

INTELLECTUAL PROPERTY REVIEW COMMITTEE

A. Policy Statement

An Intellectual Property Review Committee shall be established. The members of the Committee shall be appointed by the _____ subject to approval of the _____. The Committee will be made up of at least three members including one or more technical managers, one or more marketing managers, and the patent counsel for the company.

The Committee is charged with responsibility for the company's patent program and shall have the authority to make expenditures subject to the company's corporate policy. It has the following principal duties:

1. To stimulate the disclosure of inventions by employees whether patentable or not.
2. To monitor research programs to assure that inventions are properly disclosed.
3. To review individual invention disclosures and to evaluate each invention disclosure on the basis of what benefit the company might reasonably obtain from a patent covering the invention.
4. To classify each disclosure in order of importance.
5. To determine whether U.S. patents should be sought.
6. To determine whether corresponding foreign patents should be sought.
7. To determine whether issued patents, both U.S. and foreign, shall be maintained.
8. To provide technical and marketing information to the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer on infringement matters.
9. To monitor and implement the patent award program.

B. Meetings

The Committee shall meet every quarter or more often if required.

Inventors whose ideas are being evaluated are not required to attend the meetings, but should be available during the meetings in the event a question arises regarding their invention.

C. Intellectual Property Review Committee Coordinator

One member of the Intellectual Property Review Committee shall serve as Coordinator and shall be responsible for receiving the invention disclosures and for setting the agenda prior to each meeting. Although the Coordinator has the responsibility of obtaining the invention disclosures prior to the meetings, it is the responsibility of each technical manager to direct the disclosure of inventions and the preparation of invention disclosure forms for the research being conducted in his or her group. The Coordinator is: _____.

In addition to the foregoing, the Coordinator shall be responsible for the tasks that are described in more detail below, as well as other tasks that the Committee may deem necessary:

1. To procure, disburse, and maintain all laboratory notebooks.
2. To receive all invention disclosures including maintaining the Invention Disclosure Status Report.
3. To prepare and maintain the agenda for each Intellectual Property Review Committee meeting.
4. To prepare and maintain the minutes of each Intellectual Property Review Committee meeting.
5. To implement the patent award program including tracking the milestones achieved by each inventor, scheduling the patent award ceremony, and preparing the awards for presentation at the patent award ceremony.
6. To receive all outside invention disclosures and to respond to each outside inventor.
7. To communicate with Patent Counsel regarding all outstanding patent matters excluding matters of infringement and litigation.

D. Patent Counsel

The preparation of patent applications, trademark applications and copyright applications requires the understanding of patent, trademark and copyright laws, as well as the technical aspects of an invention. For this reason, the company retains outside intellectual property attorneys who provide patentability and clearance opinions, prepare patent, trademark and copyright applications, provide advice regarding enforcement and infringement matters, and represent the company in litigation. The outside Patent Counsel for the company is _____.

E. Reporting of Inventions and Monitoring

Disclosure of each invention conceived by an employee shall be reported to the Intellectual Property Review Committee Coordinator. The Coordinator shall record each invention disclosure in an Invention Disclosure Status Report. The Status Report shall include an entry for each submitted invention disclosure that contains a unique identifier, the title of the invention, the date the invention disclosure was received by the Coordinator, and the names of all inventors.

Each invention disclosure shall be prepared and submitted on the company's standard Invention Disclosure Form.

Research reports and results shall be reviewed periodically by a designated member of the Intellectual Property Review Committee to ensure that all inventions have been reported. In addition, such member shall periodically visit with project managers to discuss the projects and any patentable inventions of the projects. At this time, the member may also review the patent notebooks to ensure that they are being properly utilized. [NOTE: The most appropriate person for this task may be the technical manager member(s) of the Intellectual Property Review Committee]

F. Agendas

One week before each meeting, there shall be distributed to each member an agenda listing the invention disclosures to be reviewed, including a copy of the invention disclosure, and other business to be conducted.

