

Policies of the University of North Texas Health Science Center	Chapter 08 Intellectual Property, Technology Transfer, Equity Development
08.101 Intellectual Property Policy ORB 003	

Policy Statement.

The University of North Texas Health Science Center (UNTHSC) recognizes that Intellectual Property will at times develop from the scholarly activities of administrators, faculty, staff, postdoctoral fellows, interns, residents and students. It is not the policy of UNTHSC to encourage the development of Intellectual Property at the expense of other scholarly or academic pursuits. However, the institution also recognizes that in some instances, the development of Intellectual Property and the benefits derived from it, monetary revenues, equities and economic activity, are consistent with the goals of the institution and the public good. The goal of UNTHSC's Intellectual Property Policy is to promote the progress of basic and clinical science and the development of the institution and faculty through the provisions of an established policy. Patents, copyrights, and technology transfer provide a means for developing and using Inventions and Creations. This policy has been developed to ensure that those creative developments in which UNTHSC holds an interest will be used in a manner most likely to benefit the public, but at the same time, provide benefits to those faculty, staff, post-doctoral fellows, interns, residents, and students who invent and create. The institution recognizes that the benefits and value gained from Inventions and innovations are not limited to direct financial or monetary revenues, but may exist as Equity, options, stock or similar instruments. It is also recognized that such instruments of Equity may have an intangible value when issued, and the efforts of the Inventors, the institution and licensees may be required to develop value prior to commercialization and marketing. UNTHSC may desire to participate in such activities to ensure maximized potential benefits to UNTHSC and the UNTHSC Personnel. This may include the encouragement of the institution and UNTHSC Personnel to participate in both Equity and management of businesses that utilize and/or license institutionally developed technology.

Application of Policy.

The Intellectual Property Policy of the University of North Texas Health Science Center at Fort Worth establishes certain criteria for the guidance of administrators, faculty, staff and students concerning the development, use, ownership, management, and marketing of Intellectual Property as defined herein. The policies that follow shall apply to all persons associated with UNTHSC, including but not limited to administrators, faculty, staff, postdoctoral fellows, interns, residents, and students, both full- and part-time, both basic science and clinical, and paid or unpaid.

These policies apply to, but are not limited to, any scientific and technological development including Inventions, Creations, discoveries, technology, trade secrets, or developments, that arise from the activities of these individuals whether patentable or

not, and any works of authorship of these individuals whether copyrighted or not. The review procedures in the Intellectual Property Policy are intended to encourage the broad utilization of the results of research and clinical practice carried out at UNTHSC, not only by other scholars through free exchange of information and publication, but also in practical application for the benefit of UNTHSC, administration, the faculty, staff, post-doctoral fellows, interns, residents, students, and the public. By identifying the rights of UNTHSC, its administration, faculty, staff, post-doctoral fellows, interns, residents, and students, and external research sponsors, the intent of this policy is to enhance (1) the research mission of UNTHSC, (2) provide rewards to its administrators, faculty, staff, post-doctoral fellows, interns, residents and students who participate in scholarly activity, (3) promote the economic welfare of the State, and (4) protect the traditions of academic freedom and the open dissemination of research findings.

This Intellectual Property Policy, as amended, shall be part of the conditions of employment and/or continued employment of all UNTHSC administrators, faculty, staff, post-doctoral fellows, interns, or residents, and shall be part of the conditions of enrollment and/or continued enrollment of UNTHSC students. All UNTHSC Personnel are subject to any changes to this policy made subsequent to employment or enrollment. This policy is subject to amendment by the Board of Regents without prior notice.

This document supercedes all previous UNTHSC Intellectual Property Policy statements.

Definitions.

