

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

Item No. 14	Date of BOR Meeting: 5/13/99	Section Affected/New Section Added: Amendments to the Policy & Guidelines Sections
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**SUMMARY OF REVISION:** Amendments to the following policies to delete reference to the dissolved Office of Asset Management: Policy and Guidelines for Management and Marketing of Intellectual Property; and Policy and Guidelines for the Negotiation, Review and Approval of Sponsored Research Projects with Nonprofit and for Profit Nongovernmental Entities.

**POLICY AND GUIDELINES FOR MANAGEMENT AND  
MARKETING OF INTELLECTUAL PROPERTY**

The U. T. Board of Regents finds that intellectual property and technology created at the component institutions are valuable assets with potential for commercialization for the benefit of the citizens of the State, State government, the component institutions, and the U. T. System.

As a part of its **Handbook of Operating Procedures**, each component institution of the U. T. System shall adopt procedures for identifying, evaluating, and marketing intellectual property and technology created at the component institution:

- a. that are not already subject to an option or license pursuant to a sponsored research agreement;
- b. that have not been committed to an entity, including those formed for the primary purpose of development and commercialization of intellectual property created at the component institution; or
- c. the control of which has been regained by the U. T. System through reversion provisions contained in license agreements.

The intellectual property management and marketing procedures that are to be included in institutional **Handbooks of Operating Procedures** shall contain provisions that recognize and provide the opportunity for the creator and other knowledgeable institutional personnel to play a major role in marketing while making provision for appropriate involvement of the Office of General Counsel in the management and marketing of the assets of the Board.

In developing handbook procedures, consideration should be given to the utilization of the Center for Technology Development and Transfer at The University of Texas at Austin (established by Section 65.45, **Texas Education Code**) as a means of developing and marketing available intellectual property created at component institutions.

The Office of General Counsel shall continue to assist in marketing efforts through its activities, such as submitting available intellectual property and technology to appropriate computer data listing services, and to publications that reach prospective licensees.

On a selective basis, the Office of General Counsel with the concurrence of the component institution, may utilize the services of intellectual property marketing agencies pursuant to contractual agreements that have been approved by the Board.

Following review of all Regental policies by the Office of the Board of Regents for needed editorial updates, recommendations on individual policy revisions or a recommendation on delegation of authority to make needed nonsubstantive revisions will be presented to the Board at a future meeting.

**POLICY AND GUIDELINES FOR THE NEGOTIATION, REVIEW AND APPROVAL  
OF SPONSORED RESEARCH PROJECTS WITH NONPROFIT AND FOR PROFIT  
NONGOVERNMENTAL ENTITIES**

U. T. System component institutions and individual faculty are encouraged to use their best efforts to obtain sponsored funding for research projects from governmental agencies as well as nonprofit and for profit nongovernmental entities. Each component institution should establish an appropriate organizational structure to solicit sponsors for research projects and to negotiate appropriate agreements with such sponsors with the assistance of the Office of General Counsel as provided below.

While it is recognized that sponsored research agreements with governmental entities and some nonprofit entities are not normally subject to change through negotiation, the Office of General Counsel shall develop a model sponsored research agreement that the component institution shall submit to all other potential sponsors for research projects.

Additionally, in its **Handbook of Operating Procedures**, each U. T. System component institution shall devise a system for early identification of proposed sponsored research projects that: (a) have potential for significant research results that may be marketable; and (b) are being developed by sponsors who are unwilling to utilize the significant aspects of the model agreement. Review currently conducted by the Office of the Chancellor and the Office of the U. T. System Controller with regard to the appropriateness of any financial obligations on the part of the U. T. System or its component institutions will be continued and, in addition, all sponsored research agreements evolving from the early identification procedure shall be reviewed and approved by the Office of General Counsel prior to submission to the Board for approval in the institutional docket, if required. In order to facilitate such review and approval, the Office of General Counsel should be consulted at an early stage with regard to the negotiation of the terms that deviate from the model agreement. The Office of the Chancellor and the Office of General Counsel shall adopt procedures that ensure prompt review and response so that important research projects are not delayed by U. T. System Administration involvement.

It is particularly important that the following guidelines be adhered to if at all possible in sponsored research agreements with nonprofit and for profit nongovernmental entities:

- a. The U. T. Board of Regents should own the rights to all patentable discoveries, unpatentable technology, technical know-how, and other intellectual property that results from the research project.
- b. The sponsoring entity may have an option for either an exclusive or non-exclusive right to a license to develop and commercialize any intellectual property resulting from the project for a royalty in an amount to be negotiated.
- c. In the event the sponsor exercises the option for a license, it should be required to reimburse the Board for all expenses incurred with respect to a patent that has been secured on any patentable discovery or, in the event a patent has not been obtained, the sponsor should be required to bear the expense of securing patent protection for the benefit of the Board.
- d. The rights of researchers to publish scholarly work with respect to the research project should be restricted only to the extent necessary to protect the potential value of any discovery resulting from the research.
- e. The agreement should contain appropriate indemnification from the sponsor for all damage or liability that may result when a research project involves the use of materials, processes, or procedures that are furnished by or required by the sponsor to be used in such project and such damage or liability is not due to negligence of the persons performing the research.
- f. License agreements that result from the exercise of options in the sponsored research contracts do not require approval of the Board through the docket unless the license is with a foreign entity or for over \$500,000. All licenses should contain provisions for the reversion to the Board of all rights to the intellectual property if it is not developed and marketed in a timely manner.

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## **INFORMATIONAL REPORTS**

**U. T. System: Report Relating to Proposed Office of Intellectual Property,-** Executive Vice Chancellor for Business Affairs Burck reported that The University of Texas System is considering the establishment of an Office of Intellectual Property which would be available to assist component institutions for marketing, technology assessment, evaluation of business proposals, and finding investment capital for intellectual properties and investments. Mr. Burck said he would bring this item back to the Board during presentation of the operating budget.