G. Invention Disclosure Review

Each invention disclosure shall be reviewed at the meeting following its submission.

H. Considerations in Evaluating Disclosures

The Intellectual Property Review Committee will evaluate each invention disclosure on the agenda and will decide whether the company wishes to pursue patent protection or other forms of protection on the invention that is the subject of the invention disclosure. The Committee may also decide to reevaluate the invention disclosure at a later meeting(s). An Invention Disclosure Evaluation Form shall be completed by each member of the Committee when evaluating an invention disclosure. After a decision is made by the Intellectual Property Review Committee regarding an invention disclosure, the completed evaluation forms shall be discarded.

Evaluation of the invention disclosure shall be based on the criteria as defined by the Invention Disclosure Evaluation Form. Decisions regarding whether to seek intellectual property protection for an invention shall be made by considering the company's defined intellectual property strategy.

I. Voting

During the Intellectual Property Review Committee meetings, the members shall discuss each agenda item. After discussion of each agenda item, the members of the Committee shall vote on the matter under consideration. A majority vote is required for reaching a decision on each agenda item.

J. Intellectual Property Review Committee Minutes

The decisions of the Intellectual Property Review Committee at each meeting shall be recorded in the Intellectual Property Review Committee minutes. The minutes shall record each agenda item that was discussed at the meeting and the decision reached by the Committee. A draft of the minutes shall be distributed to each Committee member for comments. The final version of the minutes shall be kept and maintained by the Coordinator.

K. Defensive Publication

In certain circumstances, the Committee may decide not to file a patent application for an invention disclosure. However, it may be in the company's best interest to publicly publish the invention in order to prevent third parties from patenting the invention or utilizing the invention in a competitor's product. In this circumstance, the Committee shall assist the inventor in publishing the invention in an appropriate trade journal or other public document. An alternative means of publishing the invention is to post the invention on the company's web site. Another means of publishing the invention is to post it on the Internet web site <http://www.ip.com>.

L. Intellectual Property Review Committee Decision

The decision of the Committee with regard to each invention disclosure shall be communicated to the respective inventor(s) promptly after the decision is made.

The Patent Counsel will prepare and file patent applications for each approved invention disclosure. During the prosecution of the patent application, the Patent Counsel shall keep the Committee informed of the status of the patent application.

M. Correspondence and Legal Documents

The Patent Counsel will send the Coordinator a copy of all correspondence sent to, and received from, the Patent and Trademark Office for each patent application.

All original U.S. patents and originally executed assignment documents shall be forwarded to the company's _____ Officer and shall be retained in the company's corporate files.

N. Patent Awards

The company shall award each inventor for each invention disclosure that is approved

by the Committee for seeking intellectual property protection, including patent protection, trade secret protection and defensive publication. All awards are net of taxes.

The award structure for inventions where patent protection is sought is based upon the completion of the following milestones in the patenting process:

1. Upon Committee approval of the invention disclosure for patent protection, a cash award of \$_____ will be awarded to each inventor.
2. Upon filing of the patent application with the Patent and Trademark Office, an additional cash award of \$_____ will be awarded to each inventor.
3. At the issuance of the patent, an additional cash award of \$_____ will be awarded to each inventor named on the patent. In addition, each inventor will receive a plaque.
4. A special award will be awarded to each inventor who has had five patent applications filed in the Patent Office within a five year period. This special award is in addition to any other awards and shall be \$_____.

The award structure for inventions where trade secret protection or a defensive publication is sought shall be \$_____.

The Committee shall monitor the occurrence of each milestone and shall initiate the payment of the appropriate award. The Committee shall ensure that each inventor receives his/her award at an appropriate patent award ceremony.

O. Patent Award Ceremony

Periodically, the Committee shall schedule a patent award ceremony to recognize the company's inventors. At the patent award ceremony, each inventor who has achieved one of the aforementioned milestones shall be recognized for their achievement and awarded with the appropriate cash award and/or plaque.