As used in the Intellectual Property Policy, the following terms have the meanings indicated:

1. **Center** - an authorized Center for Technology Development and Transfer as defined in Texas Education Code Section 153.001(1).
2. **Creations** - Original works of authorship fixed in any tangible medium of expression.
3. **Creators** - All UNTHSC Personnel who have authored original works of authorship fixed in any tangible medium of expression.
4. **Disclosure** - A reporting of the existence of an Invention and/or written or recorded Creation to UNTHSC officials.
5. **Equity** - Shares of corporate, or limited liability business, or partnership, stock, options for such instruments of ownership or similar instruments.
6. **Fund for Development of Intellectual Property** – An account retaining UNTHSC's share of revenues from proceeds of Intellectual Property activities. This fund will be used to promote development of Intellectual Property and to support appropriate activities of OTDC.
7. **Intellectual Property** - All Inventions and Creations.
8. **Inventions** - All know-how, trade secrets, innovations, findings, discoveries, computer implemented algorithms, computer hardware, formulations, apparatus, compositions, methods, uses, products, improvements thereof or combinations thereof, whether patented or not, licensed or not at any time under the applicable law as now existing or later amended or supplemented.

9. **Inventor** - UNTHSC Personnel, who under applicable law, are properly named Inventors of an Invention.
10. **Office of Technology Development and Commercialization (OTDC)** – The UNTHSC department responsible for the management, protection, and commercial promotion of Intellectual Property, reporting directly to the Vice President of Research.
11. **Originator** - An Inventor and/or Creator.
12. **UNTHSC Personnel** - All full- and part-time paid and unpaid administrators, faculty, staff, students, post-doctoral fellows, interns or residents.
13. **Intellectual Property Categories for Inventions**

It is clear that several types of Inventions may be attributed to UNTHSC Personnel. This policy recognizes four such categories and establishes the following guidelines with regard to each:

Category 1 - *Inventions from Independent Work by UNTHSC Personnel*

Inventions which result from activity by UNTHSC Personnel which have been performed independently of normal duties, and without any UNTHSC facilities, resources or support comprise Category 1. A determination by IPAC that an Invention falls in Category 1 indicates that the Originator:

1. received no direct or indirect financial aid from UNTHSC (other than regular salary);
2. used no facilities or supplies of UNTHSC; and
3. received no assistance from other UNTHSC Personnel or students, acting in the capacities of UNTHSC Personnel or students.

A determination by IPAC that an Invention falls in Category 1 also indicates that the Invention has not been evaluated, tested, used, or implemented in UNTHSC facilities including classrooms, laboratories, clinics, and offices.

Category 1 Inventions shall be the property of the individual and UNTHSC shall claim no property rights thereto. The Originator may offer ownership of the Invention resulting from independent work to UNTHSC by making a written request to OTDC, enclosing a copy of the Invention Disclosure and information regarding the stage of protection or commercialization the Invention has reached. OTDC will forward the Disclosure to IPAC and consult with IPAC about the Invention. After evaluation of the Invention, IPAC and OTDC together will make a recommendation to the Vice President of Research as to whether UNTHSC should accept the offer and attempt to protect and commercialize the Invention. The Originator will be notified of the decision of the Vice President of Research within a reasonable time. Terms and conditions for transfer of ownership to UNTHSC will be negotiated between OTDC and the Originator.

An example of a Category 1 Invention is a new and improved bicycle tire invented by a faculty member in biochemistry who happens to be an avid cyclist in his spare

time. The work was done in a home workshop and he was assisted by his teenage daughter. No funds or facilities of UNTHSC were used.

Category 2 - *Inventions from Sponsored Research by UNTHSC Personnel*

Inventions by UNTHSC Personnel arising from research sponsored by a non-Health Science Center agency, private or governmental, through an agreement with UNTHSC, shall be the property of UNTHSC, subject to other agreement with the sponsor provided that such agreement is consistent with all applicable laws, policies, procedures, and guidelines. This category includes Inventions that arise from research under grants or contracts with:

- agencies of the Government of the United States, or the State of Texas;
- non-profit entities;
- for-profit entities; or
- private donors.

In each of these cases, the research shall be carried out under a written grant or contract which states explicitly the rights to Intellectual Property that may result, and which has been reviewed and approved by OTDC and the Office of Legal Affairs in accordance with UNTHSC policy.

An example of a Category 2 Invention is a novel compound isolated by a faculty member in biochemistry and discovered to be effective at inhibiting cancer cell growth. The research resulting in the discovery was funded by a NIH grant and experiments were conducted at UNTHSC using facilities and resources at UNTHSC.

