, BSHSI reserves the right to exclude such person(s) from the statutory Intellectual Property protection and in the case of Inventors to redistribute the claimed percentage share of the Net Proceeds to such person(s) in accordance with this Policy and all other applicable Bon Secours policies and procedures.

8.9 All decisions of and review by BSHSI may be delegated to a BSHSI committee or designee chosen by BSHSI.

9. Assignment Back to Inventor.

9.1 In the event that BSHSI elects not to exploit, or to terminate exploitation of an Invention, BSHSI shall send written notice thereof to the Inventor(s) and the Inventor(s) is (are) free to file or continue to prosecute a patent application at his/her own expense, provided that the Inventor promptly notifies the BSHSI Legal Department of his/her intent to pursue the Intellectual Property. In this case, BSHSI shall assign and transfer all right, title and interest to the Inventor(s) under an appropriate agreement subject to:

- 9.1.1** Any rights or interests that a third party may have acquired in the Intellectual Property prior to such transfer;
- 9.1.2** Any restrictions or conditions imposed by agreements with third parties under whom the Intellectual Property was created;
- 9.1.3** Any obligation that the Inventor may have to reimburse or pay BSHSI for any further use of Bon Secours Resources for the exploitation of the Intellectual Property;
- 9.1.4** Granting BSHSI and the Bon Secours Entities an irrevocable, perpetual, non-exclusive, nontransferable, worldwide, fully paid-up license to make, use, license, sell, and prepare derivative works based on the Intellectual Property or to have a third party make, use, license, sell, and prepare derivative works based on the Intellectual Property for a Bon Secours Entity in the course of activities for a Bon Secours Entity;
- 9.1.5** Licenses held by BSHSI in any Prior Development(s);
- 9.1.6** Reimbursing BSHSI, subject to a payment schedule, for expenses incurred up to the point of assignment and transfer, in the event that revenue is realized from any such assigned Intellectual Property by the Inventor(s) subsequent to the assignment and transfer; and

9.1.7 Any additional restrictions or conditions that BSHSI may impose.

10. Waivers and Disputes

10.1 Waivers. Waivers of any part of this Policy shall be considered in compelling circumstances where such request is submitted in writing to the BSHSI Legal Department, identifies the provision of this Policy to be waived and is supported by detailed reasons for such request. The request should identify the benefits to Bon Secours of such waiver, how the waiver shall advance the mission and vision of Bon Secours as well as all potential effects, positive and negative, which such waiver could have on Bon Secours and its research and other activities. Waivers under this Policy shall be considered by BSHSI, and shall be subject to approval by the chief executive officer of BSHSI, whose decision shall be final. A waiver of any provision of this Policy shall not be construed or interpreted as a waiver of any other provision of this Policy and all other provisions shall be maintained. Notwithstanding the foregoing, unless BSHSI has obtained the prior written approval of the Congregation, BSHSI shall not waive any provision of this Policy which protects the rights of the Congregation.

10.2 Disputes. Disputes arising from the administration or interpretation of this Policy shall be resolved by a review committee of three appointed by BSHSI's chief executive officer. The decision reached by this committee shall be final and binding and subject only to approval by the BSHSI chief executive officer.

11. Fee Schedule

11.1 Disbursements of Net Proceeds. BSHSI shall disburse Net Proceeds only to Inventors or Authors whose Intellectual Property was *not* created as a result of a request by a Bon Secours Entity to perform work, or under its direction, nor falls within the scope of employment or other activities expected to be performed by the Inventor or Author while engaged in services for a Bon Secours Entity. Such distributions shall occur once per year, based on Net Proceeds received during the prior twelve (12) months.

11.2 Distribution.

11.2.1 Net Proceeds for Inventions or Works of Authorship described in Section 11.1 shall be distributed as follows:

Net Proceeds	Inventor or Author	BSHSI
\$0 to \$300K	40%	60%
Above \$300K	30%	70%

The intent of this distribution is that smaller Inventions or Works of Authorship shall primarily aid Inventors and Authors and their research efforts, while large Inventions or Works of Authorship shall aid BSHSI proportionally more.

11.2.2 In the event that there is more than one Inventor or Author, each Inventor or Author's share shall be an equal proportion of the total Inventor or

Author share, unless otherwise agreed to in writing by all of the co-Inventors.

