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North Carolina's laws are stated in the North Carolina General Statutes (NCGS). The University of North Carolina system is controlled by "Chapter 116: Higher Education" of the NCGS. All of the statutes I refer to below can be found at

http://www.ncleg.net/enactedlegislation/statutes/html/bychapter/chapter_116.html.

Section 116-3 designates a "Board of Governors of the University of North Carolina" and grants that Board a number of powers, such as the power to receive money and to spend money on the UNC system. Membership in the Board of Governors is determined by Sections 116-5 and 116-6.

Section 116-11(2) says in part that: "The Board of Governors shall be responsible for the general determination, control, supervision, management and governance of all affairs of the constituent institutions. For this purpose the Board may adopt such policies and regulations as it may deem wise." This means that State has given the Board of Governors the ability to set policies and to control "all affairs" of the constituent institutions (UNC Charlotte is a constituent institution – it is listed as one of them in Section 116-4).

That's all that is necessary on the legal end – the state has established a body (the Board of Governors) and given that Board the power to control and to set policy for the various schools in the UNC system, including UNC Charlotte.

The Board of Governors then established Policy 500.2, which can be accessed at <http://intranet.northcarolina.edu/docs/legal/policymanual/500.2.pdf>. Section IV of the policy states that "The patent and copyright policies of the University of North Carolina, as amended from time to time, shall be deemed to be a part of the conditions of employment of every employee of each constituent institution, including student employees, and of the conditions of enrollment and attendance by every student at each constituent institution." In other words, if you want to be a student at any school in the UNC system then one of the conditions of your enrollment is that this policy applies to you.

Section IV also states that "With the exception of "Inventions made on Own Time," hereinafter defined, every invention or discovery or part thereof that results from research or other activities carried out at a constituent institution, or that is developed with the aid of the institution's facilities, staff, or through funds administered by the constituent institution, shall be the property of the constituent institution and, as a condition of employment or enrollment and attendance, shall be assigned by the University inventor to the constituent institution in a manner determined by the constituent institution in accordance with these policies." In other words, if an invention results from activities at UNC Charlotte, or is developed using UNC Charlotte's facilities, staff,

or any funds from UNC Charlotte, then that invention shall be assigned to the university. I checked with our General Counsel on this point and asked if there is not some minimal level of use of university resources that won't trigger this clause. He said that there is no such minimal level of use – if the students use our library, our computers, our blackboards, or our pencils in making an invention, then we own the invention. The only exception is for “Inventions made on Own Time.” These are defined later in Section IV. It's a long section but the important part is the first sentence: “Inventions or discoveries made by University personnel or students entirely on their personal time and not involving the use of University facilities or materials are the property of the inventor except in case of conflict with any applicable agreement between the institution and the federal or state government or agency thereof.” The last part means that the university can enter into agreements with federal or state governments that specify that the student owns any invention. I have not seen any such agreements and I think that they are probably very rare. The policy also says “Personnel or students who claim that inventions are made on personal time have the responsibility to demonstrate that inventions so claimed are invented on personal time.” In other words, the student has the burden of proving that an invention was made on personal time and did not involve the use of university facilities or property. If the student cannot demonstrate this, then the university owns the invention. Even in this case the student must disclose the invention to the university; the policy states that “All such inventions shall be disclosed in accordance with the institutions' disclosure procedures applicable to inventions made on University time or with the use of University facilities, materials or equipment, and shall demonstrate the basis of the inventor's claim that only personal time was utilized.” Once it has been demonstrated that the invention was made on personal time, the university will give the student a formal acknowledgement that the student owns the invention.

Upshot: If a student comes up with an invention that results from “research or other activities carried out” at UNC Charlotte or with the aid of university facilities or staff or using any university funds, then the university owns the invention. These different conditions are connected by the word “or” – if any one of them applies, then the university owns the invention.

Please point out that this isn't all bad. If the university chooses to patent the invention, we pay for the patent (which would normally cost the inventor personally around \$20,000). If we don't choose to patent it ourselves the inventor can ask us to assign it back to him or her and we will usually do so (note that if the invention resulted from federally funded research we would need to get permission from the funding agency before we could give the invention back to the inventor). If we are able to get someone to license the invention, the inventor gets a share (starting at 50% and going down to 25%) of any net income the university receives. The student will have a difficult time ever finding someone who will give them a better deal than this.