Category 3 - *Inventions from Research Sponsored by UNTHSC*

Inventions from Research sponsored by UNTHSC itself, either directly or indirectly, shall be the property of UNTHSC. This includes Inventions which might arise from any activity within the regular scope of one's employment, including thesis and dissertation work, as well as special research projects sponsored by UNTHSC research programs, including intramural research programs, inter-institutional seed grant programs, and programs funded by Intellectual Property revenue.

An example of a Category 3 Invention is a novel compound isolated by a faculty member in biochemistry and discovered to be effective at inhibiting cancer cell growth. The research resulting in the discovery was funded by an UNTHSC intramural research program grant and experiments were conducted at UNTHSC using facilities and resources at UNTHSC.

Category 4 - *Inventions from Work Commissioned by UNTHSC*

Inventions which arise from work commissioned by UNTHSC and not classified as Category 1, 2 or 3 Inventions shall be exclusively owned by UNTHSC. UNTHSC shall have the sole right to determine disposition of the Invention.

14. **Intellectual Property Categories for Creations**

UNTHSC encourages the preparation and publication of Creations that result from teaching, research, scholarly and artistic endeavors by members of the faculty, staff and student body. Authors shall be permitted maximum freedom with respect to their Creations, consistent with their obligations to UNTHSC.

Creations may be created under a variety of circumstances and conditions which impact the ownership and subsequent management thereof. It is clear that several types of Creations may be attributed to UNTHSC Personnel. This policy recognizes five such categories and establishes the following guidelines with regard to each:

Category 1 - *Creations from Independent Work by UNTHSC Personnel*

Creations developed as a result of the individual's efforts on his own time and/or without the use of any UNTHSC facilities, resources or support and outside the scope of the individual's regular employment with UNTHSC, are the exclusive property of the Creator and UNTHSC has no claim to any revenues which may accrue from the commercial disposition of the Creations.

A determination by IPAC that a Creation falls in Category 1 indicates that the Creator:

1. received no direct or indirect financial aid from UNTHSC (other than regular salary),
2. used no facilities or supplies of UNTHSC, and
3. received no assistance from other UNTHSC Personnel or students, acting in the capacities of UNTHSC Personnel or students.

A determination by IPAC that a Creation falls in Category 1 also indicates that the Creation has not been evaluated, tested, used, or implemented in UNTHSC facilities including classrooms, laboratories, clinics, and offices.

An example of a Category 1 Creation is a children's book written by a faculty member during weekends.

Category 2 – *Scholarly works*

In keeping with academic tradition, and except to the extent required by the terms of any funding agreement, UNTHSC does not claim ownership to pedagogical, scholarly or artistic works created by a faculty member in their capacity as faculty members at UNTHSC, regardless of their form of expression. Such works include but are not limited to faculty-prepared works such as textbooks, course materials and refereed literature. Such works include those of students created in the course of their education, such as dissertations, papers and journal articles. Creations developed with the intended purpose of disseminating the results of academic, basic or clinical research or other scholarly study, will be exclusively owned by the Creator.

UNTHSC shall make no claim to any revenues which may accrue from the commercial disposition of Category 2 Creations.

UNTHSC recognizes and affirms the traditional academic freedom of its faculty and staff to publish pedagogical, scholarly or artistic works without restriction. In keeping with this philosophy, UNTHSC will not construe the provision of offices, library facilities, or computers as constituting significant use of UNTHSC resources, except for those instances where the resources were furnished specifically to support the development of such Creations.

Category 3 - Creations Developed with Significant Use of UNTHSC Resources

Creations that are not works for hire but are works that are developed and enabled with integral and significant use of UNTHSC funds, support personnel, space, hardware, or facilities, where use was essential and substantial rather than incidental, shall be jointly owned by the Creators and UNTHSC.