- 11.2.3** Unless otherwise determined by BSHSI's chief executive officer, an Inventor or Author leaving the employment of a Bon Secours Entity or ceasing to be affiliated with a Bon Secours Entity as Other Personnel, shall receive 30% of the Inventor or Author share of the Net Proceeds to which they otherwise would have been entitled from the Intellectual Property for which they are the Inventor or Author. The remaining 70% of the departing Inventor or Author's share shall revert to BSHSI.
- 11.2.4** In the event of the Inventor or Author's death, the amount allocated to him or her shall not be reduced and shall be considered part of the decedent's estate.
- 11.2.5** BSHSI reserves the right to suspend distribution of the Net Proceeds or certain Net Proceeds where there is reason to believe that substantial deductible Costs will be incurred in the near future. BSHSI shall inform the Inventor(s) or Author(s) of such decision and provide an annual accounting of gross revenues and Net Proceeds to the Inventor(s) or Author(s).
- 11.2.6** For clarity, only Inventors or Authors whose Inventions or Works of Authorship fall within the provisions of Section 11.1 are entitled to any distribution of Net Proceeds under this Policy (and not creators of any other Intellectual Property, for example, the following would not receive distributions: Authors whose works are Works Made for Hire under the Copyright Law; creators of Trademarks or Confidential Information; Inventors or Authors whose Inventions or Works of Authorship were created as a result of requests or direction from a Bon Secours Entity or which otherwise fall within the Inventor's or Author's scope of employment or other activities expected to be performed while engaged in services for a Bon Secours Entity.)

11.3 If contracts or other arrangements with third parties provide for a definition of or distribution of Net Proceeds contrary to this IP Policy, this IP Policy shall override and govern. For the purposes of clarity, all payments to third parties (including companies described in Section 8.5) shall be deducted from Net Proceeds prior to distribution pursuant to Section 11.2.

12. Scholarly Works.

12.1 All original Works of Authorship including works made for hire are intended to be covered by this policy, provided, however, it is not the intent of this policy to affect the tradition of scholarly and purely academic composition by the Author of such work. As such Non-BSHSI Scholarly Works shall be exempt from this Policy. BSHSI shall review and determine the claim of any Author that a particular work of authorship qualifies for exception from this Policy on the basis that it is a Non-Bon Secours Scholarly Work. Within thirty (30) business days of submission of a request to publish by an Author, BSHSI shall advise the Author

that such Work of Authorship is a Non-Bon Secours Scholarly Work, publication is approved or that further review under Section 5.4 of this Policy is necessary to protect a potentially patentable invention from disclosure.

13. Confidential Information.

13.1 Neither Bon Secours Personnel or Other Personnel will use for their own personal benefit, nor disclose, communicate, publish, or divulge to, or use for the direct or indirect benefit of any person or entity, or authorize anyone else to disclose, communicate, publish, divulge or use, any Confidential Information, except (i) as specifically required to conduct business of a Bon Secours Entity, or (ii) as expressly authorized in writing by BSHSI. The provisions of this Section will apply during and after Bon Secours Personnel or Other Personnel's employment or affiliation with a Bon Secours Entity and will be in addition to (and not a limitation of) any legally applicable protection of Bon Secours' interest in Confidential Information.

13.2 See also the **BSHSI Code of Conduct**.

14. Termination or Amendment of Policy

14.1 This Policy may be amended or terminated, in whole or in part, at any time by BSHSI. Upon reasonable notification, such amendments or termination shall be binding upon Bon Secours Personnel and Other Personnel.

15. Severability

15.1 If any court of competent jurisdiction holds any provision of this Policy invalid or unenforceable, the other provisions of this Policy will remain in full force and effect. Any provision of this Policy held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

SAMPLE FORM OF ASSIGNMENT

BON SECOURS HEALTH SYSTEM, INC.

INTELLECTUAL PROPERTY ACKNOWLEDGEMENT AND ASSIGNMENT FORM

I, _____ (PRINT NAME), the undersigned, in consideration for employment by or affiliation with Bon Secours Health System, Inc. (“BSHSI”) or an affiliate of BSHSI and for other good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge, I hereby also acknowledge that I have received, read and understood, and agree to be bound by the Bon Secours Intellectual Property Policy, dated August 12, 2015, as amended from time to time (“IP Policy”). Notice (which may be electronic) shall be delivered to me within a reasonable period after enactment of any such amendment and I agree to be bound by such amendment. I understand that the IP Policy applies to intellectual property that is developed by me during my employment or other affiliation with BSHSI or an affiliate of BSHSI. I hereby acknowledge receipt and review by me of the IP Policy as presently in effect.

I hereby assign to BSHSI or its designees my entire right, title and interest to any and all creations and intellectual property authored, created, developed or invented by me during or as part of my employment or affiliation with BSHSI or an affiliate of BSHSI, including but without limitation, Inventions, Works of Authorship, Trademarks, and Confidential Information (all as defined in the Policy), subject to and in accordance with the IP Policy.

SIGNATURE _____

DATE: _____

TELEPHONE NUMBER: _____

E-MAIL: _____