

**HISTORY OF THE UNIVERSITY OF TEXAS SYSTEM
INTELLECTUAL PROPERTY POLICIES AND GUIDELINES
1985 TO PRESENT**

Item No. 4	Date of BOR Meeting: 12/3/87	New Section Added: New Policy Regarding License Agreement with Private Entities
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SUMMARY OF REVISION: Approval of Policy & Guidelines Relating to IP License Agreement with Private Entities.

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U. T. System: Approval of Amendments to the Policy and Guidelines Relating to Intellectual Property License Agreements with Private Entities.--In order to comply with House Bill 1402 of the 70th Legislature, the Board amended The University of Texas System Policy and Guidelines Relating to Intellectual Property License Agreements with Private Entities to read as set out below:

PATENT AND TECHNOLOGY LICENSE AGREEMENTS

**POLICY AND GUIDELINES RELATING TO INTELLECTUAL
PROPERTY LICENSE AGREEMENTS WITH PRIVATE ENTITIES**

The Office of General Counsel shall develop a model license agreement for U. T. System intellectual property which agreement shall include, as a minimum, the guidelines set forth below. The model agreement shall be submitted to all potential licensees for U. T. System intellectual property and individuals involved in negotiation of license agreements shall endeavor to achieve utilization of the significant aspects of the model agreement for all licenses of intellectual property rights.

The following guidelines shall be applicable to license agreements with private entities including those formed primarily for the purpose of developing and/or commercializing intellectual property created at a U. T. System component institution:

- a. No entity shall be granted the exclusive right to the development and/or commercialization of all intellectual property created at a U. T. System component institution. Agreements should grant rights only on a specific project basis.
- b. If an entity is granted the exclusive rights with respect to a particular invention, product, process or other item of intellectual property, the agreement should provide that such rights will revert to the U. T. Board of Regents in the event the entity fails to diligently develop and commercialize the property within a specified period of time that is appropriate to the particular circumstances.
- c. An entity that is granted exclusive rights to develop or commercialize intellectual property that is patentable should be required to reimburse the Board for all expenses

incurred by the Board in obtaining a patent or, if a patent has not been obtained, should be required to prosecute and bear the expense of obtaining patent protection for the benefit of the Board and, in either event, the entity should be required to take all actions necessary, including litigation, to protect and preserve such patented rights from infringement.

d. The U. T. System, the component institution, and the officers and employees of each should be protected and indemnified from all liability arising from the development, marketing, or use of the particular intellectual property.

e. Restrictions on use by the component institution for research and teaching purposes and the publication rights of researchers should be minimized.

f. If the entity fails to develop and commercialize the property, any additional technology or know-how discovered by the entity should be granted back to the U. T. Board of Regents so that another entity may be offered the right to develop and commercialize the entire technology package.

g. The entity should be required to comply with all applicable federal, state, and local laws and regulations, particularly those concerning biological materials and necessary testing and approval by the Federal Drug Administration.

h. The entity should be required to maintain confidentiality with regard to any unpatented technology or know-how.

i. An entity that grants a license or sublicense to some other entity for property or technology that is in whole or in part derived from or based on that which is licensed to the entity by the Board, should be required to share with the U. T. System: 50% of any royalty received by the entity and 50% of any equity position to which the entity may be entitled.

j. License agreements should contain such other provisions as may be determined to be in the best interest of the U. T. System by the Office of Asset Management and the Office of General Counsel.

k. License agreements are subject to the approval of the Board and normally shall be submitted as docket items.