Category 4 - Creations from Work Commissioned by UNTHSC

Creations which arise from work commissioned by UNTHSC and not classified as Category 1, 2 or 3 Creations, will be exclusively owned by UNTHSC. Regardless of the commercial disposition of the Creation, UNTHSC will retain a paid-up, royalty-free, perpetual, non-exclusive license to use the Creation and all derivative works for academic research and educational purposes. Work Commissioned by UNTHSC will include work created for institutional purposes in the course of the creators' employment, including but not limited to simultaneous or sequential contributions over time by numerous faculty, staff or students. For instance, work assigned to programmers is Work Commissioned by UNTHSC or "work for hire" as defined by law, as is software developed for UNTHSC for UNTHSC purposes by staff working collaboratively. Brochures, training programs, CD-ROMs, videos, and manuals for which staff members are hired to develop are other examples of Work Commissioned by UNTHSC, or work for hire.

Category 5 – Invention Software

Software for an Invention that is a computer-implemented invention, which Invention is an Invention of **Category 2, 3, or 4**, shall be exclusively owned by UNTHSC. Regardless of the commercial disposition of the Invention or software, UNTHSC will retain a paid-up, royalty-free, perpetual, non-exclusive license to use the Invention or software and all derivative works for academic research and educational purposes.

Procedures and Responsibilities.

Procedure / Duty

Responsible Party

1. **DISCLOSURE OF INTELLECTUAL PROPERTY**

UNTHSC Personnel;
OTDC

Before Intellectual Property subject to ownership by UNTHSC is disclosed to any party outside UNTHSC, to the public generally, or for commercial purposes, and before publishing same, any Intellectual Property shall be promptly and completely reported by the Originator(s) in writing to UNTHSC on the form provided by UNTHSC. The disclosure should be made within a reasonable time, normally within 30 (thirty) days of the discovery or the date the Originator(s) becomes aware of the Invention or completes the Creation, to the Office of Technology Development and Commercialization (OTDC). If more than one individual participated in the discovery or development, all shall sign the written Disclosure. When received by OTDC, the written Disclosure shall be recorded in a permanent format and thereafter maintained in the official records of OTDC. Disclosures received by OTDC will be forwarded to the IPAC Chair and membership.

2. **INSTITUTIONAL REVIEW OF INTELLECTUAL PROPERTY**

UNTHSC Personnel;
OTDC; Vice
President, Research;
President; IPAC

A. Intellectual Property Advisory Committee (IPAC)

- Organization - IPAC shall be appointed as provided by the Faculty Bylaws of UNTHSC and shall perform the activities described therein.
- Determinations by IPAC
IPAC shall make determinations regarding:
- The assignment of Intellectual Property to UNTHSC under the provisions of this policy;
- The extent to which Intellectual Property was developed by UNTHSC Personnel or others when performing their duties of employment or through their substantial use of facilities or funds provided by the Institution;
- The response to an Originator's written request of UNTHSC to release its right to a particular Intellectual Property to the Originator;
- The extent to which more than one individual is entitled to rights in any Intellectual Property;
- The sharing of revenues and Equity participation by the Originator(s) and UNTHSC; and
- The UNTHSC Intellectual Property policy.

- IPAC will also provide assistance to OTDC by evaluating Disclosures and making recommendations about technology development and commercialization.

B. Action by IPAC

IPAC shall promptly consider all Disclosures of Intellectual Property and requests for a determination of ownership and rights and shall make a determination in a reasonable amount of time. The Originator is expected to appear before IPAC to briefly describe the Intellectual Property and to answer questions IPAC might have about the Disclosure. Thereafter, IPAC will deliberate and make a requisite determination on the disposition of the Intellectual Property. Written notice of this determination shall be provided to the Originator and copied to the Vice President of Research, and the appropriate department chairman or unit head. Such written notice shall state the findings of IPAC as well as the reasons for its determination. The Originator(s) will work closely with OTDC and any organization to which UNTHSC assigns rights in pursuing protection for Intellectual Property, as well as pursuit of marketing by licensing or otherwise. The Originator(s) shall furnish additional information and further records as needed from time to time to facilitate protecting and commercializing Intellectual Property.

In the rare instance where delay would jeopardize obtaining the appropriate protection for the Intellectual Property, the OTDC may, with the approval of the Chairman of IPAC or the Vice President of Research, take appropriate steps to obtain protection prior to IPAC and administrative review. If the request is granted, OTDC may proceed with the filing of an application to protect the Intellectual Property, pending the routine determinations of IPAC.

C. Appeal of the Determination

If an Originator or other party with an interest in the Intellectual Property, do not agree with the determination of IPAC, they may appeal in writing within thirty (30) days of receiving notification of the determination to the Vice President of Research. The

determination of the Vice President of Research will be communicated to the Originator or other party within a reasonable amount of time, generally thirty (30) days.

If an Originator or other party with an interest in the Intellectual Property do not agree with the determination of the Vice President of Research, they may appeal in writing within ten (10) days of receiving notification from the determination of the Vice President of Research, to the President of UNTHSC. The decision of the President will be communicated to the Originator or other party within a reasonable amount of time, generally thirty (30) days. The President's decision will be final.

D. Responsibility for Authorizing Protection and Commercialization of Intellectual Property

The Vice President of Research, or his/her designee, will be responsible for authorizing protection and commercialization of Intellectual Property owned by UNTHSC under this policy. All Intellectual Property shall be reported to the Board of Regents in the form of an annual report by OTDC. Technology commercialization shall be undertaken by OTDC according to state law and UNTHSC policies, procedures and guidelines including this Intellectual Property Policy and the Technology Transfer Policy.

3. UNTHSC Intellectual Property development

A. General

It shall be mandatory for all employees, academic and nonacademic, to assign the rights to Intellectual Property to UNTHSC when such Intellectual Property is determined by IPAC to be subject to UNTHSC ownership. Any written document which reflects ownership will state that UNTHSC is the owner and assignee of the Intellectual Property and the Originator is the Inventor or Creator.

UNTHSC Personnel;
OTDC, President,
Office of General
Counsel, IPAC, Vice
President, Research,
Heads of UNTHSC
Departments and
Service Centers

Intellectual Property resulting from research supported by a grant or contract with the federal government, or an agency thereof, with a nonprofit or for profit nongovernmental entity, or by a private gift or grant to UNTHSC shall be subject to ownership by UNTHSC.

Administrative approval of application requests to, and acceptance of grants or contracts with, the federal government or any agency thereof, with a nonprofit or for profit nongovernmental entity, or a private donor that contain provisions that are inconsistent with this policy, or other policies and guidelines adopted by UNTHSC from time to time imply a decision that the value to UNTHSC of receiving the grant or performing the contract outweighs the impact of any nonconforming provisions of the grant or contract on the Intellectual Property policies and guidelines of UNTHSC.

Employees of UNTHSC whose Intellectual Property results from a grant or contract with the federal government, or any agency thereof, with a nonprofit or for profit nongovernmental entity, or by private gift to UNTHSC shall make such assignment of such Intellectual Property as is necessary in each case in order that UNTHSC may discharge its obligation, expressed or implied, under the particular agreement.

A decision by UNTHSC to seek patent or other available protection for Intellectual Property shall not obligate UNTHSC to pursue such protection in all national jurisdictions. UNTHSC 's decision relating to the geographical scope and duration of such protection shall be final.

The appropriate actions required to manage, protect, promote, commercialize, or otherwise exploit Intellectual Property subject to ownership by UNTHSC shall be determined and conducted by OTDC, acting as an authorized Center for Technology Development and Transfer as defined in Texas Education Code Section 153.001(1). As a Center, OTDC may perform the activities set forth in Texas Education Code Sections 153.004(1), (2), (3), and (4) and Section 153.006 in accordance with the Intellectual Property policy, and all other relevant UNTHSC policies. OTDC may also engage in activities set forth in Texas Education Code Sections 153.004(5), (6), (7), and (8) in accordance with the UNTHSC Intellectual Property policy, and all other relevant UNTHSC policies, provided, however, that institutional ownership interests in such entities established and operated pursuant to Section

153.004(7) shall belong to UNTHSC.

In the event that OTDC elects not to protect, promote, commercialize, or otherwise exploit Intellectual Property subject to ownership by UNTSHC, the President may elect to release Intellectual Property to its Originator, upon written request of OTDC by the Originator. Such release will be subject to the following provisions.

1. UNTHSC shall retain a perpetual, royalty-free license to use the Intellectual Property for research, education, and service purposes.
2. UNTHSC shall be reimbursed for documented patent and copyright expenses associated with the Intellectual Property.
3. Neither the facilities nor the resources of UNTHSC may be used to further develop or commercialize the Intellectual Property except as the President may approve where UNTHSC retains an interest under the terms of the release.
4. UNTHSC shall receive a share of all proceeds generated from commercialization of the Intellectual Property, the amount of such share to be negotiated by OTDC and the Originator prior to the time of release.

The University of North Texas System Office of Vice Chancellor and General Counsel will assist UNTHSC and OTDC with all legal matters relating to Intellectual Property. On behalf of UNTHSC and OTDC, the University of North Texas System Office of Vice Chancellor and General Counsel in collaboration with UNTHSC and OTDC may enter into contracts for legal services with a competent lawyer or law firm to:

- prepare, file, pursue, and maintain patent applications in the United States or foreign jurisdictions;
- secure copyright protection;
- prepare, file and pursue trademark and service mark applications;
- pursue litigation to prevent or stop infringement of any UNTHSC Intellectual Property rights; or

- handle any other legal matters related to Intellectual Property.

Such contracts shall be entered into in accordance with the requirements of the University of North Texas System Contracts and Agreements Policy and UNTHSC policy.

B. Revenue Participation

All revenues, other than equity, resulting from the commercialization of Intellectual Property owned by UNTHSC shall be distributed as follows:

- All appropriately documented patent, copyright, and licensing expenditures by UNTHSC, shall be recovered first. The amount of such recovery shall be determined by OTDC;
- Intellectual Property resulting from work not commissioned by UNTHSC: Following the reimbursement of costs, fifty percent (50%) of net proceeds are allocated to the Originator and fifty percent (50%) to UNTHSC;
- Intellectual Property resulting from work commissioned by UNTHSC: Following the reimbursement of costs, zero percent (0%) of net proceeds are allocated to the Originator and one hundred percent (100%) to UNTHSC.
- In cases of multiple Originators, the Originators' share of revenue shall be divided among the Co-Originators in a ratio as they shall mutually agree at the time of executing the formal assignment of the Intellectual Property to UNTHSC. Should the Originators fail to agree on the proportions of a division, the Originators' share of revenues shall be recommended by IPAC to the Vice President of Research for final approval.

C. Allocation of UNTHSC Revenues

The allocation of UNTHSC revenues is intended as an incentive to reward the person(s) responsible for the development of the Intellectual Property and their respective departments. UNTHSC's 50% share of net revenues from Intellectual Property resulting from work not commissioned by UNTHSC will be allocated as follows:

- Forty percent (40%) will be retained and used to promote the UNTHSC Fund for Development of Intellectual Property.
- Forty percent (40%) to the Originators' laboratory or research program, provided the Originator is employed at UNTHSC at the time of revenue allocation;
- Twenty percent (20%) to the Originators' department or service unit.
- UNTHSC's 100% share of net revenues from Intellectual Property resulting from work commissioned by UNTHSC will be allocated as follows:
 - Twenty percent (20%) will be retained and used to promote the UNTHSC Fund for Development of Intellectual Property;
 - Eighty percent (80%) to the UNTHSC unit (School, Department, Institute, etc.) that commissioned the work.

In cases of multiple UNTHSC departments or service units, their share of revenue shall be divided among the departments and/or service units in a ratio as they shall mutually agree at the time of executing formal assignment of the Intellectual Property to UNTHSC. Should the departments and/or service units fail to agree on the proportions of a division, the share of revenues shall be determined by the Vice President of Research. The decision by the Vice President of Research shall be final.

D. Equity Participation.

In agreements with business entities relating to rights in Intellectual Property owned by UNTHSC, UNTHSC may receive Equity interests as partial or total compensation for the rights conveyed. In any such instance, UNTHSC may elect, at its option, to share an Equity interest with the Originator(s) in the same manner as revenues are shared pursuant to Section 1.104.3.B of this policy. UNTHSC may also accept Equity interests (Founder's Shares) in a business entity as consideration for UNTHSC's role in forming the business entity. UNTHSC shall retain all Founder's Shares received for its activities in the formation of a company. Proceeds from the sale

of Founders Shares shall be retained by OTDC and used to promote the UNTHSC Fund for Development of Intellectual Property.

Subject to this policy and other UNTHSC policies including policies 5.05, 5.06, and the Research Conflict of Interest Policy, employees of UNTHSC who conceive, create, discover, invent, or develop Intellectual Property may hold an Equity interest in a business entity that has an agreement with UNTHSC relating to the research, development, licensing, or exploitation of that Intellectual Property.

Any equity shared with the Originator as described in this section will be issued, by the purchaser, or licensee, as applicable, in the name of the Originator(s) or UNTHSC (as separate, definable legal entities).

Dividend income and income from the sale or disposition of Equity interests held by UNTHSC pursuant to agreements relating to Intellectual Property shall belong to UNTHSC and shall be distributed as follows:

From Intellectual Property resulting from work not commissioned by UNTHSC

- Forty percent (40%) will be retained and used to promote the UNTHSC Fund for Development of Intellectual Property;
 - Forty percent (40%) to the Originators' laboratory, research, or educational program, provided the Originator is employed at UNTHSC at the time of income allocation;
 - Twenty percent (20%) to the Originators' department or service unit;
- From Intellectual Property resulting from work commissioned by UNTHSC
- Twenty percent (20%) will be retained and used to promote the UNTHSC Fund for Development of Intellectual Property;
 - Eighty percent (80%) to the UNTHSC unit (School, Department, Institute, etc.) that commissioned the work.

In cases of multiple UNTHSC departments or service units, their share of equity income shall be divided among the departments and/or service units in a ratio as they shall mutually agree at the time of executing formal assignment of the Intellectual Property to UNTHSC. Should the departments and/or service units fail to agree on the proportions of a division, the share of equity income shall be determined by the Vice President of Research. The decision by the Vice President of Research shall be final.

Dividend income and income from the sale or disposition of an Equity interest (other than Founder's Shares) held by a UNTHSC employee pursuant to an agreement between UNTHSC and a business entity relating to rights in Intellectual Property conceived, created, discovered, invented, or developed by such employee shall belong to the employee.

UNTHSC does not act as a fiduciary for any person concerning Equity or other consideration received under the terms of this policy.

4. **BUSINESS PARTICIPATION**

Subject to UNTHSC policies, including Human Resources policies 05.505 and 05.506, and the Research Conflict of Interest Policy, as well as applicable state and federal statutes and regulations, UNTHSC permits business participation to further the development and commercialization of Intellectual Property discovered, developed and/or statutorily protected as the property of UNTHSC.

UNTHSC, Personnel,
President, Conflict of
Interest Committee

Any employee of UNTHSC who conceives, creates, discovers, invents or develops intellectual property may own or be awarded any amount of equity interest or participation in, or, if approved by the Board of Regents, serve, in his/her individual capacity, as a member of the board of directors or other governing board or as an officer or an employee (other than as a consultant) of, a business entity that has an agreement with UNTHSC relating to the research, development, licensing, or exploitation of that intellectual property only so long as the employee complies with the following:

- the activity is disclosed in writing to and approved by the

- President or the President's designee;
- the activity is reviewed and approved by the Conflict of Interest Committee;
- the activity is not a conflict of interest with any UNTHSC contractual arrangements with any business entity, including any detrimental to the fiscal status of UNTHSC;
- the employee agrees to report to the Conflict of Interest Committee any potential conflict of interest that arises; and
- the employee agrees to accept the determinations of the Conflict of Interest Committee, which may include terminating the business relationship or the relevant research.

Any employee covered by Section 4 of this policy shall report in writing to the president of UNTHSC, or to such other person as may be designated by the President, the name of any business entity in which the person has an interest or for which the person serves as a director, officer, or employee and shall be responsible for submitting a revised written report upon any change in the interest or position held by such person in such business entity. These reports shall be forwarded to the President by October 1 of each year for filing with the Board or Regents as required by Texas Education Code Section 51.912 and inclusion in the annual financial report sent to the State officials listed in Texas Education Code Section 51.005.

References and Cross-references.

Research Conflict of Interest Policy
HR Policies 05.505 and 05.506

Forms and Tools. (optional)

Approved: 01/05/06
Effective: **01/05/06**
Revised: