CPI Meeting Agenda  
Wednesday, 12 April 2006  
11:30-13:15 — 230/231 MSC

(11:40 – 11:45) Call to Order/Opening Remarks:  
Tom Blasingame (Chair), David Russell (Chair-Elect), Jim Sacchettini (Past-Chair)

(11:45 – 12:05) New Parking Plan for Texas A&M — Joe Powell, Associate Vice President for Finance

(see VPR website (http://vpr.tamu.edu/IPC/) for periodic updates/data)

(12:15 – 12:45) Standing Committee Reports: (Moderated by Blasingame/Russell/Sacchettini)

VPR/TAMRF Reports:  
* (VPR) Compliance — Angelia Raines  
* (VPR) Undergraduate Research — Bob Webb  
* (VPR) Executive Overview — Jim Calvin  
* (TAMRF) Research Foundation — Mark Smock

TAMU Reports:  
* (TAMU) Legislative — Michael O'Quinn  
* (TAMU) Human Resources — Jill Pollock  
* (TAMU) Intl. Programs — Suzanne Droleskey  
* (TAMU) Intl. Services — Mario Rojo del Busto  
* (TAMU) Grad. Student Coun. — Jamie Rae Walker  
* (TAMU) Int. V.P. Diversity — Karan Watson

Reports From CPI Working Groups: (Moderated by Blasingame/Russell/Sacchettini)

Internal Working Groups: (CPI)  
* National Academies — B. Don Russell  
* Graduate Studies — Michael Weimer  
* Faculty Technology Pamphlet — Jim Sacchettini  
* Undergraduate Research — Bob Webb

University Advisory Councils:  
* Built Environment — Max Summers (informal)  
* Research Environment — Blasingame/Russell  
* Finance — (?)  
* Education — Rick Giardino (informal)

(12:45 – 13:00) Other Business/Open Discussion: (Moderated by Blasingame/Russell/Sacchettini)

* TAMUS IP/Commercialization Proposal (any other discussions?)  
* CPI Elections  
— COALS: 2 openings (Sacchettini-expired, and J. Chen left TAMU)  
— Vice-Chair nominations will be solicited in the next month.

(13:00) Adjournment

Attachments: (distributed electronically)

— DRAFT Minutes from 08 March 2006 CPI Meeting  
— DRAFT TAMU IP/Commercialization Proposal (08 March 2006)  
— Minutes from TAMU Transportation Construction Committee (07 March 2006) (most recent available)  
— Access to Majors Report (Undergraduate Task Force) (J. Strawser) (01 March 2006))  
— Proposed TAMU IP/Commercialization (all data) (various dates)

cc: (distributed electronically, with attachments)

— Dr. Robert M. Gates, President (Texas A&M University)  
— Dr. David M. Prior, Executive Vice-President and Provost (Texas A&M University)  
— College Deans, Administrative Heads, and Department Heads (Texas A&M University)  
— Dr. John Fike, Speaker of the Faculty Senate (Texas A&M University)  
— Dr. Howard Kaplan, Chair of the Distinguished Professors (Texas A&M University)  
— CPI Standing Committee Members
### CALL TO ORDER

The meeting of the Council of Principal Investigators was called to order at 11:35 a.m.

### AGENDA ITEM

**Research Foundation Electronic Grants Process - Mr. Mark Smock and Ms. Jane Zuber**

Ms. Jane Zuber and Mr. Mark Smock demonstrated the electronic grants process which is now available through the Research Foundation Web site.

Ms. Zuber stated that the federal government has been working on a standardized electronic method for announcing and accepting proposals to its funding agencies and have created a Web site for this purpose called Grants.gov. Current projections...
indicate that by October, 2007 all applications for federal grants will be submitted through Grants.gov.

She also said that there were some things for PIs to be aware of when submitting electronically. The grants.gov system is not compatible with Macintosh systems. Proposals may be submitted to the Research Foundation, in .pdf form, and the Research Foundation will process. Ms. Zuber warned that the electronic system is not faster; it actually takes more time to process a proposal. There are 260 possible errors that can prevent a proposal from being sent through to the granting agency.

She explained that Grants.gov is basically a “post office.” They send proposals to the granting agencies and those agencies look for the errors. To mitigate the impact of possible delays, the Research Foundation recommends that proposals be submitted at least 1 week prior to the funding agency’s deadline.

Ms. Zuber and Mr. Smock reiterated that the Research Foundation’s Web site provides important details about applying through them to Grants.gov and some of the obstacles that they have already overcome in submitting through them. They stated that the Web site contains valuable tips and checklists in addition to contact information for proposal administrators. The URL for the Research Foundation Web site is: http://rf-web.tamu.edu.

**Texas A&M University System IP/ Commercialization Proposal - Mr. Guy Diedrich**

Mr. Guy Diedrich, Vice Chancellor for Technology Commercialization, attended the meeting to discuss and clarify a recent Texas A&M University System
Intellectual Property and Commercialization proposal.

Diedrich explained that after his offices moved to the System they determined the need to change system guidelines so that their offices could function as an appropriately functioning body. Their mission remains the same; to pull technologies that have potential into market companies.

Looking at several university models throughout the nation, Diedrich’s office formed a system policy based on the best practices nationwide. He stated that there is no intention to control academic freedom, but that there is a need to protect intellectual property. If a discovery needs to be published, they are merely asking for time to protect this discovery before it goes public.

Mr. Diedrich also shared that Texas A&M is currently the only institution in Texas that is unable to take equity and create funds available for investment.

The System Technology and Commercialization office attempted to create an equity section and royalty scheme in this policy. This change was pulled from the Board of Regents agenda at the last minute because the incorrect channels were used. A minute order was signed by the Board of Regents chair that gave them more time to prepare a new policy.

This policy was then sent out for review, requesting feedback. The goal was to create a system policy to present to the Board of Regents at their next meeting.
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<th>VPR AND EXECUTIVE STAFF REPORTS:</th>
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<td><strong>INTERNATIONAL STUDENT ACTIVITIES UPDATE – DR. SUZANNE DROLESKEY</strong></td>
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- Ms. Cantrell stated that she is still working with the Research Foundation on reviewing cost issues for streamlining research administration. They are also looking into how to handle disallowances with the Research Foundation, TAES, TEES and finance.

- Dr. Droleskey announced that a temporary fix has been put in place for some TOEFL exam problems. All TOEFL exams must happen simultaneously around the world. Texas A&M typically gave 350 TOEFL exams per year and will now be limited to only 22. MARS is looking into becoming institutional to cover the demand.

**ADJOURNMENT**

The meeting adjourned at 1:15 p.m.
17.01 Intellectual Property Management and Commercialization

Proposed for Approval March __, 2006 (MO -06)

1. GENERAL POLICY STATEMENTS

1.1 Purpose

The Texas A&M University System (System), through its members, and faculty is committed to the development and utilization of new knowledge. The creative ideas, innovations, discoveries, concepts, processes, technologies and other intellectual properties developed by faculty members, scientists, and professional staff of the System are critical aspects of the teaching, research and service missions of the System and its members. The process of transferring these technologies to the public through commercialization is best achieved through the combined efforts of the System, its members and faculty. This policy applies equally to all System members.

The System has a responsibility for the advancement of scientific knowledge and creative work that enhances its educational, research and service missions and benefits the public it serves. The purpose of this policy is:

1.1.1 to encourage and facilitate the development and/or commercialization of intellectual property for the best interest of the public, the creator, the System, the member and the research sponsor, if any; and

1.1.2 to provide a mechanism for timely disclosure and protection of intellectual property; and

1.1.3 to allow employees of the System optimum academic freedom with respect to the method of disclosure and publication of their findings, consistent with their employment and/or other obligations under this policy or sponsored research; and

1.1.4 to provide a process for the protection of System intellectual property through patents, copyrights, trademarks, etc.; and

1.1.5 to provide a support structure for entities which wish to create strategic partnerships with the System and its members for the development of commercially viable technology; and

1.1.6 to ensure that the System and its members receive value on the investment of time and money in the commercialization of intellectual property; and

1.1.7 to establish the Office of Technology Commercialization (OTC) as a single point of contact for all matters relating to commercialization of intellectual property for the System.

1.2 Delegation of Authority
Chapter 153 of the Education Code authorizes institutions of higher education to engage in technology development and transfer activities under authority provided to governing boards by other State and Federal laws.

1.2.1 The Board of Regents delegates to the Chancellor, responsibility for the management of intellectual property subject to ownership by the System to include the authority to negotiate and execute, on behalf of the System, legal documents relating to the System’s rights in intellectual property, including, but not limited to, license agreements, letter agreements, option agreements, inter-institutional agreements, corporate agreements, applications, declarations, affidavits, powers of attorney, disclaimers, non-disclosures agreements and other such documents related to patents, copyrights, and trademarks and the formation of companies for the commercialization of System technologies.

1.2.2 The Chancellor may delegate to the Vice Chancellor for Technology Commercialization or with the prior approval of the Board, may delegate to another employee of the System Offices, the authority to negotiate and execute, on behalf of the System, legal documents relating to the System’s rights in intellectual property, including, but not limited to, license agreements, letter agreements, option agreements, inter-institutional agreements, corporate agreements, applications, declarations, affidavits, powers of attorney, disclaimers, non-disclosures agreements and other such documents related to patents, copyrights, and trademarks and the formation of companies for the commercialization of System technologies.

1.2.3 The Chancellor shall appoint an advisory committee representing System members, researchers and others to provide a forum for discussion of policies and procedures affecting intellectual property and to advise the Chancellor, Office of Technology Commercialization and CEOs regarding intellectual property matters.

1.3 Reporting Requirements

The Chancellor, or designee, will provide the Committee on Finance of the Board of Regents the following reports:

1.3.1 Annually, the Vice Chancellor for Technology Commercialization shall prepare for the Chancellor, the Board of Regents and the participating member CEOs a report listing the titles and a brief description of each disclosure received under Section 2.12 of this policy, since the last report.

1.3.2 The Vice Chancellor for Technology Commercialization shall prepare a semi-annual report on all license agreements and commercialization activities involving System intellectual property. The Vice Chancellor for Technology Commercialization shall present the semi-annual report to the advisory committee and the member CEO’s principally involved in research and commercialization. For third party license agreements, the report should include an overview of each licensee’s progress towards meeting development
milestones, and resulting gains to the System through financial return or increased research funding. For commercialization activities in which an equity interest was received, the semi-annual report will include the following information: 1) total securities held and percentage of ownership in each venture; 2) any commitments which will result in additional ownership or investment in each participant; 3) the change in market value of the financial interest; and 4) any anticipated liquidity event which will realize the return on investment.

1.3.3 In compliance with Section 51.912 of the Texas Education Code, the Board of Regents must file a report identifying all employees who conceive, create, discover, invent, or develop intellectual property and has an equity interest in or serves as an employee, officer, or member of the Board of Directors of business entities that have agreements with the System relating to the research, development, licensing or exploitation of intellectual property in which the System has an ownership interest. The report will be filed in accordance with the requirements of Section 51.005 of the Texas Education Code.

1.3.4 The Office of the Treasurer will submit a quarterly report on technology commercialization investments. The investment report will include detailed investment holdings, transaction reports, valuation of holdings, and material events which will affect the value of the investments since the last report. The Office of the Treasurer is responsible for the calculation and monitoring of valuations on all holdings.

1.4 Covered Parties

1.4.1 This policy is applicable to all persons employed by the System, including, but not limited to, full and part-time faculty and staff; and all persons using the System facilities under the supervision of System personnel, including but not limited to, visiting and adjunct faculty and researchers, undergraduate students, candidates for master’s and doctoral degrees, and non-degree seeking graduate students, unless special terms for the management of the work of such individuals are negotiated by the System or its member in advance of employment or visitation. Employees and all others who are subject to this policy shall not enter into any agreement related to intellectual property without affirmative notice to the prospective contracting entity that System intellectual property rights cannot be subordinated.

1.4.2 Inventions, innovations, discoveries and improvements covered by this policy and made with the use of System facilities or during the course of regularly assigned duties of the faculty and staff shall become the property of the System. Employees and others who are subject to this policy by virtue of their use of System services or facilities shall, upon request, assign all inventions and patents to the System, except for intellectual property that might be owned by third parties pursuant to sponsored research agreements and intellectual property resulting from independent work or approved consulting activities not utilizing System facilities.
1.4.3 Any request by a System employee to participate as an employee, officer or member of the Board of Directors of a business entity that has agreements with the System relating to the research, development, licensing or exploitation of intellectual property in which the System has an ownership interest must be approved by the Board of Regents.

1.4.4 The Chancellor, or designee, is authorized to serve on the governing board or as an officer of corporate entities formed for the purpose of development and commercialization of technology owned by the System which have met the requirements of this policy. At the next regular meeting of the Board of Regents, following the date on which the Chancellor, or designee, becomes a member of the corporate board, the Vice Chancellor for Technology Commercialization will provide information concerning the corporation and the System’s involvement to the Board of Regents with a request for authorization for the Chancellor, or designee, to continue serving as a member of the corporate board.

1.5 Intellectual Property Covered

Except as set forth below, this policy shall apply to intellectual property of all types, including but not limited to any invention, creation, discovery, trade secret, technology, scientific or technological development, mediated instruction, research data, tangible research products and computer software regardless of whether subject to protection under patent, copyright, trademark, service mark, mask work, plant variety protection or other national or international laws.

2. INTELLECTUAL PROPERTY RIGHTS AND OBLIGATIONS

2.1 Intellectual Property Owned by the Creator

2.1.1 Intellectual property which is unrelated to an individual's employment responsibilities and developed on his or her own time without the support of the System or any of its members or significant use of their facilities is not owned by the System.

2.1.2 In keeping with academic tradition and except to the extent required by the terms of any funding agreement, the System does not claim ownership to pedagogical, scholarly or artistic works, 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. Furthermore, the System claims no ownership in popular nonfiction, novels, poems, musical compositions or other works of artistic imagination that are not works for hire.

2.1.3 The System may assert ownership in software as an invention; however, original software that is also pedagogical, scholarly or artistic or that is integral to the
presentation of such may be owned by the creator in accordance with this section.

2.1.4 If title to copyright in works defined within this section vests in the System by law, the System will, upon request and to the extent consistent with its legal and fiduciary obligations, convey copyright to the authors of such copyrightable works. If a faculty member retains title to copyright in teaching or course materials that are not works for hire, such as class notes, curriculum guides and laboratory notebooks, the System shall retain a royalty-free right to use the materials for educational purposes.

2.1.5 Authors of copyrightable works that are not owned by System, or any of its members, own the copyright in their works and are free to publish them, register the copyright, and to receive any revenues which may result there from.

2.2 Intellectual Property Owned by the System

2.2.1 Intellectual property conceived or developed as a result of activities related to an individual's employment responsibilities and/or with support from the System or any of its members in the form of administered funds or significant use of resources, such as facilities or personnel, shall be owned by the System.

2.2.2 The System or member, as appropriate, shall retain sole ownership of intellectual property that is either: 1. created by an employee who was hired specifically or required as part of their employment to produce intellectual property for institutional purposes; or 2. commissioned or contracted for by the System or any of its members. For example, work assigned to programmers is “institutional work” or “work for hire” as defined by law, as is software developed for the System or System member by staff working collaboratively. Brochures, training programs, CD-ROMs, videos, and manuals for which staff members are hired to develop are other examples of institutional works, or work for hire. The originating System member owns all right, title and interest in such works.

2.3 Role of the Creator

Creators shall be permitted maximum freedom with respect to their intellectual property, consistent with any obligations to the System. All System employees are required to abide by their obligations and those of the System under research agreements with sponsors.

Any individual subject to this policy who creates intellectual property other than on government or other sponsored research projects where the grant agreements provide otherwise, should have a major role in the ultimate determination of how it is to be published; however, the Vice Chancellor for Technology Commercialization in consultation with the relevant member CEO shall decide whether to develop and commercialize intellectual property and whether to secure legal protection as necessary.
Additionally, any individual subject to this policy who creates intellectual property in the course of their employment generally may share directly or indirectly in the proceeds generated by their work as provided in Section 4.3, 4.4 and 4.5 of this policy, and in accordance with state and federal law. Such opportunity provides incentive for individuals subject to this policy to participate in the technology transfer process, promotes the development of commercial applications of intellectual property to benefit the public, and contributes to the economic growth and development of the state.

2.4 Significant Use of Resources

Intellectual property that is not institutional work or work for hire as defined in Section 2.2.2 of this policy, but are works that are developed with integral and significant use of funds, space, hardware, or facilities administered by a System member institution, where use was essential and substantial rather than incidental shall be owned by the System. Furthermore, intellectual property that is not work for hire but is work that is developed in the course of or resulting from research supported by a grant or contract with the federal government (or an agency thereof) or a nonprofit or for-profit nongovernmental entity, or by a private gift or grant to the System, shall be determined in accordance with the terms of the sponsored grant or contract, or in the absence of such terms and to the extent consistent with applicable law, shall be owned by the System.

The System 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, the System will not construe the provision of offices or library facilities as constituting significant use of System resources, except for those instances where the resources were furnished specifically to support the development of such intellectual property.

2.5 Assignment of Rights

Present and prospective employees of the System shall, upon request by the Chancellor, the CEO of the respective member, or the OTC execute an invention assignment agreement in a form prescribed by and available from the OTC to set forth effectively the ownership and rights to intellectual property that is owned by the System under the terms of this policy.

2.6 Provisions for Release of Intellectual Property Development to Creators and Authors

The Chancellor, on advice from the Vice Chancellor of the OTC and with the approval of the relevant member CEO, may release to the creator, development rights for specified intellectual property. The OTC will notify the System member, the creator and research sponsor if applicable of the Chancellor’s decision. The following provisions will apply to any release of rights:

2.6.1 The System shall retain a perpetual, royalty-free license to use the intellectual property and any corresponding patents, copyrights, service marks or trademarks for research, education and service purposes.

2.6.2 The System shall receive a share, to be negotiated at the time of release of development rights, of all proceeds generated from commercialization of the
intellectual property after the creator or author has recovered documented out-of-pocket costs for obtaining legal protection for the intellectual property.

2.6.3 In the case of a release of development rights to the creator, the creator shall not be entitled to any share of proceeds received by the System as a condition of its release of development rights to the creator as described in Sections 4.3, 4.4 and 4.5.

2.7 Intellectual Property Involving Sponsored Research

2.7.1 Intellectual property conceived or developed in the course of or resulting from research supported by a grant, sponsorship or contract with the federal government (or an agency thereof) or a nonprofit or for-profit nongovernmental entity shall be owned by the System.

2.7.2 Intellectual property developed under sponsored research should be immediately disclosed through the relevant member CEO to the OTC. The OTC, in coordination with the sponsored research offices of the System members, and the Texas A&M Research Foundation, shall coordinate reporting requirements and other obligations to research sponsors regarding intellectual property developed under a research contract or grant, including but not limited to obligations to the US Government under 37CFR401.

2.7.3 In research sponsored by or involving third parties, provisions for the ownership of intellectual property should be consistent with the general policy stated herein. Recognizing that the terms of sponsored research agreements with governmental entities and some nonprofit entities are not normally negotiable, the research sponsor or third party, when appropriate, should be offered an option for an exclusive or non-exclusive license granting rights to develop and commercialize any intellectual property resulting from the project, subject to System policy and in accordance with the Licensing Guidelines in Section 4.2 of this policy. In certain cases, however, the acceptance of a contract, grant or agreement which does not require sole ownership by the System of intellectual property, may be approved by the System member CEO, or designee, with notification to the Office of Technology Commercialization, provided that the benefits from the level of funding for proposed research and/or other consideration from a sponsor, licensee, or other party outweigh any potential disadvantages that may result from the policy deviation.

2.8 Multiple Creators

In the event of multiple creators, the creators will agree among themselves as to the ownership rights and benefits accruing to the creators; determination of the creators’ share shall be made only upon receipt by the OTC of a signed agreement between the creators. In the event that the creators cannot agree upon an appropriate sharing arrangement as evidenced by a clear and unequivocal written agreement, that portion to which the creators are entitled under Sections 4.3, 4.4 and 4.5 of this policy will be distributed as the CEO of the System member may deem appropriate under the circumstances. Such a decision shall be binding on the creators.
2.9 **Joint Employment**

In the event that a creator is a joint employee of two or more System members, or in the event that multiple creators represent two or more System members, the member CEOs will agree as to the ownership rights and benefits accruing to the members and the creators, considering such factors as annualized FTE by member, relative contributions of the creators to the work and level of financial support by the member. If the member CEOs cannot agree upon the appropriate sharing arrangement, the Chancellor or designee will make the decision as deemed appropriate under the circumstances and such decision shall be binding on the members and the creators.

2.10 **Trademarks**

In most situations, a trademark identifies an item of intellectual property, such as a computer program or a plant variety. In other situations, a Trademark identifies an educational, service, public relations, research or training program of the System or its members. The System, or the applicable System member, owns all right, title and interest in trademarks related to an item of intellectual property owned by the System or its members, or to a program of education, service, public relations, research or training program of the System or its members. All income from the licensing of a trademark shall belong to the System, or the System member, as applicable.

2.11 **Tangible Research Property**

Tangible research property is defined as tangible items produced in the course of research including such items as biological materials, engineering drawings, integrated circuit chips, computer databases, prototype devices, circuit diagrams, and equipment. Individual items of tangible research property may be associated with one or more intangible properties, such as inventions, copyrightable works, and trademarks.

The System owns all right, title and interest in tangible research property related to an individual's employment responsibilities and/or developed with support from System-administered funds, facilities, equipment or personnel. For purposes of management of the asset, tangible research property shall be managed as other intellectual property with distribution of royalties from the distribution or commercialization of such tangible research property made in accordance with Section 4.3 and 4.4 of this policy.

2.12 **Public Disclosure**

2.12.1 The prompt and open dissemination of the results of System research and the free exchange of ideas among scholars is key to the fulfillment of System's educational, research and service missions. However, any publication or public disclosure which describes a patentable innovation prior to filing for patent protection may entirely preclude patenting in foreign countries and may also preclude protection in the United States unless a patent is filed within one year of publication.
2.12.2 Individuals subject to this policy shall promptly disclose, through their CEO to the OTC, intellectual property covered by this policy, including those made under sponsored research agreements.

2.12.3 Disclosure shall be made in a form prescribed by and available from the OTC. Individuals subject to this policy shall cooperate with the OTC in protecting rights in the intellectual property.

2.13 Offers of Intellectual Property

2.13.1 If an individual chooses to offer to the System intellectual property in which the System has no claim, the System may accept ownership of the intellectual property provided that: (1) the individual makes the offer through one of the System members as if the intellectual property had been created within the System; (2) the individual agrees to all provisions (including distribution of income provisions) of this policy (3) the individual warrants that he or she owns all right, title and interest to the intellectual property, and that to the best of his or her knowledge, the intellectual property does not infringe upon any existing copyright or other legal rights.

2.13.2 The CEOs of the System members shall advise the OTC of all such offers and may request a recommendation from the OTC regarding acceptance or rejection of the offers, and for patenting and commercialization, by the System.

2.13.3 Should the System agree to accept the offer of intellectual property, the individual will execute an assignment agreement transferring all right, title and interest in the intellectual property to the System, and acknowledging that the individual agrees to all provisions of this policy. In cases in which the individual has already expended funds toward obtaining patent or other legal protection for the invention, the individual and the System may negotiate terms to allow recovery of legal and/or patent expenses from license fees and/or royalty income. Such an agreement would modify normal royalty sharing provisions until such expenses are recovered by the party entitled to recovery of the expenses.

2.13.4 The System may accept charitable donations of intellectual property from governmental or private organizations. Upon the transfer of title in the intellectual property to the System, the intellectual property will be managed in accordance with this policy.

3. INTELLECTUAL PROPERTY EVALUATION AND PROTECTION

3.1 Evaluation

System members are encouraged to perform preliminary screening of all disclosures for scientific merit and forward the results of such screening to assist the OTC with its administrative responsibility for the management of intellectual property.
The OTC, in consideration of any assessment provided by the component and in consultation with the creator, is responsible for determining potential commercial viability, obtaining proprietary protection, and for the determination as to the appropriate means to optimize the benefit of intellectual property to the System. This includes, but is not limited to, the use of patents, licensing agreements, partnerships, and/or the formation of companies for the development of commercially viable technologies.

3.2 Protection of Intellectual Property

3.2.1 The Vice Chancellor for Technology Commercialization, in consultation with the relevant System member, shall decide whether and how intellectual property is to be protected. The System will not seek protection for innovations that OTC determines are not commercially attractive, even if the innovation has intellectual merit, unless required by the sponsor or the member CEO, in which case the sponsor or the member shall pay all related costs associated with protecting the intellectual property. The Vice Chancellor for Technology Commercialization shall notify the relevant System member CEO of his/her decision; if the decision is not to seek protection, the CEO shall notify the OTC if the System member requires protection to be sought.

3.2.2 Outside counsel services may be contracted with the consent of the Vice Chancellor for Technology Commercialization and the Office of General Counsel and, as required by law, the Attorney General of the State of Texas.

3.2.3 The OTC may fund all of the cost associated with the protection of intellectual property subject to ownership by the System, or it may request funding at any time from the member originating the intellectual property. Unless the System member is requiring the protection of the intellectual property, the decision whether to provide such funding shall be in the discretion of the member CEO. In either case, costs associated with the protection of the intellectual property will be recovered for the funding party before making distributions royalties as outlined in Sections 4.3 and 4.4.

4. LICENSING

4.1 Licensing Agreement

The OTC and the Office of General Counsel shall cooperatively develop a model license agreement for licensing System intellectual property which shall include, as a minimum, the guidelines set forth below. The model agreement shall be submitted to all potential licensees for 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. Any exceptions to the model agreement must be approved by the Vice Chancellor for Technology Commercialization and the Office of General Counsel.
The System member from which copyrightable works or trademarks were developed has the primary responsibility and authority for negotiating with third parties having an interest in using, developing or otherwise commercializing copyrightable works or trademarks. The CEO of the System member may request assistance from the OTC regarding the protection and licensing of copyrightable works.

4.2 Licensing Guidelines

The following guidelines are applicable to license agreements with private entities including those formed primarily for the purpose of developing and/or commercializing System intellectual property:

4.2.1 No entity shall be granted the exclusive right to the development and/or commercialization of all intellectual property created at a System member. Agreements should grant rights only for a specific project.

4.2.2 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 System in the event the entity fails to develop and commercialize the property within a specified period of time that is appropriate to the particular circumstances as determined by the OTC.

4.2.3 An entity that is granted exclusive rights to develop or commercialize intellectual property that is patentable should be required to reimburse the System for all expenses incurred by the System 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 System 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.

4.2.4 The System, the member, and the employees of each should be protected and indemnified from all liability arising from the development, marketing, or use of the particular intellectual property.

4.2.5 Restrictions on use by the member for research and teaching purposes and the publication rights of creators should be minimized during the licensing process.

4.2.6 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 System, should be required to share with the System a minimum of: 50% of any royalty received by the entity and 50% of any equity position to which the entity may be entitled. Exceptions must be approved by the Vice Chancellor for Technology Commercialization.

4.2.7 Commitments should not be made for future inventions even when improvements are expected. Exceptions must be approved by the Vice Chancellor for Technology Commercialization as appropriate to handle subordinate patents.
4.2.8 License agreements should contain such other provisions as may be determined by the System OTC, and the Office of General Counsel, to be in the best interest of the System.

4.3 Distribution of Royalties and License Fees from Intellectual PropertyLicensed on or Before February 1, 2006

All monetary proceeds from commercialization of System-owned intellectual property, including royalties, equity interests, and dividends, are the property of the System. The Chancellor, subject to approval by the Board of Regents, may adjust the allocation of royalties set forth herein.

Royalty income and license fees received by the System from commercialization of intellectual property during the preceding System fiscal year will be distributed at least once annually as follows:

Step 1 - Deduct the costs of obtaining legal protection for the intellectual property to arrive at adjusted income (when such costs are not already paid in full by another source at the time of distribution).

Step 2 - Deduct eighteen percent (18%) from adjusted income. This deduction is directed toward covering the related operating cost (excluding patent expenses) of the OTC.

Step 3 - Distribute the remaining adjusted income as follows: fifty-two percent (52%) to the creator and forty-eight percent (48%) to the System member supporting the research from which the invention was developed.

4.4 Distribution of Royalty Income and License Fees from Intellectual PropertyLicensed After February 1, 2006

All monetary proceeds from commercialization of System-owned intellectual property, including royalties, equity interests, and dividends, are the property of the System. The Chancellor, subject to approval by the Board of Regents, may adjust the allocation of royalties set forth herein.

Royalty income and license fees received by the System from commercialization of an intellectual property during the preceding System fiscal year will be distributed at least once annually as follows:

Step 1 - Deduct the costs of obtaining legal protection for the intellectual property to arrive at adjusted income (when such costs are not already paid in full by another source at the time of distribution).

Step 2 - Deduct twenty-five percent (25%) from adjusted income. This deduction is directed toward covering the related operating cost (excluding patent expenses) of the OTC.
Step 3 - Distribute the remaining adjusted income as follows: fifty percent (50%) to the creator and fifty percent (50%) to the System member supporting the research from which the invention was developed.

4.5 Distribution of Royalty Income and License Fees from Copyrightable Works

All monetary proceeds from commercialization of copyrightable works, including royalties, equity interests, and dividends, are the property of the System component from which the work emerged. Income received from commercialization of copyrightable works will be distributed at least once annually as follows:

4.5.1 In cases where the System member requests that the OTC conduct the commercialization or distribution of the copyrightable work on their behalf, the distribution of income shall be made in accordance with the steps outlined in Sections 4.3 and 4.4 above.

4.5.2 In cases where the System member conducts the commercialization or distribution of the copyrightable work, the distribution of income shall be as follows: fifty percent (50%) to the System member and fifty percent (50%) to the author.

4.5.3 Notwithstanding sections 4.5.1 and 4.5.2 above, the System member shall be entitled to all income from distribution or commercialization of institutional works and works for hire as described in section 2.2.2.

4.6 Equity as a Consideration in Licensing

4.6.1 The OTC may negotiate, but shall not be obliged to negotiate, for equity interests in lieu of or in addition to royalty and/or monetary consideration as a part of an agreement relating rights in intellectual property owned by the System. The System is not restricted in the percentage of equity it may take in a company as a part of an agreement relating to rights in intellectual property owned by the System.

4.6.2 Inventors and authors may receive up to fifty percent (50%) of any equity or other non-monetary consideration received by the System or its members as consideration in a license agreement. However, the System shall control the liquidation of equity interest in its sole discretion. This may include agreeing to receive the equity interest under terms that restrict its ability to sell, distribute or otherwise deal with the equity interests.

4.6.3 As stated in Texas Education Code Section 153.007, neither the System nor any member thereof acts as a fiduciary for any individual concerning equity or other consideration received under the terms of this policy.
4.6.4 Creators should refer to System Regulation 31.05.01 regarding System regulation and state law addressing equity ownership.

5. FORMATION OF, AND/OR INVESTMENT IN ENTITIES TO COMMERCIALIZE SYSTEM INTELLECTUAL PROPERTY BY THE OTC

5.1 General

Following disclosure, evaluation and protection of intellectual property, the OTC may elect to form or assist with the formation of a company, or enter into a venture with an existing company for the purpose of developing and/or commercializing System intellectual property. The commercialization process should include the means by which the OTC will be able to receive a return on investment of OTC resources. If monetary or non-monetary support is exchanged in part or wholly for equity, the exchange of equity must comply with this policy and Texas Education Code Chapter 153.

5.1.1 The OTC is responsible for determining the corporate structure and the financing strategy, executing a licensing agreement subject to the guidelines set forth in this policy between the company and the System, and other activities related to company formation, such as selection of a CEO, other corporate officers and board members.

5.1.2 Outside counsel services may be contracted to assist with the formation of a company, or to review and prepare documents associated with a venture whose purpose is to develop and commercialize System intellectual property with the consent of the Vice Chancellor for Technology Commercialization and the Office of General Counsel and, as required by law, the Attorney General of the State of Texas.

5.1.3 The OTC and the Office of General Counsel shall develop draft shareholder agreements for protection of System interest in the venture.

5.1.4 The OTC, may also operate programs to provide assistance to individual persons and companies in commercializing technology owned wholly or in part by the System or in which the System has an interest. Assistance may include providing monetary support or non-monetary support, including the use of premises, computers, computer software, telecommunications terminal equipment, office equipment and supplies, machinery, utilities, or other services that are customarily treated as overhead expenses.

5.1.5 The System is not restricted in the percentage of equity it may own in an entity formed for the purpose of developing and/or commercializing System intellectual property.

5.1.6 Such companies and individuals receiving monetary or non-monetary support as described above will collectively be considered OTC program participants.
5.1.7 Creators of intellectual property covered by this policy or members from which the intellectual property originated may be offered equity in a company formed or venture entered into by the Office of Technology Commercialization or any of its centers at the recommendation of the Vice Chancellor for Technology Commercialization and with the approval of the Chancellor. Any equity the creator is offered will be based on their level of participation in the venture and may be in addition to, or in lieu of, the income they may receive as a part of royalty income distributions resulting from a license agreement as described in Section 4.3 and 4.4 of this policy.

5.2 Due Diligence Process

5.2.1 To guide in the consideration of OTC program participants, the OTC will be responsible for development and maintenance of guidelines on the minimum requirements for OTC participants, subject to approval by the Chancellor. Participants may not be considered unless they meet the minimum requirements.

5.2.2 The OTC is responsible for review of the commercialization plan including analysis of the potential participant’s business model, financial plan, viability of succeeding in commercialization, and potential return to the System in terms of investment return or increased research revenue. The Vice Chancellor for Technology Commercialization, subject to approval of the Chancellor, will have authority for approving participant plans, consistent with the results of the review and analysis, and the responsibility for setting milestones for the participants.

5.2.3 Due diligence for OTC program participants will include: 1) conflicts of interest in regard to all parties concerned; 2) background checks on the CEO and other corporate officers; 3) evaluation of the competence of management to execute the business plan; and 4) the financial risk and reward profile of the participant.

5.2.4 The OTC is responsible for reviewing its program participant’s progress every six months. If the participant receives a financial investment from the OTC as part of the participant plan, the initial review shall be conducted in three months. Review will focus on compliance with the commercialization plan and the achievement of milestones established. Participants which are not meeting milestones or making satisfactory progress will be placed on a six month probationary period with monthly milestones established by the OTC. Results of all reviews will be provided to the Chancellor and the Executive Vice Chancellor for Finance.

5.2.5 The Vice Chancellor for Technology Commercialization, with the approval of the Chancellor, may terminate any participant for not making satisfactory progress in regard to milestones or immediately if the OTC determines that the participant is not adhering to the participant plan or is misusing System resources. Decisions not to terminate a non-performing program participant must be approved by the Chancellor.
5.2.6 Participant plans must include an exit strategy which indicates how the entity will be concluded, and any financial interest will be returned to investors. In the event a participant distributes publicly traded securities to the OTC, securities will be immediately transferred to the System Office of the Treasurer for management.

5.2.7 The ongoing monitoring of conflicts of interest pertaining to commercialization entities formed or supported by the OTC is the responsibility of the OTC. This will include all individuals involved in the OTC process including but not limited to: employees of OTC, employees of the System and its members, staff of the participant companies, and other investors in the participant. Potential conflicts will be disclosed to the Board of Regents and resolved to the satisfaction of the Board of Regents prior to any agreements being executed or immediately upon notice for those agreements already in place.

5.3 Technology Commercialization Investment Fund

5.3.1 The Technology Commercialization Investment Fund (the Fund) may be established at the System level to finance companies formed in whole or in part by the OTC, companies the OTC enters into a partnership with, or companies the OTC accepts as program participants. System members and their affiliates, at the discretion of the CEO or appropriate management, may invest in the Fund. Individuals and corporations outside of the A&M System may also invest in the Fund, subject to the approval of the Chancellor or his designee, and the Office of Finance. The OTC may solicit gifts to the System for the purpose of supporting commercialization efforts. The Chancellor may delegate to the Vice Chancellor for Technology Commercialization, or with the prior approval of the Board, may delegate to another employee of the System Offices management oversight responsibility of the Fund.

5.3.2 Any additional intellectual, administrative, and/or infrastructure support for the OTC endeavors related to company formation, may come from System members or affiliated entities, at the discretion of each respective CEO.

5.3.3 As provided in the Texas Education Code, each member of the Board of Regents has the legal responsibilities of a fiduciary in the management of funds under the control of the System on behalf of the System. All investments will be made in accordance with applicable State and Federal regulations. All assets of the System will at all times be vested in the Board of Regents of the System, and such assets will be deemed to be held by the Board as a fiduciary regardless of the name in which the securities may be registered.

5.3.4 Investment of Fund assets into any single participant will be limited to the greater of $250,000 or 10% of the Fund’s total value.

6. CONFLICTS OF INTEREST
The OTC will interact with Board Members, faculty, the System, government employees, and private investors with wide-ranging business interest. The reporting requirements above are in addition to requirements of System Policy 07.01 Ethics, Conflicts of Interest.

7. **DISPUTE RESOLUTION**

All disputes with, or requests for deviations from, this policy are at to be submitted to the Chancellor for resolution.

**CONTACT OFFICE:** The System Office of Technology Commercialization

**HISTORY:** Replaces existing policy.
The second meeting of the Transportation Construction Committee was held in room 203 MSC at 3:00 p.m. on March 7, 2006. Mr. Joe Powell presided.

Motion made to accept minutes by Nancy Sawtelle and 2nd by Mary Miller

ITEMS COVERED

1.0 PA42 and PA5 Combined scenario discussion, also PA 30A-f, PA69 and PA59

Joe Powell began with reference to the 02/21 meeting regarding nearly 2000 business permits affecting parking and issued at no charge. An alternative eliminating reserved numbered spaces could free up areas. Should consider a priority system based on hire date. BPP is able to provide emplacement data.

Are we removing Reserved Numbered Spaces (RNS) in lots all over campus? Mr. Powell confirmed PA6, 23, 54, 55, 39, UCG, NSG, but adding twin priority bay. Proposal suggests no zone administrators. Dr. Fike proposed that faculty will have a difficult time with this concept and not to mistake his understanding for agreement.

Is 90% full going to be the focus? (Newton) 90-95% depending on the size of lot (Powell) Hitting average is not what the Faculty will look at. Peter states that 90% is peak not average. Should departmental spaces be relocated to outlying lots to allow faculty and staff more access?
Nancy Sawtelle asked about the congestion into the streets at UCG today (TWU Conference) and signs suggested full capacity. Will this continue with the changes suggested? Rod assured that although the sign stated full, permit holders are able to always park, reservations were lowered in UCG, and bulk was moved to WCG.

Rod Weis referred to the lot locations and spaces on page 6 and explained oversell. Data shows the decrease and oversell rates. Peter then referred to lot demographics on page 7; shows permit holders, those impacted and how the technology sets the quantity of permits. 39% of all faculty is in Reserved Numbered Spaces (RNS).

Dr. Newton proposes Chemistry parking not change; could cause fallout. Is there a way to omit PA23 altogether? Dr. Fike suggests finding a better solution for faculty members. Joe Powell proposed that reserved spots without numbers would still allow parking—necessarily the exact same spot each time, but close to the same space. Most people come at the same time day after day and will be able to park within 10 spaces or so each time they come to work. It can be a win-win situation given a chance. Dr. Fike agrees the plan sounds reasonable, but a major marketing effort to convince and communicate will be essential to the success. Mr. Powell reminded the committee Steve Moore is the new VP of marketing and we will ask for his team’s assistance.

Dr. Newton suggested that business permits really mess up Lots PA54 and PA 55. Joe stated that it is abused all over campus and a very hot topic. This type access should be confined to Deans, Vice Presidents, President, etc. Dr. Parrott trusted Rod and his staff to overcome anything. They will need to address the psychological suggestion of less service and same price. Rod responded that prices will be reduced.

Ms. Miller asked if we are removing reserved numbered spots and how many customers would self-select out of a RNS if price come up to 550 or higher. Peter acknowledged that yes, all lots were considered. Ms. Miller also asked what if you priced the reserved higher. Joe suggests people would pay for it, but that it would not resolve the issue at hand. Dr. Fike also raised the question what would be the justification in raising parking. Price incentives would negate the moral responsibility, especially the next time prices are raised by Transportation. Dr. Newton asked if we are considering eliminating RNS in all lots (90 spaces-48 other lots), why cause pain in these additional 48 lots now—let’s limit the pain.

Dr. Fike recommended showing several alternatives to reduce some of the debate expected. Joe Powell proposes looking at all the scenarios; one of the examples given shows reserved parking still in place. Once we have the best solutions the committee will give Dr. Gates several scenarios to choose from.

Dr. Marrs asked if the handicap spaces would be affected. PA 5 has 13 handicap spaces. Rod Weis stated that nothing will happen; disabled parking would have to be provided during construction. ADA spaces will be replaced, to the street or next closest area. Life Science Building will have ADA parking close by.

Dr. Parrott proposed another concern with students who park in Lot 42 when visiting Student Health Services (Beutal). Many students use the back of 42 for this reason and need closer parking. There are 32 spaces in Lot 27, but the parking fills up quickly.
Dr. Fike advises telling our constituents what we are doing. Mr. Powell will submit TCC updates to the President and Provost in weekly report; Transportation will add updated information to the website and Aggie Hotline. Debbie Hoffman will add minutes to the website.

Ms. Sawtelle asked for clarification on how garages will work. Mr. Powell answered contract parking is still behind 3rd level gates; permits at non-RNS at reduced price, but a cost raise in FY08 will be considered. Dr. Parrott asked if people will be force into the garage and Mr. Powell said no, a choice will be given of surface lot farther away and at a reduced rate or garage.

Dr. Newton noted that groundbreaking for construction will be in May and we need to have a plan before the students return. Who will be the casualties? Lot 42 students will be accommodated and students again will have choices.

Ms. Miller asked what about Lot 30E? Joe recalled the President promising students he would not take the lot away from them. Ms. Miller then asked why not through attrition, as freshman move? Rod stated that Faculty/Staff have had the option to park in 30 for years and few have elected to do so. Option is there already. Ms. Buckley stated that some the College of Education has already been moving to PA30.

Dr. Parrott asked what would happen if we shift visitor parking to WCG. Rod assured that all faculty/staff in UCG, who want to park there, will be able to without eliminating the visitor parking. Residents still have first priority in Northside Garage. Lot 30 always has openings (Hoffman). (Also, the designated letters on lot 30 A thru E were designed to assist UPD in locating people.)

What would happen if we moved visitor parking farther away? The agreement is that all will share the pain. Mr. Josiah asked how many have already moved from PA42 to PA30, with the understanding of the changes taking place. Rod said we do have employees who have made pre-emptive moves. Suggestion made to change PA30E to 32.

Dr. Newton has concerns regarding the solutions; feels that PA 23 should be off the table, PA54 & PA55 present real problems, and suggests garages are the solution-trade off moving students. Ms. Miller respectfully disagrees; RNS are considered a perk. In reality, they have compounded the problem. We have talked about getting rid of RNS for more than 10 years—it’s not only prestigious faculty/staff/deans who are in RNS there are people parking in RNS who would never get one on any other campus. It has to be across the board.

Ms. Buckley asks what the reluctance is in raising cost for the privilege to park in reserved; would people pay. If you increase cost significantly, causes attrition. There should be a cost for privileges—it cost the university to administer RNS. If we can take the larger majority and fix by utilizing unreserved, then we should.
Dr. Parrott suggested that residents such as Hall Directors should be considered special consideration (they live and work in TAMU). Mr. Powell and Mr. Weis assured they would always have a place to park. Ms. Miller proposed that there will need to be exceptions. Mr. Powell agreed; deans will have a different permit. We will need to write up.

2.0 Summer Relocation discussion of PA42, PA5, PA59, PA69

Mr. Lange introduces pages scenarios on page 9. Would use existing permits to park in any summer lot and allow 42 and 5 permit holders access to UCG and NSG unnumbered unreserved spaces, with no charge to upgrade to garages. There will be no garage option for 59 and 69 permit holders. Recommendation made to support summer relocation scenario. If there are any arguments, a refund will be given, but expect minimal. (Powell)

We will talk about PA69 more at the next TCC meeting.

3.0 In Closing

**Joe Powell asked the committee to leave with the goal to consider all the scenarios, review all information presented. **Peter will be sending additional information that will assist you in the process.

Recap:
- Add twin priority bay in NSG and UCG
- Convert PA30F to PA32 for staff use
- ZA system eliminated
- Transportation Services manages all spaces
- Dean and above continue to get reserved space and special permit, allowing mobility around campus; Exceptions exist

Other Topic(s):

**TAKE AWAYS

**The Committee is charged to consider the scenario that eliminates the numbered spaces, converts PA30F to PA32, discontinues the Zone Administrator Program, Transportation Services to manage the assignment to lots and/or parking garage, add priority bays to UCG & NSG, and priority system for faculty & staff. This will be considered and voted upon at the March 21st meeting, the week after Spring Break.

**Peter Lange will provide additional information

MEETING ADJOURNED AT 5:00 P.M.
REPORT OF THE UNDERGRADUATE PROGRAM TASK FORCE

1 March 2006

TASK FORCE MEMBERS:

Jerry R. Strawser
Dean, Mays Business School
Chair of Committee

G. Kemble Bennett
Dean, Dwight Look College of Engineering
Vice Chancellor, Engineering

John L. Fike
Associate Professor, Engineering Technology and Industrial Distribution
Speaker of the Faculty Senate

J. Martyn Gunn
Professor & Associate Department Head, Biochemistry and Biophysics

Charles A. Johnson
Dean, College of Liberal Arts

Alison Morton
Undergraduate Student

H. Joseph Newton
Dean, College of Sciences

Jonathan Smith
Professor and Assistant Department Head, Department of Geography

Mark H. Weichold
Dean of Undergraduate Programs and Associate Provost for Academic Services
The Undergraduate Program Task Force was tasked by President Robert Gates to investigate the degree options available for students who are in good academic standing at Texas A&M University but do not meet current requirements for (1) remaining in their current college of study or (2) transferring into a desired college of study. In many cases, these students will be enrolled in General Studies, which does not offer a terminal degree option. As a result, these students will ultimately need to find a course of study, which may or may not be consistent with their interests or career intentions.

This report addresses the following issues:

- Identification of student groups that could be affected by our study.
- Short-term approaches that may reduce the number of students enrolled in general studies.
- Longer-term approaches that may provide expanded degree programs or courses of study for students.

1. Student Groups Affected by our Study

As in initial examination of this issue, we identified five potential student groups that could serve as the focus of our discussion:

1. Students enrolled in General Studies (GS) as Freshman that are in good academic standing at Texas A&M University (grade point average > 2.0) that are unable to find an academic major of interest.

2. Students enrolled in a major field of study that are in good academic standing at Texas A&M University but do not meet College or Departmental requirements to continue in that major (which exceed university requirements) and are required to change majors or transfer to another field of study.

3. Students enrolled in a major field of study based on their initial interest that are in good academic standing at Texas A&M University, meet College or Departmental requirements, but have changed their interests and are unable to enroll in a desired field of study because of capacity or inability to meet transfer standards that exceed those for maintaining good academic standing.

4. Students in (3) above, with the exception that their initial motivation for major of study was not based on initial interest in that field of study but to transfer to a desired field of study (i.e., these students' initial motivation differed from the students in [3] above).

5. High-achieving students who are truly generalists and seek a broad, interdisciplinary education.

While the committee acknowledges that all five groups of students could be affected by our recommendations, we are limiting our focus to students in groups (1) and (2) above, as they are in most significant need of finding an academic "home" at Texas A&M University. However, we do anticipate that creating a different academic home will have implications on groups (3), (4), and (5) as well.
Incrementally, our deliberations also considered students in group (3), as these students entered Texas A&M University in good faith and had some experience that has resulted in a change in their interests. That said, we realize it will be impossible to distinguish between students in groups (3) and (4), as we cannot identify student intentions when selecting an initial course of study.

II. Addressing the Problem

The problem provided to our committee is one of providing a reasonable course of study and a greater degree of options for students who are in good academic standing at Texas A&M University. It is not creating a course of study for students who would not otherwise qualify for admission to Texas A&M University. Our target audience is students who qualified for admissions based on normal university standards but are not able to pursue their desired course of study for one of three reasons:

1. Capacity constraints in certain colleges and majors within those colleges.
2. Academic standards for remaining in good standing in certain colleges and majors within those colleges which are more stringent than those for Texas A&M University as a whole. It is not uncommon to find these individual constraints used to address college-wide capacity constraints in (1) above.
3. Internal transfer admission standards for certain colleges and majors which exceed being in good academic standing at Texas A&M University.

We deliberated on two approaches for addressing this problem: (1) reducing the number of students involuntarily enrolled in GS and (2) providing expanded academic opportunities for students unable to obtain access to their desired major area of study.

A. Short-Term Approach: Reducing the Number of Students Involuntarily Enrolled in GS

1. Modify current practice of default enrollments in GS

   Background: Under current practice, students select up to two desired areas of major study. If they are accepted into Texas A&M University, but not into either of their desired areas of major study (because of enrollment limitations), they are placed into GS.

   - Some concerns exist that these students incorrectly infer that eventual acceptance into one of their desired areas of major study is more likely to occur than actual practice suggests.
   - The fact that they are accepted into GS without any explicit action on their part may send an inappropriate signal that they will likely be accepted into their desired area of major study.
   - Anecdotal statements such as "they wouldn’t have admitted me to Texas A&M knowing that I wanted to study X if I wouldn’t qualify for X" suggest that these misperceptions exist.

   Proposed Modification:

   - For students not accepted into their desired area of major study, require an explicit acceptance of admission into GS.
• As part of this acceptance, students should be informed that a nontrivial chance exists that they may never be admitted to their desired areas of major study.

• These prospective students must be informed that they will likely be asked to choose a major other than the ones they originally selected within one or two years. If a general degree (see recommendation #2 below) is developed, then prospective students would also be informed of this non-disciplinary degree program as an alternative to a disciplinary or interdisciplinary degree. Students would be expected to respond affirmatively to an invitation to attend Texas A&M University with these stipulations.

• Specific profile information for various high-demand majors should be created to provide students with an opportunity to more thoroughly evaluate their likelihood of being accepted into their desired area of major study.

• Specific Colleges may wish to consider admission to the College of interest, as opposed to specific majors within the College of interest. For example, in Mays Business School, students are admitted to the School and do not declare a specific major within the School until later in their studies. The committee does recognize that in some instances, curricula differ so markedly between different majors within a College that this suggestion may not be feasible.

2. Each College will provide a major to its students that will be available to those in good academic standing at both Texas A&M University and the College

• Each College will define good academic standing consistent with academic standing at Texas A&M University. We anticipate that this would require students to maintain a 2.0 grade point average in all coursework and a 2.0 grade point average in coursework designated by the College. We assume that the latter coursework will not be so restrictive as to preclude many students from entering the college-designated majors.

• In addition to the academic qualifications noted above, students must be making satisfactory progress toward a degree in the College, as demonstrated by taking relevant coursework for a major within that College.

• It is anticipated that students in good academic standing at Texas A&M University but not in a College or major of study will not have access to a major of their choice; however, this recommendation provides that they will have access to a major within that College.

• Colleges should be flexible and provide students currently within general studies appropriate consideration in the application process for change of curriculum.

• Because of the necessary commitment that this provides by the Colleges, we recommend that Colleges work with Admissions to explore
strategies for increasing their ability to recommend reasonable parameters for consideration in the admissions process (for example, a minimum mathematics component on the SAT).

- This recommendation has resource implications for advising, computer services, etc. if it results in increased retention within the Colleges. In instances where Colleges choose to develop a broad, interdisciplinary major to satisfy this requirement that is comprised of newly-developed and created courses, additional resources must be available from the University.

- The recommendation from the preceding section regarding admission to the College of interest rather than a specific major may reduce the number of students who are in good academic standing at Texas A&M University but not in their current major, since admissions decisions for that major can consider additional performance data.

B. Longer-Term Approach: Providing Expanded Degree Programs or Courses of Study

After much deliberation, three possible degree programs or courses of study have been identified.

1. A University Studies degree that consists of the following components:
   - Core Curriculum
   - Free Electives
   - A number of identified minors or available courses of study in which students would enroll that are specifically designed or identified for this program. These minors or available courses of study would each be relatively fixed in terms of courses comprising the minors or courses of study.

2. A University Studies degree that consists of the following components:
   - Core Curriculum
   - Free Electives
   - An “area of depth” in a desired area of study (21-24 hours)
   - Two or “areas of breadth” (15-18 hours) in desired areas of study

3. The same components as (2), but instead of being designated as “University Studies”, the degree would be awarded and administered by the College providing the “area of depth”

In discussing the above options, we noted a number of issues that should be considered in evaluating the above possibilities. These issues were also described in other institutions’ efforts to create similar types of programs. Some of these issues, as well as our conclusions, are outlined below.

- Regardless of the option selected, this program must require no more than a 2.0 grade point average and adequate progress to degree for continued enrollment. If not, this problem will reinvent itself in short order.
• It will be necessary to provide resources (either in the form of new resources or resources that are redirected from colleges currently serving these students). Resources may be required in the following major areas:

  ▪ College infrastructure, including an administrator (not necessarily a Dean-level), advising, career services, etc.

  ▪ Development of new courses (particularly under Option 1) or expansion of existing courses (all options). While some of these options utilize existing courses and established minor programs, the anticipated influx of new students will have those programs operating at levels beyond capacity.

  ▪ Similar to all degree programs at Texas A&M University, students must be required to meet all core curriculum, residency/upper division hour, and graduation requirements as currently provided in Student Rules.

  ▪ Students could be admitted to this program at any point in their academic career. While many institutions' programs require completion of the core curriculum prior to admission, we believe they are targeting student populations different from those serving as the focus of this committee's report.

  ▪ While many other institutions include a required research project, internship, or international experience as part of their curriculum we do not propose a similar requirement here. Again, we believe other institutions are targeting student populations different from those serving as the focus of this committee's report.

  ▪ For options in which more flexibility is provided in designing curriculum (options 2 and 3 above), we believe that students should be required to submit a formal proposal for study that would be approved by an appropriate administrator working with faculty-developed criteria or guidelines. In the committee's opinion, this process has a number of important benefits, such as (1) the ability to more accurately forecast demand for certain desired courses and areas of study, (2) reductions in "laundry list" demands by students that may unnecessarily diffuse resources, (3) increases in graduation rates, retention rates, and progress toward degree, and, (4) reduced faculty concerns about the rigor and structure of this program.

  ▪ A point of view expressed by at least one committee member based on faculty discussions is that non-disciplinary degree programs need to provide students with a "focused point of study". This focused point of study would manifest itself with some level of knowledge, areas of study, skills and capabilities that all graduates of the selected program would possess. Ultimately, it is important that recruiters and graduate program admissions offices be able to recognize the "brand" of this program.

  ▪ Colleges may not be equally able to participate in any of the options proposed in our report. Some areas of study may not lend themselves to minors, areas of breadth, or areas of depth because of high level of prerequisite skills in math and other areas. However, these Colleges may provide valuable levels of participation in creating interdisciplinary
minors, areas of breadth, or areas of depth in conjunction with other Colleges.

Shown in the accompanying table is a comparison of various features of the three options. These are not meant to be value judgments, but simply the Task Force's perception of how these programs differ on important dimensions (both monetary and nonmonetary).
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<thead>
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<th>1</th>
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<tbody>
<tr>
<td>University Studies with Specified (or Near Specified) Coursework</td>
<td>University Studies Named Degree with Areas of Breadth and Depth</td>
<td>College Named Degree with Areas of Breadth and Depth</td>
<td></td>
</tr>
<tr>
<td>Flexibility for students</td>
<td>Low, particularly if a small number options are made available.</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Desirability for students</td>
<td>Low</td>
<td>Moderate</td>
<td>Moderate to High</td>
</tr>
<tr>
<td>Resource requirements (instruction)</td>
<td>Low (less dispersion and ability to gain instructional efficiencies, such as large classes). However, if a larger number of options are available, these requirements will increase.</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Control over course offerings and availability</td>
<td>High</td>
<td>Low</td>
<td>Low, but would probably exceed (2) if colleges felt ownership because of the degree being in their name</td>
</tr>
<tr>
<td>Potential for undue burden placed on specific faculty, departments, or colleges</td>
<td>High</td>
<td>Lowest (won’t select “area of depth” in College X to gain peripheral affiliation with College X)</td>
<td>Lower than 1, Higher than 2 (students may select super-minor to gain peripheral affiliation with College X)</td>
</tr>
<tr>
<td>Number of units affected</td>
<td>Moderate, but may increase if the number of fixed options provided to students increases</td>
<td>High, because of needs for multiple areas of breadth and depth</td>
<td>High, because of needs for multiple areas of breadth and depth</td>
</tr>
<tr>
<td>Priority placed on program by Colleges engaged in instruction</td>
<td>High, if college receives funds and directive</td>
<td>Lowest</td>
<td>Moderate, since students are affiliated with College</td>
</tr>
</tbody>
</table>

*Report of Undergraduate Program Task Force*

1 March 2006

Page 7 of 8
<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation Issues</td>
<td>None</td>
<td>None</td>
<td>Significant and possibly insurmountable</td>
</tr>
<tr>
<td>Market confusion issues (employers, graduate schools, others)</td>
<td>Some</td>
<td>Some</td>
<td>Significant (will they incorrectly interpret a level of knowledge that simply is not present?)</td>
</tr>
<tr>
<td>Branding issues</td>
<td>None</td>
<td>None</td>
<td>Significant</td>
</tr>
<tr>
<td>Ability to have a “dedicated” faculty to serve students in a mentor capacity</td>
<td>Greatest</td>
<td>Low (faculty would run the risk of being viewed as moving out of the mainstream of the College)</td>
<td>Low (faculty would run the risk of being viewed as moving out of the mainstream of the College)</td>
</tr>
<tr>
<td>Administrative costs</td>
<td></td>
<td></td>
<td>Possibly most efficient, since students would have Dean, Technology, and Advising services provided within College of “degree” (assumes central resources would not be deployed for this program)</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td>Students would be permanently viewed as “second class” citizens within college</td>
</tr>
</tbody>
</table>
**Recommendation:**

We provide the following recommendations:

1. Each College will designate or develop a major that would serve students enrolling in that college and wishing to receive a degree from that college, assuming continued good standing and satisfactory progress as discussed in II.A.2.

2. Each College is asked to show flexibility in setting criteria and making decisions on change of curriculum requests from students in General Studies for the next two years or until some type of general studies degree is adopted.

3. As soon as possible, implement the two short-term approaches to reducing the number of students enrolling in General Studies on an involuntary basis. We realize that these recommendations may not be able to be implemented until Fall 2007, but immediate action should be taken to alert affected Colleges and Admissions professionals of these changes.

4. With respect to the longer-term approaches, the logistics of creating a new degree, receiving required levels of University, System, and Coordinating Board Approval will not make these options feasible until Fall 2007 at the very earliest (in addition, no guarantees exist that such approval will ultimately be granted). We recommend a full airing and distribution of this proposal to important university groups to receive their feedback and discuss the various options identified herein, with a goal of these discussions taking place in Spring 2006. Depending upon the direction and consistency of this feedback, one of two courses of action should be taken:

   a. Select from among the options provided in this document and begin the process of proposing the new degree program(s) for University, System, and Coordinating Board Approval.

   b. Reconstitute this, or a modified version of this, Task Force to provide a recommendation or further study of this issue. If this course of action is selected, we recommend that a greater proportion of faculty vis-à-vis administrators comprise the Task Force and that a reasonable number of members of this Task Force be retained to minimize the Task Forces' learning curve.

Summary of similar programs from other institutions are attached as appendices A (University of North Carolina at Chapel Hill) and B (Arizona State University).
APPENDIX A: UNIVERSITY OF NORTH CAROLINA

Highlights:

- Interdisciplinary Studies Degree (located within College of Arts and Sciences)

- Apply for transfer during the junior year, with a 2.4 Grade Point Average required for application.

- Requires University Core Courses (60 hours), 24 hours in up to three departments, 12 hours of Arts and Science Electives, and up to 24 hours of free electives to reach 120 total hours [inferred from attached degree checklist]

- Not designed for "students who have a weak record of academic performance or who require the discipline and structure associated with traditional degree programs offered by the University".

- Limited to 12 hours of professional studies courses (business, public health, journalism, mass communication, etc.).

http://advising.unc.edu/academics/majorsminors/idst.pdf
INTERDISCIPLINARY STUDIES

- The Program
- The Degree
- Special Opportunities
  - Honors
- Graduate School Opportunities
- Career Opportunities
- For More Information

The Program

Four kinds of majors are offered under the heading of Interdisciplinary Studies (IDST): Folklore, Cultural Studies, Renaissance Studies, and a major which is designed by the student. Students interested in Cultural Studies should contact the office of The University Program in Cultural Studies in 111 Bingham Hall. Students interested in Folklore should contact the College of Arts and Sciences advising office and sign up for an appointment with the Assistant Dean in charge of Interdisciplinary Studies.

The fourth type of IDST major, designed by the student and the IDST advisor, is for students who wish to develop a major outside of those offered by the College of Arts and Sciences departments and curricula. The degree program consists of eight core courses, which must be chosen from three departments (with a maximum of four courses from any one department) and which must be appropriate for juniors and seniors majoring in those departments. They should also form a coherent major to which the student is able to assign a title. Additionally, students are encouraged to select electives and perspective courses which complement these eight core courses.

With permission from the relevant professional school, a student may use up to twelve hours of professional courses (Business, Journalism and Mass Communication, Public Health, etc.) in the core. This can be advantageous to students who want some concentration in these areas but who also want a degree in Arts and Sciences. IDST majors are still restricted by the College of Arts and Sciences rule that there be no more than twelve hours of professional courses in the 120 hours required for the B.A. Degrees.

In the past, students have designed their own majors in such varied fields as Medieval Studies, Arts Management, and Urban Studies. Students interested in a self-designed IDST major should contact the Assistant Dean in charge of Interdisciplinary Studies, Academic Advising Programs. An IDST major has more focus than many of the more traditional majors and is, therefore, not for someone who is undecided about a major. It must not be a major that a student can pursue through a traditional department or curriculum. Due to the nature of the major individually designed by a student, neither a minor nor a second major is allowed. An exception to the policy applies to students pursuing the Interdisciplinary Studies major in Cultural Studies.

To insure the proper construction of an interdisciplinary program of study, the major course of study should be planned no later than the beginning of the junior year. The student must have at least 45 hours left before graduation. This degree program is not intended for students who have a record of weak academic performance or who require the discipline and structure associated
with traditional degree programs offered by the University. Therefore, only students with at least a 2.400 cumulative grade point average are permitted to pursue a major in IDST. Qualified students may participate in departmental or interdisciplinary honors through this program. Students wishing to design their own IDST major should first talk with a member of their advising team. If the advisor agrees that an IDST major is appropriate, then the student should schedule an appointment with the Assistant Dean in charge of Interdisciplinary Studies to discuss the proposed program. The Assistant Dean will discuss the development of a major contract which describes the planned course of study. Once the contract is approved, the IDST major is declared. Changes may be made in the contract only with permission of the Assistant Dean in charge of Interdisciplinary Studies.

The Degree

The degree offered is a Bachelor of Arts (BA) in Interdisciplinary Studies.

Special Opportunities

Honors: Qualified students may pursue departmental or interdisciplinary honors through this program.

Graduate School Opportunities

Since IDST can provide a broad background in the liberal arts, graduate study in a number of academic disciplines is possible. Students are encouraged to contact the graduate or professional school to which they wish to gain admission to determine the specific undergraduate academic requirements necessary for admission. An IDST major is generally not recommended for students planning graduate study in the sciences.

Career Opportunities

Career opportunities for IDST are as varied as the reasons students give for selecting the major. In order to enhance job placement, IDST students sometimes complete an internship either in the summer or academic year.

For more information contact:

Assistant Dean in charge of Interdisciplinary Studies
College of Arts and Sciences
CB# 3110, Steele Building
Phone: 966-5116.
### BACHELOR OF ARTS - INTERDISCIPLINARY STUDIES (120 hr)

<table>
<thead>
<tr>
<th>NAME</th>
<th>PID</th>
<th>MINOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENGL</td>
<td>F.L. (*) HSFL</td>
<td>MATH. (**)</td>
</tr>
<tr>
<td>11</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>12</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

(*) Through Level 3 unless placed into Level 1 of HSFL
(**) Math 16, 17, 18, 19, 22, 30, 31; Stat 11, 11;
Compl 14, 16, Phil 27, 71; OR 22, 23, 41
(****) At least one with lab
(****) From two depts.

**INTERDISCIPLINARY STUDIES (8 courses) (#) ♦**

<table>
<thead>
<tr>
<th>Major Title</th>
<th>A&amp;S PERSPECTIVES (4 courses)</th>
<th>ELECTIVES (to reach 120 hrs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 [1st dept.]</td>
<td>5 [2nd dept.]</td>
<td>West/Non-W Hist (##)</td>
</tr>
<tr>
<td>2 [1st dept.]</td>
<td>6 [2nd dept.]</td>
<td>Social Science</td>
</tr>
<tr>
<td>3 [1st dept.]</td>
<td>7 [2nd or 3rd dept.]</td>
<td>Aesthetic</td>
</tr>
<tr>
<td>4 [1st or 2nd dept.]</td>
<td>8 [3rd dept.]</td>
<td>Philosophical</td>
</tr>
</tbody>
</table>

♦ 18 hours ≥ C (not C-) required in major core.
(##) Only students with at least a 2.4 cumulative GPA are permitted to declare a major in IDST.
(##) A&S Historical Perspective: Non-W/Comp here or in GC

---

**GRADUATION REQUIREMENTS ASSUMING COMPLETION OF CURRENT SEMESTER COURSES**

<table>
<thead>
<tr>
<th>Date/Advisor</th>
<th>Date/Advisor</th>
<th>Date/Advisor</th>
<th>Date/Advisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courses in progress (hr)</td>
<td>Courses in progress (hr)</td>
<td>Courses in progress (hr)</td>
<td>Courses in progress (hr)</td>
</tr>
<tr>
<td>___ General College courses</td>
<td>___ General College courses</td>
<td>___ General College courses</td>
<td>___ General College courses</td>
</tr>
<tr>
<td>___ Div. ___ PhyA ___ Sw</td>
<td>___ Div. ___ PhyA ___ Sw</td>
<td>___ Div. ___ PhyA ___ Sw</td>
<td>___ Div. ___ PhyA ___ Sw</td>
</tr>
<tr>
<td>___ Major, incl:</td>
<td>___ Major, incl:</td>
<td>___ Major, incl:</td>
<td>___ Major, incl:</td>
</tr>
<tr>
<td>___ hrs C in Major</td>
<td>___ hrs C in Major</td>
<td>___ hrs C in Major</td>
<td>___ hrs C in Major</td>
</tr>
<tr>
<td>___ Other courses</td>
<td>___ Other courses</td>
<td>___ Other courses</td>
<td>___ Other courses</td>
</tr>
<tr>
<td>___ A &amp; S Perspectives</td>
<td>___ A &amp; S Perspectives</td>
<td>___ A &amp; S Perspectives</td>
<td>___ A &amp; S Perspectives</td>
</tr>
<tr>
<td>___ Free electives</td>
<td>___ Free electives</td>
<td>___ Free electives</td>
<td>___ Free electives</td>
</tr>
</tbody>
</table>

**CREDIT ADJUSTMENTS:**
HSFL 1 : 2x Courses Prof. Sch. >12 hr.
HSFL 1 : 2x Courses Prof. Sch. >12 hr.
TOTAL AFTER PRESENT TERM TOTAL AFTER PRESENT TERM TOTAL AFTER PRESENT TERM TOTAL AFTER PRESENT TERM

___ COURSES OR ___ HRS ___ COURSES OR ___ HRS ___ COURSES OR ___ HRS ___ COURSES OR ___ HRS
REMOVE AB/IN/SP REMOVE AB/IN/SP REMOVE AB/IN/SP REMOVE AB/IN/SP
APPENDIX B: ARIZONA STATE UNIVERSITY

Highlights:

- Bachelor of Interdisciplinary Studies (located in University College)

- Apply for transfer after 56 hours and be in good academic standing. Completion of two courses in each selected concentration with a minimum grade of "C".

- Requires University Core Courses (38-41 hours), Interdisciplinary Studies Core (12 hours), 36 hours in concentrations (either two single concentrations or one double concentration), and up to 34 hours of elective courses [inferred from attached degree checklist]

- Students requiring more than 15 hours of elective courses are encouraged to pursue a minor, but are not required to do so.

http://asu.edu/provost/articulation/chksheets/05-06/05CKUAS.htm
Curriculum Checksheets 2005-2006

UNIVERSITY COLLEGE

Bachelor of Interdisciplinary Studies
General BIS Degree Checksheet

The BIS degree is offered through the University College, located at UASB, 2nd floor, (480) 965-1979. Academic advising is required prior to change of major, located at UASB, room 203, (480) 965-1970.

(Advising for concentrations: Students are encouraged to meet with an academic advisor in each concentration for academic planning and course selection.)

Prerequisites for Declaring BIS Major

- 56 hours of college credit must be completed. Academic Good Standing. Completed two courses in each concentration with a minimum grade of "C". (These courses may be in progress at the time the student declares major status. In progress courses must be completed with a "C" or better prior to enrollment in BIS 301).
- Completed General Studies requirements for Mathematics and first-year Composition.

- BIS CONCENTRATIONS -

(Refer to catalog index for page number)

SINGLE CONCENTRATIONS (choose two)

- Economics (general)
- Economics (for a career in law)
- English - Creative Writing*
- English - Linguistics concentration*
- English - Literature concentration*
- English - Writing Certificate (C)*
- Ethics
- Kinesiology
- Southeast Asian Studies - Language Studies Option (C)
- Spanish
- Spanish for Native Speakers
- Speech & Hearing Science
- Statistics
- Translation (Spanish/English) (C)
- Women's Studies

http://asu.edu/provost/articulation/chksheets/05-06/05CKUAS.htm

2/21/2006
Transfer Courses that Satisfy ASU General Studies Requirements

Search the Articulation website:

- Urban Planning
- Family Studies/Child Development
- French
- Geography**
- Geography for Business**
- Geography - Environmental Geography**
- Geography - International Geography**
- Geological Sciences
- German
- History
- Italian
- Japanese
- Jewish Studies (C)
- Justice Studies
- Latin American Studies (C)
- Mathematics
- Medieval & Renaissance Studies (C)
- Philosophy
- Philosophy - History & Philosophy of Science
- Philosophy - Symbolic Systems
- Physics
- Plant Biology - Environmental Science & Ecology
- Plant Biology - Molecular Bioscience & Biotechnology
- Plant Biology - Urban Horticulture
- Political Science
- Political Science - American Public Policy
- Political Science - Civic Education
- Political Science - International Studies

Public Programs
- Lesbian, Gay, Bisexual and Transgender Studies
- Nonprofit/Youth Agency Administration (C)
- Public Administration
- Recreation Management
- Social Welfare
- Tourism

Interdisciplinary Programs
- Gerontology

ASU Polytechnic
- Applied Biological Sciences
- Exercise & Wellness
- Food & Nutrition Management
- Hazardous Materials & Waste Management (C)
- Human Nutrition
- Multi-Media Writing & Technical Communication
- Small Business

DOUBLE CONCENTRATIONS (choose one)
- The Global Family
- Environmental Science
- Organizational Studies

http://asu.edu/provost/articulation/chksheets/05-06/05CKUAS.htm 2/21/2006
- Classical Studies - Greek
- Classical Studies - Latin
- Communication
- Computational Mathematical Sciences
- East Asian Studies (C)
- Psychology
- Religious Studies
- Russian
- Russian & East European Studies (C)
- Scandinavian Studies
- Sociology
- Southeast Asian Studies - Area Studies Option (C)

* Students may not use more than one English concentration.
** Students may not use more than one Geography concentration.
*** Double concentrations are built on two concentrations or multiple disciplines and represent a complete BIS major; concentration areas in addition to the double concentration are not needed.
(C) indicates program may award a certificate upon completion. Check with department.

UNIVERSITY COLLEGE
ACADEMIC ADVISING SERVICES
UASB 129 (480) 965 - 4464
Monday - Friday 9:00am - 5:00pm
evening hours Tuesday 5:00 - 6:30pm
Subject to change without notice

Questions? please contact articulation@asu.edu
**University Requirements**

- Minimum total semester hours is 120. At least 45 semester hours must be upper-division (300/400 level courses).
- Minimum GPA required for graduation is 2.0

**First-year Composition (3-6 Hours)**

<table>
<thead>
<tr>
<th>Course</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENG 101 First-year Composition</td>
<td></td>
</tr>
<tr>
<td>ENG 102 First-year Composition</td>
<td></td>
</tr>
<tr>
<td>Or</td>
<td></td>
</tr>
<tr>
<td>ENG 105 Advanced First-year Composition</td>
<td></td>
</tr>
</tbody>
</table>

**General Studies (35 Hours)**

- **Literacy (6 hours)**
  - Met by Major (BIS 301)
  - Met by Major (BIS 402)
- **Numeracy (6 hours)**
- **Humanities & Fine Arts (6-9 Hours)**
  - HU:
  - HU:
- **Social Behavioral Sciences (6-9 hours)**
  - SB:
  - SB:
- **Natural Sciences (8 hours)**
  - SQ:
  - SQ/SG:
- **Awareness Areas**
  - Cultural Diversity in the US (C)
  - Global Awareness (G)
  - Historical Awareness (H)

**Major Requirements**

- Must be completed with grade of C or better.
- Major Status required for all BIS Core courses.

**BIS Core (12 Hours)**

<table>
<thead>
<tr>
<th>Course</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIS 301 Foundations of Int. Studies (L)</td>
<td>3</td>
</tr>
<tr>
<td>BIS 302 Interdisciplinary Studies</td>
<td>3</td>
</tr>
<tr>
<td>BIS 401 Applied Interdisciplinary Studies</td>
<td>3</td>
</tr>
<tr>
<td>BIS 402 Senior Seminar (L)</td>
<td>3</td>
</tr>
</tbody>
</table>

**Areas Of Concentration (36 hours)**

BIS students can pursue either two subject-area concentrations or one double concentration.

<table>
<thead>
<tr>
<th>Concentration #1</th>
<th>Course</th>
<th>Hours</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Concentration #2</th>
<th>Course</th>
<th>Hours</th>
</tr>
</thead>
</table>

**Electives/Minors**

- There is no specific elective or minor requirement for the BIS degree. Students needing more than 15 hours of electives to meet the 120-hour requirement are encouraged to pursue a minor in addition to their BIS concentrations; however, minors are not required. Courses used in either BIS concentration area may not be used to fulfill minor requirements.

**BIS Major Status**

Major status is required to take any of the 4 BIS core classes. To have BIS major status, you must:

- Have an ASU GPA of 2.0 or better.
- Have completed at least 56 hours of credit.
- Have completed the University requirements for Math and First-Year Composition.
- Have completed the BIS Cyber Workshop.
- Have had an appointment with a BIS advisor to complete required paperwork.
- Have two courses counting towards EACH area of concentration.

Students who are not eligible for BIS Major status will be assigned Pre-BIS status provided they are in academic good standing and have completed the BIS Cyber Workshop.

Pre-BIS majors must see an advisor to change to BIS major status once they become eligible.
12 April 2006

MEMORANDUM

To: Dr. Richard Ewing  
   Vice-President Research

From: Dr. Thomas Blasingame  
   CPI Chair — 2005-2006

Subject: CPI survey for input on TAMUS 17.01 Intellectual Property Management and Commercialization  
(Solicited March 2006)

In March 2006, the Council of Principal Investigators (CPI) engaged in a survey for faculty input regarding the proposed policy TAMUS 17.01 Intellectual Property Management and Commercialization. The results of this survey are attached. Although only a few respondents requested anonymity, I have sanitized all of the responses except a solicitation for input from the College of Agriculture and Life Sciences (COALS) as this was an "official" solicitation. There are also 3 "memoranda" responses, and (obviously), these persons expected their comments to be publicized, so these materials are included in their entirety. I have not included casual or incomplete responses (RSVP-type responses — i.e., from those who stated that would not provide input).

As your working group is now the University entity responsible for an official response to the System and I note for all that CPI has 2 representatives on this committee (Alan Love and David Russell), the CPI will now direct all responses, input, inquires, etc. to your working group.

Attachments: (distributed electronically)
   — Correspondence/Responses related to CPI survey for input on TAMUS 17.01 Intellectual Property Management and Commercialization, solicited March 2006.

cc: (distributed electronically, with attachments)
   — Dr. Robert M. Gates, President (Texas A&M University)
   — Dr. David M. Prior, Executive Vice-President and Provost (Texas A&M University)
   — College Deans, Administrative Heads, and Department Heads (Texas A&M University)
   — Dr. John Fike, Speaker of the Faculty Senate (Texas A&M University)
   — Dr. Howard Kaplan, Chair of the Distinguished Professors (Texas A&M University)
   — CPI Membership
E-mail Correspondence:

Date: 09-16 March 2006
Person: Various
Subject: CPI Survey Request for Input -- IT/Commercialization Policy
E-mail:

Date:    12 March 2006  
Person:  Tom Blasingame  
Subject: Comment on Proposed IP/Technology Commercialization Policy  

----------------------------------------------------------------------

(Distribution 2)

From: Blasingame, Tom [mailto:t-blasingame@pe.tamu.edu]  
Sent: Sunday, March 12, 2006 6:57 PM  
To: CPI@listserv.tamu.edu  
Cc: t-blasingame@tamu.edu  
Subject: Update -- TAMUS IP and Com Policy  
Importance: High  

<<All -- I wanted our CPI staff to send, but this is urgent,  
so I will try the listserve command myself -- if it bombs,  
we will re-send tomorrow.  

My thanks and warm regards to all.  

Tom Blasingame  
12 March 2006>>

----------------------------------------------------------------------

CPI Members/CPI Guests/Faculty Colleagues:

As most of you should have received the note below on Thursday (09 March 2006), I want to thank you for your  
attention and effort.  

I also want to inform you of my revised intentions in this matter. Based on conversations with CPI members  
and others, I have decided that the most appropriate destination of our "report" in this matter is the  
President (Dr. Gates). Therefore, I would ask (again) that if you would like your views/comments/concerns  
considered in my formal submission to President Gates, then please forward these to me by end of business,  
Monday 13 March 2006. Obviously, we will continue to collect data well past this date, but I feel obli-  
gated to submit at least a preliminary formal response to the President immediately.  

I thank everyone for their participation in this pro-  
cess -- and in particular, to those who have submitted their reviews and views -- your attention in this time  
of urgency is sincerely appreciated.  

I will copy all on my CPI report to President Gates,  
which should be submitted Tuesday 14 March 2006 (I hope).  

Tom Blasingame  
EM: t-blasingame@tamu.edu  
TL: +1.979.845.2292  

----------------------------------------------------------------------
CPI Members/CPI Guests/Faculty Colleagues:

The Council of Principal Investigators (CPI) has been asked to complete its review of the PROPOSED (08 Mar 2006) version of the Texas A&M University System Intellectual Property and Commercialization Policy by MONDAY, 13 MARCH 2006.

The MS Word version of this document is located at:

http://cpi.tamu.edu/

The imposed deadline is unrealistic -- but this matter is likely to go forward to the Board of Regents regardless of our opinion about the PROCESS -- so I ask that you focus your attention and energy on the document, not the process.

In short, I ask that you download the document, print it, write on it with a pen (your choice of color), then scan and e-mail to me, or have your copy hand-delivered to my office (RICH 815) and I will have your document scanned. I will then forward the documents to the TAMUS Vice Chancellor for Technology Commercialization.

I recommend the pen and paper approach for 2 reasons:

1. It will force you to be specific.
2. It will force the TAMUS staff to read the edits rather than archive a bunch of "markup" MS Word files.

If at all possible, I ask that you please review this document.

Sincerest regards.

Tom Blasingame
(t-blasingame@tamu.edu)
Tom:

I am out of the office and cannot print and provide handwritten comments. May be could add my comments to the edits you are providing.

1. My primary objection is the unreasonably high (25%) administrative costs for OTC over and above all other expenses. It is unbelievable that the OTC feels that they deserve 25% of an intellectual property while the remaining is shared between the inventor and the System.

2. I did not see this anywhere in the document..if the OTC decides not to pursue a disclosure for protection, does that allow the creator total latitude to do with whatsoever with the invention?

(Anonymous)
E-mail:

Date: 10 March 2006
Person: David Stelly (through Gene Nelson)
Subject: Comment on Proposed IP/Technology Commercialization Policy

From: COALS Executive Associate Dean [mailto:EADean@ag.tamu.edu]
Sent: Friday, March 10, 2006 9:23 AM
To: (Distribution)
Subject: COALS Faculty Input on IP at TAMUS
Importance: High

The enclosed message is sent to your attention from Dr. David Stelly, COALS Representative on the Council of Principal Investigators (CPI.) Please forward to faculty within your departments.

Dear Colleagues,

There is an ongoing shift in Intellectual Property management at TAMU, where the former Technology Licensing Office was reorganized into TAMUS operation (Office of Technology Commercialization (OTC)), and reformulate operations to render them successful. Such efforts will no doubt entail some major changes, though their nature remains to be defined -- and there is a need to make the right changes. The parameters and interactions involved here are numerous and complex. I solicit your help in arriving at the best formulation.

The Council for Principal Investigators (CPI) is endeavoring to represent and guard the interests of researchers in this matter, whose success, retention and recruitment determine the success of the institutions for which we work. This process of reformulating System policies is mid-stream and moving rather quickly. At a CPI meeting yesterday (http://cpi.tamu.edu/meetings.html), it was indicated by the new IP office, (Vice-chancellor Guy Diedrich) that at least some of the most alarming aspects of the original proposal for changes in the pertinent System rules and policies, particularly those deeply infringing on faculty rights to publish and so on, had been expunged or corrected. A major goal is to establish a capability for funding, essentially an avenue to capture venture capital, including if not primarily public funds. Centralization is another theme.

Success of this office is indeed highly desirable, and so is the cultivation of an environment that is research-nourishing and career-nourishing, but changes favoring one could have negative effects on the other. Thus, good foresight is needed. I think CPI would be grateful for any insights you might have regarding changes that have been proposed, or changes that have not but should be proposed.

At the URL http://cpi.tamu.edu/meetings.html you will find a PDF http://cpi.tamu.edu/060308_Policy_Review.pdf that includes several versions of proposed changes to System rules in chronological order, along with some cover letters. The last one is closest to the current version (though it’s not really clear it is the current version). Constructive, succinct suggestions and input could be help CPI represent PI interests. However, they need to be offered soon, as this process seems to be moving very quickly. For this reason, I would encourage you to submit them directly to Dr. Thomas A. Blasingame (t-blasingame@tamu.edu.)

Thanks!
David Stelly
COALS Rep. to CPI

A. Gene Nelson
COALS Rep. to CPI

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Date: Mon, 13 Mar 2006 15:29:24 -0600
From: (Anonymous)
Subject: CPI Input to TAMUS Intellectual Property Policy

(Anonymous),

Section 2.7.1 implies that we can not engage in a research contract unless unless we own the intellectual property.

This rule is already being enforced to some extent. Other universities feel strongly about keeping intellectual property rights too; they are unwilling to have clauses in their contracts giving TAMU as a subcontractor the same rights they have in their contracts with the government. Negotiations like those described in 2.7.3 have held up some (deleted) contracts with other universities for months.

Section 2.7.3 gives us some hope that these issues can be resolved, hopefully without much delay.

(Anonymous)
From: (Anonymous)
Sent: Monday, March 13, 2006 1:43 PM
To: Blasingame, Tom
Subject: RE: Update -- TAMUS IP and Com Policy

Tom - Thanks for the opportunity to provide input on the draft policy 17.01 Intellectual Property Management and Commercialization. This policy is very important to (deleted), (deleted). The major concerns from the perspective of (deleted) are as follows:

The proposal eliminates the current Steering Committee and the Governing Committee, which provide input and oversight by the System Members. It is critical to continue to provide the a Governing Committee comprised of the member CEOs.

1.2.2 - The delegation in this section does not seem to provide for participation in the decision making process by the member CEOs, which is a critical element to the success of an IP policy.

2.1.1 - Who will decide if IP is unrelated to an individual's employment responsibilities?

4.3 and 4.4 address the receipt of royalties. (deleted) currently receives royalties and provides the System with the correct allocation. In some cases, the royalties are presented as part of special meetings or events. This approach enhances the relationship between (deleted) and the industries.

There would also be a negative impact on (deleted) if the System were to distribute royalties only once a year.

Thank you again for the opportunity to comment on the draft policy. Please let me know if you have any questions on these comments or if I can be of additional assistance.

Thanks,

(Anonymous)
E-mail:

Date: 16 March 2006
Person: Anonymous e-mail submission
Subject: Comment on Proposed IP/Technology Commercialization Policy

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From: (Anonymous)
Sent: Thursday, March 16, 2006 4:05 PM
To: t-blasingame@tamu.edu
Subject: Intellectual property

It looks like we as developers of plant varieties are going to have to pay part of the cost of the widget developers... I do not understand how this should be. The document that I have reviewed is so foreign to me, I can hardly understand it, but one thing for sure, we are paying a larger piece of the pie than I think we should... I have released 6 cultivars, and the TLO will have a lifetime draw on what I spent years developing... and they spent a few months at best working on a marketing agreement. And their draw is bigger than mine... and will be bigger on my future cultivar releases.... what does TLO do for me to "earn" this draw??? Not MUCH. The success of the variety is dependent on the merits of the variety, and has little or nothing to do with the documents that are written to market it.

I think we as plant breeders are getting the short end of the deal on this arrangement. I read in there that they want to be able to fund the development of widgets... to do that, they have to get the money from someplace, so they are going to tax all of us to get it... and you can bet that once that fund is developed and is up and running, that that tax will continue forever... even though they do nothing to make my plant variety sell better... The only way I can make a variety sell better is to continue to promote it with data... for which I get little or no reward for.

What is even more deplorable is that we have little or no say in what is going into this document... The first I see of it, comes just days before they are going to adopt it... and you can bet that this last minutet input will NOT be incorporated into the document.

(Anonymous)

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Memorandum and Hard Copy Review:

Date: 09 March 2006
Person: Max Summers (Entomology)
Subject: Review of Proposed IT/Commercialization Policy
9 March 2006

Thomas A. Blasingame, Ph.D., P.E.
Texas A&M University
Petroleum Engineering
MS 3116
College Station, TX  77843-3116


Tom,

With only a few hours notification I’ve read the most recent TAMUS Draft (08 March, 2006) and have hand-written comments on the copy attached. I’ve noted several concerns, most important of which consider details that impact the process, role, responsibility, personal rights and expectations of the inventor based upon established policies of the past two decades. For example, the apparent lack of due process consideration involving the retroactive change in existing contracts and the current policy for timely return of royalties without the current inventor’s knowledge or consent. There is also the use of several cryptic and undefined phrases and terms that need discussion and clarification which are usually defined in a legal document, but missing in this draft. As proposed the process very likely will be exceptionally time-consuming, not lending to the rapid due-diligence and decision-making essential for intellectual property protection and the necessity of reporting important discoveries to the public and scientific sectors. Just consider the number of steps for approval: inventor discovery-Head of Department-Dean-Vice President for Research/Provost-President Gates-OTC-Chancellor.

As stated by the Dean of Science, Joe Newton (March 3, 2006) and chair of President Gates’ Research Environment Council, this document should be removed from any action by the Board of Regents until there has been appropriate and reasonable input from representative faculty to whom the new policy will apply. There should be a clearly defined mechanism for continuing faculty participation in intellectual property development from the moment of discovery to the level appropriate and as desired by the inventor. After all, the first and most important step in the initial phases of discovery or intellectual property development is the creativity and innovation of the inventor/creator, the astute insights derived from that person and the motivation leading to practical or commercial use. The second, yet essential step is to quickly and effectively secure and protect that property. Without the first step there cannot be a second step. To ignore this could potentially result in the significant demise of intellectual property development to the System, State of Texas and the Nation: a process and effect clearly visible for all to see and comment. If President Gates agrees and the Office of the Chancellor allows, I suggest that there be consultation by faculty leadership with the leadership of the
Research Environment Council for recommendations to President Gates that, if accepted by President Gates and the Chancellor, may result in a less contentious policy.

I've read the summary statements from Professors McIntire, Russell and Vogel. They have identified concerns quite relevant to the necessity of soliciting faculty input in a way to work with the administrations of TAMU and the Agencies so that the System will have the benefit of those recommendations and the legal analysis thereof before formalizing their policy for the Board of Regents. Some of the major points they articulate are also of concern to me: a) the potential loss of the traditional autonomy and control over the early phases for the development and protection of intellectual property, not only at the departmental and college levels, but primarily the undefined process and role of the inventor which will have to be redefined as a result of a new System policy; b) less royalty for the inventor which could be coupled with less motivation, and; c) most important, the questions concerning academic freedoms. There are many other concerns already identified by this faculty, which I will not copy.

Given carefully considered revisions the System Draft could become a good policy. I also think it appropriate for the System to develop a policy and process that will benefit not only the System’s constituents but also the System components and their inventors.

Sincerely,

Max D. Summers
Distinguished Professor
17.01 Intellectual Property Management and Commercialization

Proposed for Approval March __, 2006 (MO -06)

1. GENERAL POLICY STATEMENTS

1.1 Purpose

The Texas A&M University System (System), through its members, and faculty is committed to the development and utilization of new knowledge. The creative ideas, innovations, discoveries, concepts, processes, technologies and other intellectual properties developed by faculty members, scientists, and professional staff of the System are critical aspects of the teaching, research and service missions of the System and its members. The process of transferring these technologies to the public through commercialization is best achieved through the combined efforts of the System, its members and faculty. This policy applies equally to all System members.

The System has a responsibility for the advancement of scientific knowledge and creative work that enhances its educational, research and service missions and benefits the public it serves. The purpose of this policy is:

1.1.1 to encourage and facilitate the development and/or commercialization of intellectual property for the best interest of the public, the creator, the System, the member and the research sponsor, if any; and

1.1.2 to provide a mechanism for timely disclosure and protection of intellectual property; and

1.1.3 to allow employees of the System optimum academic freedom with respect to the method of disclosure and publication of their findings, consistent with their employment and/or other obligations under this policy or sponsored research; and

1.1.4 to provide a process for the protection of System intellectual property through patents, copyrights, trademarks, etc.; and

1.1.5 to provide a support structure for entities which wish to create strategic partnerships with the System and its members for the development of commercially viable technology; and

1.1.6 to ensure that the System and its members receive value on the investment of time and money in the commercialization of intellectual property; and

1.1.7 to establish the Office of Technology Commercialization (OTC) as a single point of contact for all matters relating to commercialization of intellectual property for the System.

1.2 Delegation of Authority
Chapter 153 of the Education Code authorizes institutions of higher education to engage in technology development and transfer activities under authority provided to governing boards by other State and Federal laws.

1.2.1 The Board of Regents delegates to the Chancellor, responsibility for the management of intellectual property subject to ownership by the System to include the authority to negotiate and execute, on behalf of the System, legal documents relating to the System’s rights in intellectual property, including, but not limited to, license agreements, letter agreements, option agreements, inter-institutional agreements, corporate agreements, applications, declarations, affidavits, powers of attorney, disclaimers, non-disclosures agreements and other such documents related to patents, copyrights, and trademarks and the formation of companies for the commercialization of System technologies.

1.2.2 The Chancellor may delegate to the Vice Chancellor for Technology Commercialization or with the prior approval of the Board, may delegate to another employee of the System Offices, the authority to negotiate and execute, on behalf of the System, legal documents relating to the System’s rights in intellectual property, including, but not limited to, license agreements, letter agreements, option agreements, inter-institutional agreements, corporate agreements, applications, declarations, affidavits, powers of attorney, disclaimers, non-disclosures agreements and other such documents related to patents, copyrights, and trademarks and the formation of companies for the commercialization of System technologies.

1.2.3 The Chancellor shall appoint an advisory committee representing System members, researchers and others to provide a forum for discussion of policies and procedures affecting intellectual property and to advise the Chancellor, Office of Technology Commercialization and CEOs regarding intellectual property matters.

1.3 Reporting Requirements

The Chancellor, or designee, will provide the Committee on Finance of the Board of Regents the following reports:

1.3.1 Annually, the Vice Chancellor for Technology Commercialization shall prepare for the Chancellor, the Board of Regents and the participating member CEOs a report listing the titles and a brief description of each disclosure received under Section 2.12 of this policy, since the last report.

1.3.2 The Vice Chancellor for Technology Commercialization shall prepare a semi-annual report on all license agreements and commercialization activities involving System intellectual property. The Vice Chancellor for Technology Commercialization shall present the semi-annual report to the advisory committee and the member CEO’s principally involved in research and commercialization. For third party license agreements, the report should include an overview of each licensee’s progress towards meeting development
milestones, and resulting gains to the System through financial return or increased research funding. For commercialization activities in which an equity interest was received, the semi-annual report will include the following information: 1) total securities held and percentage of ownership in each venture; 2) any commitments which will result in additional ownership or investment in each participant; 3) the change in market value of the financial interest; and 4) any anticipated liquidity event which will realize the return on investment.

1.3.3 In compliance with Section 51.912 of the Texas Education Code, the Board of Regents must file a report identifying all employees who conceive, create, discover, invent, or develop intellectual property and has an equity interest in or serves as an employee, officer, or member of the Board of Directors of business entities that have agreements with the System relating to the research, development, licensing or exploitation of intellectual property in which the System has an ownership interest. The report will be filed in accordance with the requirements of Section 51.005 of the Texas Education Code.

1.3.4 The Office of the Treasurer will submit a quarterly report on technology commercialization investments. The investment report will include detailed investment holdings, transaction reports, valuation of holdings, and material events which will affect the value of the investments since the last report. The Office of the Treasurer is responsible for the calculation and monitoring of valuations on all holdings.

1.4 Covered Parties

1.4.1 This policy is applicable to all persons employed by the System, including, but not limited to, full and part-time faculty and staff; and all persons using the System facilities under the supervision of System personnel, including but not limited to, visiting and adjunct faculty and researchers, undergraduate students, candidates for master’s and doctoral degrees, and non-degree seeking graduate students, unless special terms for the management of the work of such individuals are negotiated by the System or its member in advance of employment or visitation. Employees and all others who are subject to this policy shall not enter into any agreement related to intellectual property without affirmative notice to the prospective contracting entity that System intellectual property rights cannot be subordinated.

1.4.2 Inventions, innovations, discoveries and improvements covered by this policy and made with the use of System facilities or during the course of regularly assigned duties of the faculty and staff shall become the property of the System. Employees and others who are subject to this policy by virtue of their use of System services or facilities shall, upon request, assign all inventions and patents to the System, except for intellectual property that might be owned by third parties pursuant to sponsored research agreements and intellectual property resulting from independent work or approved consulting activities not utilizing System facilities.
1.4.3 Any request by a System employee to participate as an employee, officer or member of the Board of Directors of a business entity that has agreements with the System relating to the research, development, licensing or exploitation of intellectual property in which the System has an ownership interest must be approved by the Board of Regents.

The Chancellor, or designee, is authorized to serve on the governing board or as an officer of corporate entities formed for the purpose of development and commercialization of technology owned by the System which have met the requirements of this policy. At the next regular meeting of the Board of Regents, following the date on which the Chancellor, or designee, becomes a member of the corporate board, the Vice Chancellor for Technology Commercialization will provide information concerning the corporation and the System’s involvement to the Board of Regents with a request for authorization for the Chancellor, or designee, to continue serving as a member of the corporate board.

1.5 Intellectual Property Covered

Except as set forth below, this policy shall apply to intellectual property of all types, including but not limited to any invention, creation, discovery, trade secret, technology, scientific or technological development, mediated instruction, research data, tangible research products and computer software regardless of whether subject to protection under patent, copyright, trademark, service mark, mask work, plant variety protection or other national or international laws.

2. INTELLECTUAL PROPERTY RIGHTS AND OBLIGATIONS

2.1 Intellectual Property Owned by the Creator

2.1.1 Intellectual property which is unrelated to an individual’s employment responsibilities and developed on his or her own time without the support of the System or any of its members or significant use of their facilities is not owned by the System.

2.1.2 In keeping with academic tradition and except to the extent required by the terms of any funding agreement, the System does not claim ownership to pedagogical, scholarly or artistic works, 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. Furthermore, the System claims no ownership in popular nonfiction, novels, poems, musical compositions or other works of artistic imagination that are not works for hire.

2.1.3 The System may assert ownership in software as an invention; however, original software that is also pedagogical, scholarly or artistic or that is integral to the
presentation of such may be owned by the creator in accordance with this section.

2.1.4 If title to copyright in works defined within this section vests in the System by law, the System will, upon request and to the extent consistent with its legal and fiduciary obligations, convey copyright to the authors of such copyrightable works. If a faculty member retains title to copyright in teaching or course materials that are not works for hire, such as class notes, curriculum guides and laboratory notebooks, the System shall retain a royalty-free right to use the materials for educational purposes.

2.1.5 Authors of copyrightable works that are not owned by System, or any of its members, own the copyright in their works and are free to publish them, register the copyright, and to receive any revenues which may result there from.

2.2 Intellectual Property Owned by the System

2.2.1 Intellectual property conceived or developed as a result of activities related to an individual's employment responsibilities and/or with support from the System or any of its members in the form of administered funds or significant use of resources, such as facilities or personnel, shall be owned by the System.

2.2.2 The System or member, as appropriate, shall retain sole ownership of intellectual property that is either: 1. created by an employee who was hired specifically or required as part of their employment to produce intellectual property for institutional purposes; or 2. commissioned or contracted for by the System or any of its members. For example, work assigned to programmers is “institutional work” or “work for hire” as defined by law, as is software developed for the System or System member by staff working collaboratively. Brochures, training programs, CD-ROMs, videos, and manuals for which staff members are hired to develop are other examples of institutional works, or work for hire. The originating System member owns all right, title and interest in such works.

2.3 Role of the Creator

Creators shall be permitted maximum freedom with respect to their intellectual property, consistent with any obligations to the System. All System employees are required to abide by their obligations and those of the System under research agreements with sponsors.

Any individual subject to this policy who creates intellectual property other than on government or other sponsored research projects where the grant agreements provide otherwise, should have a major role in the ultimate determination of how it is to be published; however, the Vice Chancellor for Technology Commercialization in consultation with the relevant member CEO shall decide whether to develop and commercialize intellectual property and whether to secure legal protection as necessary.

The role and rights of the author should be clearly defined in any such agreement.
Additionally, any individual subject to this policy who creates intellectual property in the course of their employment generally may share directly or indirectly in the proceeds generated by their work as provided in Section 4.3, 4.4 and 4.5 of this policy, and in accordance with state and federal law. Such opportunity provides incentive for individuals subject to this policy to participate in the technology transfer process, promotes the development of commercial applications of intellectual property to benefit the public, and contributes to the economic growth and development of the state.

2.4 Significant Use of Resources (See § 5.1.4)

Intellectual property that is not institutional work or work for hire as defined in Section 2.2.2 of this policy, but are works that are developed with integral and significant use of funds, space, hardware, or facilities administered by a System member institution, where use was essential and substantial rather than incidental shall be owned by the System. Furthermore, intellectual property that is not work for hire but is work that is developed in the course of or resulting from research supported by a grant or contract with the federal government (or an agency thereof) or a nonprofit or for-profit nongovernmental entity, or by a private gift or grant to the System, shall be determined in accordance with the terms of the sponsored grant or contract, or in the absence of such terms and to the extent consistent with applicable law, shall be owned by the System.

The System 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, the System will not construe the provision of offices or library facilities as constituting significant use of System resources, except for those instances where the resources were furnished specifically to support the development of such intellectual property.

2.5 Assignment of Rights

Present and prospective employees of the System shall, upon request by the Chancellor, the CEO of the respective member, or the OTC execute an invention assignment agreement in a form prescribed by and available from the OTC to set forth effectively the ownership and rights to intellectual property that is owned by the System under the terms of this policy.

2.6 Provisions for Release of Intellectual Property Development to Creators and Authors

The Chancellor, on advice from the Vice Chancellor of the OTC and with the approval of the relevant member CEO, may release to the creator, development rights for specified intellectual property. The OTC will notify the System member, the creator and research sponsor if applicable of the Chancellor’s decision. The following provisions will apply to any release of rights:

2.6.1 The System shall retain a perpetual, royalty-free license to use the intellectual property and any corresponding patents, copyrights, service marks or trademarks for research, education and service purposes.

2.6.2 The System shall receive a share, to be negotiated at the time of release of development rights, of all proceeds generated from commercialization of the
In the case of a release of development rights to the creator, the creator shall not be entitled to any share of proceeds received by the System as a condition of its release of development rights to the creator as described in Sections 4.3, 4.4 and 4.5.

2.7 Intellectual Property Involving Sponsored Research

2.7.1 Intellectual property conceived or developed in the course of or resulting from research supported by a grant, sponsorship or contract with the federal government (or an agency thereof) or a nonprofit or for-profit nongovernmental entity shall be owned by the System.

2.7.2 Intellectual property developed under sponsored research should be immediately disclosed through the relevant member CEO to the OTC. The OTC, in coordination with the sponsored research offices of the System members, and the Texas A&M Research Foundation, shall coordinate reporting requirements and other obligations to research sponsors regarding intellectual property developed under a research contract or grant, including but not limited to obligations to the US Government under 37CFR401.

2.7.3 In research sponsored by or involving third parties, provisions for the ownership of intellectual property should be consistent with the general policy stated herein. Recognizing that the terms of sponsored research agreements with governmental entities and some nonprofit entities are not normally negotiable, the research sponsor or third party, when appropriate, should be offered an option for an exclusive or non-exclusive license granting rights to develop and commercialize any intellectual property resulting from the project, subject to System policy and in accordance with the Licensing Guidelines in Section 4.2 of this policy. In certain cases, however, the acceptance of a contract, grant or agreement which does not require sole ownership by the System of intellectual property, may be approved by the System member CEO, or designee, with notification to the Office of Technology Commercialization, provided that the benefits from the level of funding for proposed research and/or other consideration from a sponsor, licensee, or other party outweigh any potential disadvantages that may result from the policy deviation.

2.8 Multiple Creators

In the event of multiple creators, the creators will agree among themselves as to the ownership rights and benefits accruing to the creators; determination of the creators’ share shall be made only upon receipt by the OTC of a signed agreement between the creators. In the event that the creators cannot agree upon an appropriate sharing arrangement as evidenced by a clear and unequivocal written agreement, that portion to which the creators are entitled under Sections 4.3, 4.4 and 4.5 of this policy will be distributed as the CEO of the System member may deem appropriate under the circumstances. Such a decision shall be binding on the creators.
2.9 Joint Employment

In the event that a creator is a joint employee of two or more System members, or in the event that multiple creators represent two or more System members, the member CEOs will agree as to the ownership rights and benefits accruing to the members and the creators, considering such factors as annualized FTE by member, relative contributions of the creators to the work and level of financial support by the member. If the member CEOs cannot agree upon the appropriate sharing arrangement, the Chancellor or designee will make the decision as deemed appropriate under the circumstances and such decision shall be binding on the members and the creators.

2.10 Trademarks

In most situations, a trademark identifies an item of intellectual property, such as a computer program or a plant variety. In other situations, a Trademark identifies an educational, service, public relations, research or training program of the System or its members. The System, or the applicable System member, owns all right, title and interest in trademarks related to an item of intellectual property owned by the System or its members, or to a program of education, service, public relations, research or training program of the System or its members. All income from the licensing of a trademark shall belong to the System, or the System member, as applicable.

2.11 Tangible Research Property

Tangible research property is defined as tangible items produced in the course of research including such items as biological materials, engineering drawings, integrated circuit chips, computer databases, prototype devices, circuit diagrams, and equipment. Individual items of tangible research property may be associated with one or more intangible properties, such as inventions, copyrightable works, and trademarks.

The System owns all right, title and interest in tangible research property related to an individual's employment responsibilities and/or developed with support from System-administered funds, facilities, equipment or personnel. For purposes of management of the asset, tangible research property shall be managed as other intellectual property with distribution of royalties from the distribution or commercialization of such tangible research property made in accordance with Section 4.3 and 4.4 of this policy.

2.12 Public Disclosure

2.12.1 The prompt and open dissemination of the results of System research and the free exchange of ideas among scholars is key to the fulfillment of System’s educational, research and service missions. However, any publication or public disclosure which describes a patentable innovation prior to filing for patent protection may entirely preclude patenting in foreign countries and may also preclude protection in the United States unless a patent is filed within one year of publication.
2.12.2 Individuals subject to this policy shall promptly disclose, through their CEO to the OTC, intellectual property covered by this policy, including those made under sponsored research agreements.

2.12.3 Disclosure shall be made in a form prescribed by and available from the OTC. Individuals subject to this policy shall cooperate with the OTC in protecting rights in the intellectual property.

2.13 Offers of Intellectual Property

3.13.1 If an individual chooses to offer to the System intellectual property in which the System has no claim, the System may accept ownership of the intellectual property provided that: (1) the individual makes the offer through one of the System members as if the intellectual property had been created within the System; (2) the individual agrees to all provisions (including distribution of income provisions) of this policy (3) the individual warrants that he or she owns all right, title and interest to the intellectual property, and that to the best of his or her knowledge, the intellectual property does not infringe upon any existing copyright or other legal rights.

2.13.2 The CEOs of the System members shall advise the OTC of all such offers and may request a recommendation from the OTC regarding acceptance or rejection of the offers, and for patenting and commercialization, by the System.

2.13.3 Should the System agree to accept the offer of intellectual property, the individual will execute an assignment agreement transferring all right, title and interest in the intellectual property to the System, and acknowledging that the individual agrees to all provisions of this policy. In cases in which the individual has already expended funds toward obtaining patent or other legal protection for the invention, the individual and the System may negotiate terms to allow recovery of legal and/or patent expenses from license fees and/or royalty income. Such an agreement would modify normal royalty sharing provisions until such expenses are recovered by the party entitled to recovery of the expenses.

2.13.4 The System may accept charitable donations of intellectual property from governmental or private organizations. Upon the transfer of title in the intellectual property to the System, the intellectual property will be managed in accordance with this policy.

3. INTELLECTUAL PROPERTY EVALUATION AND PROTECTION

3.1 Evaluation

System members are encouraged to perform preliminary screening of all disclosures for scientific merit and forward the results of such screening to assist the OTC with its administrative responsibility for the management of intellectual property.
The OTC, in consideration of any assessment provided by the component and in consultation with the creator, is responsible for determining potential commercial viability, obtaining proprietary protection, and for the determination as to the appropriate means to optimize the benefit of intellectual property to the System. This includes, but is not limited to, the use of patents, licensing agreements, partnerships, and/or the formation of companies for the development of commercially viable technologies.

3.2 Protection of Intellectual Property

1. The Vice Chancellor for Technology Commercialization, in consultation with the relevant System member, shall decide whether and how intellectual property is to be protected. The System will not seek protection for innovations that OTC determines are not commercially attractive, even if the innovation has intellectual merit, unless required by the sponsor or the member CEO, in which case the sponsor or the member shall pay all related costs associated with protecting the intellectual property. The Vice Chancellor for Technology Commercialization shall notify the relevant System member CEO of his/her decision; if the decision is not to seek protection, the CEO shall notify the OTC if the System member requires protection to be sought.

2. Outside counsel services may be contracted with the consent of the Vice Chancellor for Technology Commercialization and the Office of General Counsel and, as required by law, the Attorney General of the State of Texas.

3.2.3 The OTC may fund all of the cost associated with the protection of intellectual property subject to ownership by the System, or it may request funding at any time from the member originating the intellectual property. Unless the System member is requiring the protection of the intellectual property, the decision whether to provide such funding shall be in the discretion of the member CEO. In either case, costs associated with the protection of the intellectual property will be recovered for the funding party before making distributions royalties as outlined in Sections 4.3 and 4.4.

4. LICENSING

4.1 Licensing Agreement

The OTC and the Office of General Counsel shall cooperatively develop a model license agreement for licensing System intellectual property which shall include, as a minimum, the guidelines set forth below. The model agreement shall be submitted to all potential licensees for 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. Any exceptions to the model agreement must be approved by the Vice Chancellor for Technology Commercialization and the Office of General Counsel.
The System member from which copyrightable works or trademarks were developed has the primary responsibility and authority for negotiating with third parties having an interest in using, developing or otherwise commercializing copyrightable works or trademarks. The CEO of the System member may request assistance from the OTC regarding the protection and licensing of copyrightable works.

4.2 Licensing Guidelines

The following guidelines are applicable to license agreements with private entities including those formed primarily for the purpose of developing and/or commercializing System intellectual property:

4.2.1 No entity shall be granted the exclusive right to the development and/or commercialization of all intellectual property created at a System member. Agreements should grant rights only for a specific project.

4.2.2 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 System in the event the entity fails to develop and commercialize the property within a specified period of time that is appropriate to the particular circumstances as determined by the OTC.

An entity that is granted exclusive rights to develop or commercialize intellectual property that is patentable should be required to reimburse the System for all expenses incurred by the System 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 System 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.

4.2.4 The System, the member, and the employees of each should be protected and indemnified from all liability arising from the development, marketing, or use of the particular intellectual property.

4.2.5 Restrictions on use by the member for research and teaching purposes and the publication rights of creators should be minimized during the licensing process.

4.2.6 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 System, should be required to share with the System a minimum of: 50% of any royalty received by the entity and 50% of any equity position to which the entity may be entitled. Exceptions must be approved by the Vice Chancellor for Technology Commercialization.

4.2.7 Commitments should not be made for future inventions even when improvements are expected. Exceptions must be approved by the Vice Chancellor for Technology Commercialization as appropriate to handle subordinate patents.
4.2.8 License agreements should contain such other provisions as may be determined by the System OTC, and the Office of General Counsel, to be in the best interest of the System.

4.3 Distribution of Royalties and License Fees from Intellectual Property Licensed on or Before February 1, 2006

All monetary proceeds from commercialization of System-owned intellectual property, including royalties, equity interests, and dividends, are the property of the System. The Chancellor, subject to approval by the Board of Regents, may adjust the allocation of royalties set forth herein.

Royalty income and license fees received by the System from commercialization of intellectual property during the preceding System fiscal year will be distributed at least once annually as follows:

Step 1 - Deduct the costs of obtaining legal protection for the intellectual property to arrive at adjusted income (when such costs are not already paid in full by another source at the time of distribution).

Step 2 - Deduct eighteen percent (18%) from adjusted income. This deduction is directed toward covering the related operating cost (excluding patent expenses) of the OTC.

Step 3 - Distribute the remaining adjusted income as follows: fifty-two percent (52%) to the creator and forty-eight percent (48%) to the System member supporting the research from which the invention was developed.

4.4 Distribution of Royalty Income and License Fees from Intellectual Property Licensed After February 1, 2006

All monetary proceeds from commercialization of System-owned intellectual property, including royalties, equity interests, and dividends, are the property of the System. The Chancellor, subject to approval by the Board of Regents, may adjust the allocation of royalties set forth herein.

Royalty income and license fees received by the System from commercialization of an intellectual property during the preceding System fiscal year will be distributed at least once annually as follows:

Step 1 - Deduct the costs of obtaining legal protection for the intellectual property to arrive at adjusted income (when such costs are not already paid in full by another source at the time of distribution).

Step 2 - Deduct twenty-five percent (25%) from adjusted income. This deduction is directed toward covering the related operating cost (excluding patent expenses) of the OTC.
Step 3 - Distribute the remaining adjusted income as follows: fifty percent (50%) to the creator and fifty percent (50%) to the System member supporting the research from which the invention was developed.

4.5 Distribution of Royalty Income and License Fees from Copyrightable Works

All monetary proceeds from commercialization of copyrightable works, including royalties, equity interests, and dividends, are the property of the System component from which the work emerged. Income received from commercialization of copyrightable works will be distributed at least once annually as follows:

4.5.1 In cases where the System member requests that the OTC conduct the commercialization or distribution of the copyrightable work on their behalf, the distribution of income shall be made in accordance with the steps outlined in Sections 4.3 and 4.4 above.

4.5.2 In cases where the System member conducts the commercialization or distribution of the copyrightable work, the distribution of income shall be as follows: fifty percent (50%) to the System member and fifty percent (50%) to the author.

4.5.3 Notwithstanding sections 4.5.1 and 4.5.2 above, the System member shall be entitled to all income from distribution or commercialization of institutional works and works for hire as described in section 2.2.2.

4.6 Equity as a Consideration in Licensing

4.6.1 The OTC may negotiate, but shall not be obliged to negotiate, for equity interests in lieu of or in addition to royalty and/or monetary consideration as a part of an agreement relating rights in intellectual property owned by the System. The System is not restricted in the percentage of equity it may take in a company as a part of an agreement relating to rights in intellectual property owned by the System.

4.6.2 Inventors and authors may receive up to fifty percent (50%) of any equity or other non-monetary consideration received by the System or its members as consideration in a license agreement. However, the System shall control the liquidation of equity interest in its sole discretion. This may include agreeing to receive the equity interest under terms that restrict its ability to sell, distribute or otherwise deal with the equity interests.

4.6.3 As stated in Texas Education Code Section 153.007, neither the System nor any member thereof acts as a fiduciary for any individual concerning equity or other consideration received under the terms of this policy.
5. FORMATION OF, AND/OR INVESTMENT IN ENTITIES TO COMMERCIALIZE SYSTEM INTELLECTUAL PROPERTY BY THE OTC

5.1 General

Following disclosure, evaluation and protection of intellectual property, the OTC may elect to form or assist with the formation of a company, or enter into a venture with an existing company for the purpose of developing and/or commercializing System intellectual property. The commercialization process should include the means by which the OTC will be able to receive a return on investment of OTC resources. If monetary or non-monetary support is exchanged in part or wholly for equity, the exchange of equity must comply with this policy and Texas Education Code Chapter 153.

5.1.1 The OTC is responsible for determining the corporate structure and the financing strategy, executing a licensing agreement subject to the guidelines set forth in this policy between the company and the System, and other activities related to company formation, such as selection of a CEO, other corporate officers and board members.

5.1.2 Outside counsel services may be contracted to assist with the formation of a company, or to review and prepare documents associated with a venture whose purpose is to develop and commercialize System intellectual property with the consent of the Vice Chancellor for Technology Commercialization and the Office of General Counsel and, as required by law, the Attorney General of the State of Texas.

5.1.3 The OTC and the Office of General Counsel shall develop draft shareholder agreements for protection of System interest in the venture.

5.1.4 The OTC, may also operate programs to provide assistance to individual persons and companies in commercializing technology owned wholly or in part by the System or in which the System has an interest. Assistance may include providing monetary support or non-monetary support, including the use of premises, computers, computer software, telecommunications terminal equipment, office equipment and supplies, machinery, utilities, or other services that are customarily treated as overhead expenses.

5.1.5 The System is not restricted in the percentage of equity it may own in an entity formed for the purpose of developing and/or commercializing System intellectual property.

5.1.6 Such companies and individuals receiving monetary or non-monetary support as described above will collectively be considered OTC program participants.
5.1.7 Creators of intellectual property covered by this policy or members from which the intellectual property originated may be offered equity in a company formed or venture entered into by the Office of Technology Commercialization or any of its centers at the recommendation of the Vice Chancellor for Technology Commercialization and with the approval of the Chancellor. Any equity the creator is offered will be based on their level of participation in the venture and may be in addition to, or in lieu of, the income they may receive as a part of royalty income distributions resulting from a license agreement as described in Section 4.3 and 4.4 of this policy.

5.2 Due Diligence Process

5.2.1 To guide in the consideration of OTC program participants, the OTC will be responsible for development and maintenance of guidelines on the minimum requirements for OTC participants, subject to approval by the Chancellor. Participants may not be considered unless they meet the minimum requirements.

5.2.2 The OTC is responsible for review of the commercialization plan including analysis of the potential participant’s business model, financial plan, viability of succeeding in commercialization, and potential return to the System in terms of investment return or increased research revenue. The Vice Chancellor for Technology Commercialization, subject to approval of the Chancellor, will have authority for approving participant plans, consistent with the results of the review and analysis, and the responsibility for setting milestones for the participants.

5.2.3 Due diligence for OTC program participants will include: 1) conflicts of interest in regard to all parties concerned; 2) background checks on the CEO and other corporate officers; 3) evaluation of the competence of management to execute the business plan; and 4) the financial risk and reward profile of the participant.

5.2.4 The OTC is responsible for reviewing its program participant’s progress every six months. If the participant receives a financial investment from the OTC as part of the participant plan, the initial review shall be conducted in three months. Review will focus on compliance with the commercialization plan and the achievement of milestones established. Participants which are not meeting milestones or making satisfactory progress will be placed on a six month probationary period with monthly milestones established by the OTC. Results of all reviews will be provided to the Chancellor and the Executive Vice Chancellor for Finance.

5.2.5 The Vice Chancellor for Technology Commercialization, with the approval of the Chancellor, may terminate any participant for not making satisfactory progress in regard to milestones or immediately if the OTC determines that the participant is not adhering to the participant plan or is misusing System resources. Decisions not to terminate a non-performing program participant must be approved by the Chancellor.
5.2.6 Participant plans must include an exit strategy which indicates how the entity will be concluded, and any financial interest will be returned to investors. In the event a participant distributes publicly traded securities to the OTC, securities will be immediately transferred to the System Office of the Treasurer for management.

5.2.7 The ongoing monitoring of conflicts of interest pertaining to commercialization entities formed or supported by the OTC is the responsibility of the OTC. This will include all individuals involved in the OTC process including but not limited to: employees of OTC, employees of the System and its members, staff of the participant companies, and other investors in the participant. Potential conflicts will be disclosed to the Board of Regents and resolved to the satisfaction of the Board of Regents prior to any agreements being executed or immediately upon notice for those agreements already in place.

5.3 Technology Commercialization Investment Fund

5.3.1 The Technology Commercialization Investment Fund (the Fund) may be established at the System level to finance companies formed in whole or in part by the OTC, companies the OTC enters into a partnership with, or companies the OTC accepts as program participants. System members and their affiliates, at the discretion of the CEO or appropriate management, may invest in the Fund. Individuals and corporations outside of the A&M System may also invest in the Fund, subject to the approval of the Chancellor or his designee, and the Office of Finance. The OTC may solicit gifts to the System for the purpose of supporting commercialization efforts. The Chancellor may delegate to the Vice Chancellor for Technology Commercialization, or with the prior approval of the Board, may delegate to another employee of the System Offices management oversight responsibility of the Fund.

5.3.2 Any additional intellectual, administrative, and/or infrastructure support for the OTC endeavors related to company formation, may come from System members or affiliated entities, at the discretion of each respective CEO.

5.3.3 As provided in the Texas Education Code, each member of the Board of Regents has the legal responsibilities of a fiduciary in the management of funds under the control of the System on behalf of the System. All investments will be made in accordance with applicable State and Federal regulations. All assets of the System will at all times be vested in the Board of Regents of the System, and such assets will be deemed to be held by the Board as a fiduciary regardless of the name in which the securities may be registered.

5.3.4 Investment of Fund assets into any single participant will be limited to the greater of $250,000 or 10% of the Fund’s total value.

6. CONFLICTS OF INTEREST
The OTC will interact with Board Members, faculty, the System, government employees, and private investors with wide-ranging business interest. The reporting requirements above are in addition to requirements of System Policy 07.01 Ethics, Conflicts of Interest.

7. **DISPUTE RESOLUTION**

All disputes with, or requests for deviations from, this policy are at to be submitted to the Chancellor for resolution.

CONTACT OFFICE: The System Office of Technology Commercialization

HISTORY: Replaces existing policy.
Memorandum and Hard Copy Review:

Date: 10 March 2006
Person: B. Don Russell (Electrical Engineering)
Subject: Review of Proposed IT/Commercialization Policy
March 10, 2006

TO: Tom Blasingame

FROM: Don Russell

RE: Intellectual Property and Commercialization Policy

SUBJECT: Comments

I have made comments as requested. There are two or three specific areas that need the attention of CPI and absolutely should be changed before this policy is adopted.

1. The "advisory committee" that is to be formed has absolutely no authority, no control, and is only advisory in nature to the OTC. This is a major change in that the previous committee which had membership from each system entity had authority with respect to policies and actions related to intellectual property. I believe the advisory committee should have explicit authority.

2. This document vests all authority in the Office of Technology Commercialization with only consultation with CEOs of each system entity. I believe this is a mistake. CEOs should have the authority to make decisions on intellectual property developed by their respective employees.

3. The document in section 3.2.3, section 4.3, and section 4.4 states that all costs of obtaining legal protection for intellectual property will be deducted from any income before the distribution of any royalties or income to the creators or inventors of said technology. This means that OTC can categorically determine and spend any all money necessary for legal protection and the distinct possibility exists that the creator with receive nothing. A minimum level of payment to the creator or inventor of technology should occur without respect to any costs of legal protection. I suggest a minimum of 25% of gross royalties which would be paid before deduction of costs.

4. Section 4.3 states that all licenses executed before February 1, 2006 would have an 18% deduction for OTC operating costs from adjusted income. This rate should be locked in and grandfathered at the current rate for all contracts that were executed before the adoption of this new policy.

5. Section 4.4 states that licenses after February 1, 2006 will have a 25% deduction for OTC costs. This is much too high. By the time costs of legal
protection are deducted and 25% is deducted from adjusted income for OTC costs, the amount received by the creator or inventor will often be too small to provide the necessary incentive. Once again, a minimum to the creator or inventor should be established before any adjustments are made to gross income.

While I believe all of the things above are important, it is up to the CEOs to stand their ground and maintain their authority. With respect to action by CPI, I believe we should firmly take the stand that all existing license agreements shall be grandfathered under the existing policy with respect to deduction of costs of legal protection, deduction for costs for OTC operation, and for prorate distribution of adjusted income. New licenses could then be covered under the new policy, hopefully modified from the current version.

Let me know if you need anything further.
The Texas A&M University System
Council of Principal Investigators

The Council of Principal Investigators (CPI) consists of individuals elected to represent Investigators (PIs) from each Texas A&M college and from various A&M System agencies TTI, TAES, TEES and TEEX. The Council is committed to the continued improvement of research and graduate studies environment at Texas A&M University. Specifically, the PIs which it represents continue to develop a team relationship with the administration to provide an effective and efficient university organization, thereby fostering Texas A&M being nationally recognized and competitive for teaching and research.

See the Council Bylaws for more information on the operations of the Council.

Intellectual Property and Commercialization - DRAFT IMPORTANT!!

Deadline for IP Review - Monday, March 13, 2006

VPR Announcements
17.01 Intellectual Property Management and Commercialization

Proposed for Approval March __, 2006 (MO -06)

1. GENERAL POLICY STATEMENTS

1.1 Purpose

The Texas A&M University System (System), through its members, and faculty is committed to the development and utilization of new knowledge. The creative ideas, innovations, discoveries, concepts, processes, technologies and other intellectual properties developed by faculty members, scientists, and professional staff of the System are critical aspects of the teaching, research and service missions of the System and its members. The process of transferring these technologies to the public through commercialization is best achieved through the combined efforts of the System, its members and faculty. This policy applies equally to all System members.

The System has a responsibility for the advancement of scientific knowledge and creative work that enhances its educational, research and service missions and benefits the public it serves. The purpose of this policy is:

1.1.1 to encourage and facilitate the development and/or commercialization of intellectual property for the best interest of the public, the creator, the System, the member and the research sponsor, if any; and

1.1.2 to provide a mechanism for timely disclosure and protection of intellectual property; and

1.1.3 to allow employees of the System optimum academic freedom with respect to the method of disclosure and publication of their findings, consistent with their employment and/or other obligations under this policy or sponsored research; and

1.1.4 to provide a process for the protection of System intellectual property through patents, copyrights, trademarks, etc.; and

1.1.5 to provide a support structure for entities which wish to create strategic partnerships with the System and its members for the development of commercially viable technology; and

1.1.6 to ensure that the System and its members receive value on the investment of time and money in the commercialization of intellectual property; and

1.1.7 to establish the Office of Technology Commercialization (OTC) as a single point of contact for all matters relating to commercialization of intellectual property for the System.

1.2 Delegation of Authority
Chapter 153 of the Education Code authorizes institutions of higher education to engage in technology development and transfer activities under authority provided to governing boards by other State and Federal laws.

1.2.1 The Board of Regents delegates to the Chancellor, responsibility for the management of intellectual property subject to ownership by the System to include the authority to negotiate and execute, on behalf of the System, legal documents relating to the System's rights in intellectual property, including, but not limited to, license agreements, letter agreements, option agreements, inter-institutional agreements, corporate agreements, applications, declarations, affidavits, powers of attorney, disclaimers, non-disclosures agreements and other such documents related to patents, copyrights, and trademarks and the formation of companies for the commercialization of System technologies.

1.2.2 The Chancellor may delegate to the Vice Chancellor for Technology Commercialization or with the prior approval of the Board, may delegate to another employee of the System Offices, the authority to negotiate and execute, on behalf of the System, legal documents relating to the System's rights in intellectual property, including, but not limited to, license agreements, letter agreements, option agreements, inter-institutional agreements, corporate agreements, applications, declarations, affidavits, powers of attorney, disclaimers, non-disclosures agreements and other such documents related to patents, copyrights, and trademarks and the formation of companies for the commercialization of System technologies.

1.2.3 The Chancellor shall appoint an advisory committee representing System members, researchers and others to provide a forum for discussion of policies and procedures affecting intellectual property and to advise the Chancellor, Office of Technology Commercialization and CEOs regarding intellectual property matters.

1.3 Reporting Requirements

The Chancellor, or designee, will provide the Committee on Finance of the Board of Regents the following reports:

1.3.1 Annually, the Vice Chancellor for Technology Commercialization shall prepare for the Chancellor, the Board of Regents and the participating member CEOs a report listing the titles and a brief description of each disclosure received under Section 2.12 of this policy, since the last report.

1.3.2 The Vice Chancellor for Technology Commercialization shall prepare a semi-annual report on all license agreements and commercialization activities involving System intellectual property. The Vice Chancellor for Technology Commercialization shall present the semi-annual report to the advisory committee and the member CEO's principally involved in research and commercialization. For third party license agreements, the report should include an overview of each licensee's progress towards meeting development
milestones, and resulting gains to the System through financial return or increased research funding. For commercialization activities in which an equity interest was received, the semi-annual report will include the following information: 1) total securities held and percentage of ownership in each venture; 2) any commitments which will result in additional ownership or investment in each participant; 3) the change in market value of the financial interest; and 4) any anticipated liquidity event which will realize the return on investment.

1.3.3 In compliance with Section 51.912 of the Texas Education Code, the Board of Regents must file a report identifying all employees who conceive, create, discover, invent, or develop intellectual property and has an equity interest in or serves as an employee, officer, or member of the Board of Directors of business entities that have agreements with the System relating to the research, development, licensing or exploitation of intellectual property in which the System has an ownership interest. The report will be filed in accordance with the requirements of Section 51.005 of the Texas Education Code.

1.3.4 The Office of the Treasurer will submit a quarterly report on technology commercialization investments. The investment report will include detailed investment holdings, transaction reports, valuation of holdings, and material events which will affect the value of the investments since the last report. The Office of the Treasurer is responsible for the calculation and monitoring of valuations on all holdings.

1.4 Covered Parties

1.4.1 This policy is applicable to all persons employed by the System, including, but not limited to, full and part-time faculty and staff; and all persons using the System facilities under the supervision of System personnel, including but not limited to, visiting and adjunct faculty and researchers, undergraduate students, candidates for master's and doctoral degrees, and non-degree seeking graduate students, unless special terms for the management of the work of such individuals are negotiated by the System or its member in advance of employment or visitation. Employees and all others who are subject to this policy shall not enter into any agreement related to intellectual property without affirmative notice to the prospective contracting entity that System intellectual property rights cannot be subordinated.

1.4.2 Inventions, innovations, discoveries and improvements covered by this policy and made with the use of System facilities or during the course of regularly assigned duties of the faculty and staff shall become the property of the System. Employees and others who are subject to this policy by virtue of their use of System services or facilities shall, upon request, assign all inventions and patents to the System, except for intellectual property that might be owned by third parties pursuant to sponsored research agreements and intellectual property resulting from independent work or approved consulting activities not utilizing System facilities.
1.4.3 Any request by a System employee to participate as an employee, officer or member of the Board of Directors of a business entity that has agreements with the System relating to the research, development, licensing or exploitation of intellectual property in which the System has an ownership interest must be approved by the Board of Regents.

1.4.4 The Chancellor, or designee, is authorized to serve on the governing board or as an officer of corporate entities formed for the purpose of development and commercialization of technology owned by the System which have met the requirements of this policy. At the next regular meeting of the Board of Regents, following the date on which the Chancellor, or designee, becomes a member of the corporate board, the Vice Chancellor for Technology Commercialization will provide information concerning the corporation and the System’s involvement to the Board of Regents with a request for authorization for the Chancellor, or designee, to continue serving as a member of the corporate board.

1.5 Intellectual Property Covered

Except as set forth below, this policy shall apply to intellectual property of all types, including but not limited to any invention, creation, discovery, trade secret, technology, scientific or technological development, mediated instruction, research data, tangible research products and computer software regardless of whether subject to protection under patent, copyright, trademark, service mark, mask work, plant variety protection or other national or international laws.

2. INTELLECTUAL PROPERTY RIGHTS AND OBLIGATIONS

2.1 Intellectual Property Owned by the Creator

2.1.1 Intellectual property which is unrelated to an individual's employment responsibilities and developed on his or her own time without the support of the System or any of its members or significant use of their facilities is not owned by the System.

2.1.2 In keeping with academic tradition and except to the extent required by the terms of any funding agreement, the System does not claim ownership to pedagogical, scholarly or artistic works, 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. Furthermore, the System claims no ownership in popular nonfiction, novels, poems, musical compositions or other works of artistic imagination that are not works for hire.

2.1.3 The System may assert ownership in software as an invention; however, original software that is also pedagogical, scholarly or artistic or that is integral to the
presentation of such may be owned by the creator in accordance with this section.

2.1.4 If title to copyright in works defined within this section vests in the System by law, the System will, upon request and to the extent consistent with its legal and fiduciary obligations, convey copyright to the authors of such copyrightable works. If a faculty member retains title to copyright in teaching or course materials that are not works for hire, such as class notes, curriculum guides and laboratory notebooks, the System shall retain a royalty-free right to use the materials for educational purposes.

2.1.5 Authors of copyrightable works that are not owned by System, or any of its members, own the copyright in their works and are free to publish them, register the copyright, and to receive any revenues which may result there from.

2.2 Intellectual Property Owned by the System

2.2.1 Intellectual property conceived or developed as a result of activities related to an individual's employment responsibilities and/or with support from the System or any of its members in the form of administered funds or significant use of resources, such as facilities or personnel, shall be owned by the System.

2.2.2 The System or member, as appropriate, shall retain sole ownership of intellectual property that is either: 1. created by an employee who was hired specifically or required as part of their employment to produce intellectual property for institutional purposes; or 2. commissioned or contracted for by the System or any of its members. For example, work assigned to programmers is “institutional work” or “work for hire” as defined by law, as is software developed for the System or System member by staff working collaboratively. Brochures, training programs, CD-ROMs, videos, and manuals for which staff members are hired to develop are other examples of institutional works, or work for hire. The originating System member owns all right, title and interest in such works.

2.3 Role of the Creator

Creators shall be permitted maximum freedom with respect to their intellectual property, consistent with any obligations to the System. All System employees are required to abide by their obligations and those of the System under research agreements with sponsors.

Any individual subject to this policy who creates intellectual property other than on government or other sponsored research projects where the grant agreements provide otherwise, should have a major role in the ultimate determination of how it is to be published; however, the Vice Chancellor for Technology Commercialization in consultation with the relevant member CEO shall decide whether to develop and commercialize intellectual property and whether to secure legal protection as necessary.
Additionally, any individual subject to this policy who creates intellectual property in the course of their employment generally may share directly or indirectly in the proceeds generated by their work as provided in Section 4.3, 4.4 and 4.5 of this policy, and in accordance with state and federal law. Such opportunity provides incentive for individuals subject to this policy to participate in the technology transfer process, promotes the development of commercial applications of intellectual property to benefit the public, and contributes to the economic growth and development of the state.

2.4 Significant Use of Resources

Intellectual property that is not institutional work or work for hire as defined in Section 2.2.2 of this policy, but are works that are developed with integral and significant use of funds, space, hardware, or facilities administered by a System member institution, where use was essential and substantial rather than incidental shall be owned by the System. Furthermore, intellectual property that is not work for hire but is work that is developed in the course of or resulting from research supported by a grant or contract with the federal government (or an agency thereof) or a nonprofit or for-profit nongovernmental entity, or by a private gift or grant to the System, shall be determined in accordance with the terms of the sponsored grant or contract, or in the absence of such terms and to the extent consistent with applicable law, shall be owned by the System.

The System 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, the System will not construe the provision of offices or library facilities as constituting significant use of System resources, except for those instances where the resources were furnished specifically to support the development of such intellectual property.

2.5 Assignment of Rights

Present and prospective employees of the System shall, upon request by the Chancellor, the CEO of the respective member, or the OTC execute an invention assignment agreement in a form prescribed by and available from the OTC to set forth effectively the ownership and rights to intellectual property that is owned by the System under the terms of this policy.

2.6 Provisions for Release of Intellectual Property Development to Creators and Authors

The Chancellor, on advice from the Vice Chancellor of the OTC and with the approval of the relevant member CEO, may release to the creator, development rights for specified intellectual property. The OTC will notify the System member, the creator and research sponsor if applicable of the Chancellor’s decision. The following provisions will apply to any release of rights:

2.6.1 The System shall retain a perpetual, royalty-free license to use the intellectual property and any corresponding patents, copyrights, service marks or trademarks for research, education and service purposes.

2.6.2 The System shall receive a share, to be negotiated at the time of release of development rights, of all proceeds generated from commercialization of the
intellectual property after the creator or author has recovered documented out-of-pocket costs for obtaining legal protection for the intellectual property.

2.6.3 In the case of a release of development rights to the creator, the creator shall not be entitled to any share of proceeds received by the System as a condition of its release of development rights to the creator as described in Sections 4.3, 4.4 and 4.5.

2.7 **Intellectual Property Involving Sponsored Research**

2.7.1 Intellectual property conceived or developed in the course of or resulting from research supported by a grant, sponsorship or contract with the federal government (or an agency thereof) or a nonprofit or for-profit nongovernmental entity shall be owned by the System.

2.7.2 Intellectual property developed under sponsored research should be immediately disclosed through the relevant member CEO to the OTC. The OTC, in coordination with the sponsored research offices of the System members, and the Texas A&M Research Foundation, shall coordinate reporting requirements and other obligations to research sponsors regarding intellectual property developed under a research contract or grant, including but not limited to obligations to the US Government under 37CFR401.

2.7.3 In research sponsored by or involving third parties, provisions for the ownership of intellectual property should be consistent with the general policy stated herein. Recognizing that the terms of sponsored research agreements with governmental entities and some nonprofit entities are not normally negotiable, the research sponsor or third party, when appropriate, should be offered an option for an exclusive or non-exclusive license granting rights to develop and commercialize any intellectual property resulting from the project, subject to System policy and in accordance with the Licensing Guidelines in Section 4.2 of this policy. In certain cases, however, the acceptance of a contract, grant or agreement which does not require sole ownership by the System of intellectual property, may be approved by the System member CEO, or designee, with notification to the Office of Technology Commercialization, provided that the benefits from the level of funding for proposed research and/or other consideration from a sponsor, licensee, or other party outweigh any potential disadvantages that may result from the policy deviation.

2.8 **Multiple Creators**

In the event of multiple creators, the creators will agree among themselves as to the ownership rights and benefits accruing to the creators; determination of the creators’ share shall be made only upon receipt by the OTC of a signed agreement between the creators. In the event that the creators cannot agree upon an appropriate sharing arrangement as evidenced by a clear and unequivocal written agreement, that portion to which the creators are entitled under Sections 4.3, 4.4 and 4.5 of this policy will be distributed as the CEO of the System member may deem appropriate under the circumstances. Such a decision shall be binding on the creators.
2.9 Joint Employment

In the event that a creator is a joint employee of two or more System members, or in the event that multiple creators represent two or more System members, the member CEOs will agree as to the ownership rights and benefits accruing to the members and the creators, considering such factors as annualized FTE by member, relative contributions of the creators to the work and level of financial support by the member. If the member CEOs cannot agree upon the appropriate sharing arrangement, the Chancellor or designee will make the decision as deemed appropriate under the circumstances and such decision shall be binding on the members and the creators.

2.10 Trademarks

In most situations, a trademark identifies an item of intellectual property, such as a computer program or a plant variety. In other situations, a Trademark identifies an educational, service, public relations, research or training program of the System or its members. The System, or the applicable System member, owns all right, title and interest in trademarks related to an item of intellectual property owned by the System or its members, or to a program of education, service, public relations, research or training program of the System or its members. All income from the licensing of a trademark shall belong to the System, or the System member, as applicable.

2.11 Tangible Research Property

Tangible research property is defined as tangible items produced in the course of research including such items as biological materials, engineering drawings, integrated circuit chips, computer databases, prototype devices, circuit diagrams, and equipment. Individual items of tangible research property may be associated with one or more intangible properties, such as inventions, copyrightable works, and trademarks.

The System owns all right, title and interest in tangible research property related to an individual's employment responsibilities and/or developed with support from System-administered funds, facilities, equipment or personnel. For purposes of management of the asset, tangible research property shall be managed as other intellectual property with distribution of royalties from the distribution or commercialization of such tangible research property made in accordance with Section 4.3 and 4.4 of this policy.

2.12 Public Disclosure

2.12.1 The prompt and open dissemination of the results of System research and the free exchange of ideas among scholars is key to the fulfillment of System's educational, research and service missions. However, any publication or public disclosure which describes a patentable innovation prior to filing for patent protection may entirely preclude patenting in foreign countries and may also preclude protection in the United States unless a patent is filed within one year of publication.
2.12.2 Individuals subject to this policy shall promptly disclose, through their CEO to the OTC, intellectual property covered by this policy, including those made under sponsored research agreements.

2.12.3 Disclosure shall be made in a form prescribed by and available from the OTC. Individuals subject to this policy shall cooperate with the OTC in protecting rights in the intellectual property.

2.13 Offers of Intellectual Property

2.13.1 If an individual chooses to offer to the System intellectual property in which the System has no claim, the System may accept ownership of the intellectual property provided that: (1) the individual makes the offer through one of the System members as if the intellectual property had been created within the System; (2) the individual agrees to all provisions (including distribution of income provisions) of this policy (3) the individual warrants that he or she owns all right, title and interest to the intellectual property, and that to the best of his or her knowledge, the intellectual property does not infringe upon any existing copyright or other legal rights.

2.13.2 The CEOs of the System members shall advise the OTC of all such offers and may request a recommendation from the OTC regarding acceptance or rejection of the offers, and for patenting and commercialization, by the System.

2.13.3 Should the System agree to accept the offer of intellectual property, the individual will execute an assignment agreement transferring all right, title and interest in the intellectual property to the System, and acknowledging that the individual agrees to all provisions of this policy. In cases in which the individual has already expended funds toward obtaining patent or other legal protection for the invention, the individual and the System may negotiate terms to allow recovery of legal and/or patent expenses from license fees and/or royalty income. Such an agreement would modify normal royalty sharing provisions until such expenses are recovered by the party entitled to recovery of the expenses.

2.13.4 The System may accept charitable donations of intellectual property from governmental or private organizations. Upon the transfer of title in the intellectual property to the System, the intellectual property will be managed in accordance with this policy.

3. INTELLECTUAL PROPERTY EVALUATION AND PROTECTION

3.1 Evaluation

System members are encouraged to perform preliminary screening of all disclosures for scientific merit and forward the results of such screening to assist the OTC with its administrative responsibility for the management of intellectual property.
The OTC, in consideration of any assessment provided by the component and in consultation with the creator, is responsible for determining potential commercial viability, obtaining proprietary protection, and for the determination as to the appropriate means to optimize the benefit of intellectual property to the System. This includes, but is not limited to, the use of patents, licensing agreements, partnerships, and/or the formation of companies for the development of commercially viable technologies.

3.2 Protection of Intellectual Property

3.2.1 The Vice Chancellor for Technology Commercialization, in consultation with the relevant System member, shall decide whether and how intellectual property is to be protected. The System will not seek protection for innovations that OTC determines are not commercially attractive, even if the innovation has intellectual merit, unless required by the sponsor or the member CEO, in which case the sponsor or the member shall pay all related costs associated with protecting the intellectual property. The Vice Chancellor for Technology Commercialization shall notify the relevant System member CEO of his/her decision; if the decision is not to seek protection, the CEO shall notify the OTC if the System member requires protection to be sought.

3.2.2 Outside counsel services may be contracted with the consent of the Vice Chancellor for Technology Commercialization and the Office of General Counsel and, as required by law, the Attorney General of the State of Texas.

3.2.3 The OTC may fund all of the cost associated with the protection of intellectual property subject to ownership by the System, or it may request funding at any time from the member originating the intellectual property. Unless the System member is requiring the protection of the intellectual property, the decision whether to provide such funding shall be in the discretion of the member CEO. In either case, costs associated with the protection of the intellectual property will be recovered for the funding party before making distributions royalties as outlined in Sections 4.3 and 4.4.

4. LICENSING

4.1 Licensing Agreement

The OTC and the Office of General Counsel shall cooperatively develop a model license agreement for licensing System intellectual property which shall include, as a minimum, the guidelines set forth below. The model agreement shall be submitted to all potential licensees for 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. Any exceptions to the model agreement must be approved by the Vice Chancellor for Technology Commercialization and the Office of General Counsel.
The System member from which copyrightable works or trademarks were developed has the primary responsibility and authority for negotiating with third parties having an interest in using, developing or otherwise commercializing copyrightable works or trademarks. The CEO of the System member may request assistance from the OTC regarding the protection and licensing of copyrightable works.

4.2 Licensing Guidelines

The following guidelines are applicable to license agreements with private entities including those formed primarily for the purpose of developing and/or commercializing System intellectual property:

4.2.1 No entity shall be granted the exclusive right to the development and/or commercialization of all intellectual property created at a System member. Agreements should grant rights only for a specific project.

4.2.2 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 System in the event the entity fails to develop and commercialize the property within a specified period of time that is appropriate to the particular circumstances as determined by the OTC.

4.2.3 An entity that is granted exclusive rights to develop or commercialize intellectual property that is patentable should be required to reimburse the System for all expenses incurred by the System 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 System 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.

4.2.4 The System, the member, and the employees of each should be protected and indemnified from all liability arising from the development, marketing, or use of the particular intellectual property.

4.2.5 Restrictions on use by the member for research and teaching purposes and the publication rights of creators should be minimized during the licensing process.

4.2.6 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 System, should be required to share with the System a minimum of: 50% of any royalty received by the entity and 50% of any equity position to which the entity may be entitled. Exceptions must be approved by the Vice Chancellor for Technology Commercialization.

4.2.7 Commitments should not be made for future inventions even when improvements are expected. Exceptions must be approved by the Vice Chancellor for Technology Commercialization as appropriate to handle subordinate patents.
4.2.8 License agreements should contain such other provisions as may be determined by the System OTC, and the Office of General Counsel, to be in the best interest of the System.

4.3 Distribution of Royalties and License Fees from Intellectual Property Licensed on or Before February 1, 2006

All monetary proceeds from commercialization of System-owned intellectual property, including royalties, equity interests, and dividends, are the property of the System. The Chancellor, subject to approval by the Board of Regents, may adjust the allocation of royalties set forth herein.

Royalty income and license fees received by the System from commercialization of intellectual property during the preceding System fiscal year will be distributed at least once annually as follows:

Step 1 - Deduct the costs of obtaining legal protection for the intellectual property to arrive at adjusted income (when such costs are not already paid in full by another source at the time of distribution).

Step 2 - Deduct eighteen percent (18%) from adjusted income. This deduction is directed toward covering the related operating cost (excluding patent expenses) of the OTC.

Step 3 - Distribute the remaining adjusted income as follows: fifty-two percent (52%) to the creator and forty-eight percent (48%) to the System member supporting the research from which the invention was developed.

Distribution of Royalty Income and License Fees from Intellectual Property Licensed After February 1, 2006

All monetary proceeds from commercialization of System-owned intellectual property, including royalties, equity interests, and dividends, are the property of the System. The Chancellor, subject to approval by the Board of Regents, may adjust the allocation of royalties set forth herein.

Royalty income and license fees received by the System from commercialization of an intellectual property during the preceding System fiscal year will be distributed at least once annually as follows:

Step 1 - Deduct the costs of obtaining legal protection for the intellectual property to arrive at adjusted income (when such costs are not already paid in full by another source at the time of distribution).

Step 2 - Deduct twenty-five percent (25%) from adjusted income. This deduction is directed toward covering the related operating cost (excluding patent expenses) of the OTC.

See comments at 4.8 above
Step 3 - Distribute the remaining adjusted income as follows: fifty percent (50%) to the creator and fifty percent (50%) to the System member supporting the research from which the invention was developed.

4.5 Distribution of Royalty Income and License Fees from Copyrightable Works

All monetary proceeds from commercialization of copyrightable works, including royalties, equity interests, and dividends, are the property of the System component from which the work emerged. Income received from commercialization of copyrightable works will be distributed at least once annually as follows:

4.5.1 In cases where the System member requests that the OTC conduct the commercialization or distribution of the copyrightable work on their behalf, the distribution of income shall be made in accordance with the steps outlined in Sections 4.3 and 4.4 above.

4.5.2 In cases where the System member conducts the commercialization or distribution of the copyrightable work, the distribution of income shall be as follows: fifty percent (50%) to the System member and fifty percent (50%) to the author.

4.5.3 Notwithstanding sections 4.5.1 and 4.5.2 above, the System member shall be entitled to all income from distribution or commercialization of institutional works and works for hire as described in section 2.2.2.

4.6 Equity as a Consideration in Licensing

4.6.1 The OTC may negotiate, but shall not be obliged to negotiate, for equity interests in lieu of or in addition to royalty and/or monetary consideration as a part of an agreement relating rights in intellectual property owned by the System. The System is not restricted in the percentage of equity it may take in a company as a part of an agreement relating to rights in intellectual property owned by the System.

4.6.2 Inventors and authors may receive up to fifty percent (50%) of any equity or other non-monetary consideration received by the System or its members as consideration in a license agreement. However, the System shall control the liquidation of equity interest in its sole discretion. This may include agreeing to receive the equity interest under terms that restrict its ability to sell, distribute or otherwise deal with the equity interests.

4.6.3 As stated in Texas Education Code Section 153.007, neither the System nor any member thereof acts as a fiduciary for any individual concerning equity or other consideration received under the terms of this policy.
4.6.4 Creators should refer to System Regulation 31.05.01 regarding System regulation and state law addressing equity ownership.

5. FORMATION OF, AND/OR INVESTMENT IN ENTITIES TO COMMERCIALIZE SYSTEM INTELLECTUAL PROPERTY BY THE OTC

5.1 General

Following disclosure, evaluation and protection of intellectual property, the OTC may elect to form or assist with the formation of a company, or enter into a venture with an existing company for the purpose of developing and/or commercializing System intellectual property. The commercialization process should include the means by which the OTC will be able to receive a return on investment of OTC resources. If monetary or non-monetary support is exchanged in part or wholly for equity, the exchange of equity must comply with this policy and Texas Education Code Chapter 153.

5.1.1 The OTC is responsible for determining the corporate structure and the financing strategy, executing a licensing agreement subject to the guidelines set forth in this policy between the company and the System, and other activities related to company formation, such as selection of a CEO, other corporate officers and board members.

5.1.2 Outside counsel services may be contracted to assist with the formation of a company, or to review and prepare documents associated with a venture whose purpose is to develop and commercialize System intellectual property with the consent of the Vice Chancellor for Technology Commercialization and the Office of General Counsel and, as required by law, the Attorney General of the State of Texas.

5.1.3 The OTC and the Office of General Counsel shall develop draft shareholder agreements for protection of System interest in the venture.

5.1.4 The OTC, may also operate programs to provide assistance to individual persons and companies in commercializing technology owned wholly or in part by the System or in which the System has an interest. Assistance may include providing monetary support or non-monetary support, including the use of premises, computers, computer software, telecommunications terminal equipment, office equipment and supplies, machinery, utilities, or other services that are customarily treated as overhead expenses.

5.1.5 The System is not restricted in the percentage of equity it may own in an entity formed for the purpose of developing and/or commercializing System intellectual property.

5.1.6 Such companies and individuals receiving monetary or non-monetary support as described above will collectively be considered OTC program participants.
5.1.7 Creators of intellectual property covered by this policy or members from which the intellectual property originated may be offered equity in a company formed or venture entered into by the Office of Technology Commercialization or any of its centers at the recommendation of the Vice Chancellor for Technology Commercialization and with the approval of the Chancellor. Any equity the creator is offered will be based on their level of participation in the venture and may be in addition to, or in lieu of, the income they may receive as a part of royalty income distributions resulting from a license agreement as described in Section 4.3 and 4.4 of this policy.

5.2 Due Diligence Process

5.2.1 To guide in the consideration of OTC program participants, the OTC will be responsible for development and maintenance of guidelines on the minimum requirements for OTC participants, subject to approval by the Chancellor. Participants may not be considered unless they meet the minimum requirements.

5.2.2 The OTC is responsible for review of the commercialization plan including analysis of the potential participant’s business model, financial plan, viability of succeeding in commercialization, and potential return to the System in terms of investment return or increased research revenue. The Vice Chancellor for Technology Commercialization, subject to approval of the Chancellor, will have authority for approving participant plans, consistent with the results of the review and analysis, and the responsibility for setting milestones for the participants.

5.2.3 Due diligence for OTC program participants will include: 1) conflicts of interest in regard to all parties concerned; 2) background checks on the CEO and other corporate officers; 3) evaluation of the competence of management to execute the business plan; and 4) the financial risk and reward profile of the participant.

5.2.4 The OTC is responsible for reviewing its program participant’s progress every six months. If the participant receives a financial investment from the OTC as part of the participant plan, the initial review shall be conducted in three months. Review will focus on compliance with the commercialization plan and the achievement of milestones established. Participants which are not meeting milestones or making satisfactory progress will be placed on a six month probationary period with monthly milestones established by the OTC. Results of all reviews will be provided to the Chancellor and the Executive Vice Chancellor for Finance.

5.2.5 The Vice Chancellor for Technology Commercialization, with the approval of the Chancellor, may terminate any participant for not making satisfactory progress in regard to milestones or immediately if the OTC determines that the participant is not adhering to the participant plan or is misusing System resources. Decisions not to terminate a non-performing program participant must be approved by the Chancellor.
5.2.6 Participant plans must include an exit strategy which indicates how the entity will be concluded, and any financial interest will be returned to investors. In the event a participant distributes publicly traded securities to the OTC, securities will be immediately transferred to the System Office of the Treasurer for management.

5.2.7 The ongoing monitoring of conflicts of interest pertaining to commercialization entities formed or supported by the OTC is the responsibility of the OTC. This will include all individuals involved in the OTC process including but not limited to: employees of OTC, employees of the System and its members, staff of the participant companies, and other investors in the participant. Potential conflicts will be disclosed to the Board of Regents and resolved to the satisfaction of the Board of Regents prior to any agreements being executed or immediately upon notice for those agreements already in place.

5.3 Technology Commercialization Investment Fund

5.3.1 The Technology Commercialization Investment Fund (the Fund) may be established at the System level to finance companies formed in whole or in part by the OTC, companies the OTC enters into a partnership with, or companies the OTC accepts as program participants. System members and their affiliates, at the discretion of the CEO or appropriate management, may invest in the Fund. Individuals and corporations outside of the A&M System may also invest in the Fund, subject to the approval of the Chancellor or his designee, and the Office of Finance. The OTC may solicit gifts to the System for the purpose of supporting commercialization efforts. The Chancellor may delegate to the Vice Chancellor for Technology Commercialization, or with the prior approval of the Board, may delegate to another employee of the System Offices management oversight responsibility of the Fund.

5.3.2 Any additional intellectual, administrative, and/or infrastructure support for the OTC endeavors related to company formation, may come from System members or affiliated entities, at the discretion of each respective CEO.

5.3.3 As provided in the Texas Education Code, each member of the Board of Regents has the legal responsibilities of a fiduciary in the management of funds under the control of the System on behalf of the System. All investments will be made in accordance with applicable State and Federal regulations. All assets of the System will at all times be vested in the Board of Regents of the System, and such assets will be deemed to be held by the Board as a fiduciary regardless of the name in which the securities may be registered.

5.3.4 Investment of Fund assets into any single participant will be limited to the greater of $250,000 or 10% of the Fund’s total value.

6. CONFLICTS OF INTEREST
The OTC will interact with Board Members, faculty, the System, government employees, and private investors with wide-ranging business interest. The reporting requirements above are in addition to requirements of System Policy 07.01 Ethics, Conflicts of Interest.

7. DISPUTE RESOLUTION

All disputes with, or requests for deviations from, this policy are at to be submitted to the Chancellor for resolution.

CONTACT OFFICE: The System Office of Technology Commercialization

HISTORY: Replaces existing policy.
Memorandum to Richard Ewing:

Date: 10 March 2006
Person: B. Don Russell (Electrical Engineering)
Subject: Review of Proposed IT/Commercialization Policy
TO:        Dick Ewing  
          Vice President for Research

FROM:    Don Russell

RE:       Proposed Intellectual Property and Commercialization Policy

March 10, 2006

I received notice today that comments by the faculty on the above referenced intellectual property and commercialization policy must be received by Monday, 13 March 2006. This is an unrealistic deadline for such an important matter. However, I have provided preliminary comments to Tom Blasingame for accumulation by CPI to be forwarded through channels.

I do have significant concerns on one particular matter that I bring to your attention consistent with our previous discussion.

I served 10 years on the system patent committee and for several years was responsible for managing system intellectual property activities. A key component of our strategy was to provide incentive to creators and inventors of IP. The proposed policy will do significant damage to this concept.

Sections 4.3 and 4.4 set forth an unrealistic formula for the distribution of royalty income. First, deductions of all costs for legal protection are made to create adjusted income and then a relatively high percentage (18% or 25%) is deducted from “adjusted income” before any distributions. I think it is obvious that once legal protection costs are subtracted and then the costs of OTC operations are extracted, the amount of royalties remaining to be partially distributed to the creators is very small. I have looked at hundreds of royalty reports for the system over the last 20 years. The average royalty income for technologies licensed for manufactured products and engineered products is very small. Once the proposed deductions are made, the amount to the inventor will be, on average, very small indeed.

To cure this problem, I believe that a minimum to inventors is needed to provide incentive. This minimum royalty should be calculated based on the gross royalty income and should be significant enough to provide appropriate incentive to a creator to participate in the intellectual property protection and development process. If we are not careful, we run the risk of making the process burdensome without sufficient
reward to creators of technology to provide incentive for them to take the IP process seriously. This represents a disincentive for creators to disclose inventions and assist OTC with patent prosecution which takes considerable time and effort.

I urge you to preserve incentives for faculty by guaranteeing a minimum to the creators of intellectual property without respect to any cost of legal protection or operating costs for OTC. Otherwise, I believe that for many of our research innovations the faculty will simply let the IP die by benign neglect and failure to disclose.

One other matter is bothersome. This document retroactively changes the past levels of royalty distribution and expense burden for all previously licensed IP. In my opinion, all current licenses should be grandfathered under the existing policy with respect to cost recovery and distribution of royalties. These new policies should only apply to new license agreements. If the policy is applied retroactively, inventors who are getting relatively small royalty checks on older technology will see those amounts immediately reduced which sends a very negative message and will result in disincentives to participate in the process in the future.

Please let me know if you wish to discuss these issues.

Cc: Kem Bennett  
    David Prior  
    John Niedzwiecki  
    Theresa Maldonado  
    Tom Blasingame
Document:

Date: 08 March 2006
Person: TAMUS Chancellor's Office
Subject: 17.01 Intellectual Property Management and Commercialization
TAMUS Proposal -- Draft of 08 March 2006
17.01 Intellectual Property Management and Commercialization  
Proposed for Approval March __, 2006 (MO -06)

1. GENERAL POLICY STATEMENTS

1.1 Purpose

The Texas A&M University System (System), through its members, and faculty is committed to the development and utilization of new knowledge. The creative ideas, innovations, discoveries, concepts, processes, technologies and other intellectual properties developed by faculty members, scientists, and professional staff of the System are critical aspects of the teaching, research and service missions of the System and its members. The process of transferring these technologies to the public through commercialization is best achieved through the combined efforts of the System, its members and faculty. This policy applies equally to all System members.

The System has a responsibility for the advancement of scientific knowledge and creative work that enhances its educational, research and service missions and benefits the public it serves. The purpose of this policy is:

1.1.1 to encourage and facilitate the development and/or commercialization of intellectual property for the best interest of the public, the creator, the System, the member and the research sponsor, if any; and

1.1.2 to provide a mechanism for timely disclosure and protection of intellectual property; and

1.1.3 to allow employees of the System optimum academic freedom with respect to the method of disclosure and publication of their findings, consistent with their employment and/or other obligations under this policy or sponsored research; and

1.1.4 to provide a process for the protection of System intellectual property through patents, copyrights, trademarks, etc.; and

1.1.5 to provide a support structure for entities which wish to create strategic partnerships with the System and its members for the development of commercially viable technology; and

1.1.6 to ensure that the System and its members receive value on the investment of time and money in the commercialization of intellectual property; and

1.1.7 to establish the Office of Technology Commercialization (OTC) as a single point of contact for all matters relating to commercialization of intellectual property for the System.

1.2 Delegation of Authority
Chapter 153 of the Education Code authorizes institutions of higher education to engage in technology development and transfer activities under authority provided to governing boards by other State and Federal laws.

1.2.1 The Board of Regents delegates to the Chancellor, responsibility for the management of intellectual property subject to ownership by the System to include the authority to negotiate and execute, on behalf of the System, legal documents relating to the System’s rights in intellectual property, including, but not limited to, license agreements, letter agreements, option agreements, inter-institutional agreements, corporate agreements, applications, declarations, affidavits, powers of attorney, disclaimers, non-disclosures agreements and other such documents related to patents, copyrights, and trademarks and the formation of companies for the commercialization of System technologies.

1.2.2 The Chancellor may delegate to the Vice Chancellor for Technology Commercialization or with the prior approval of the Board, may delegate to another employee of the System Offices, the authority to negotiate and execute, on behalf of the System, legal documents relating to the System’s rights in intellectual property, including, but not limited to, license agreements, letter agreements, option agreements, inter-institutional agreements, corporate agreements, applications, declarations, affidavits, powers of attorney, disclaimers, non-disclosures agreements and other such documents related to patents, copyrights, and trademarks and the formation of companies for the commercialization of System technologies.

1.2.3 The Chancellor shall appoint an advisory committee representing System members, researchers and others to provide a forum for discussion of policies and procedures affecting intellectual property and to advise the Chancellor, Office of Technology Commercialization and CEOs regarding intellectual property matters.

1.3 Reporting Requirements

The Chancellor, or designee, will provide the Committee on Finance of the Board of Regents the following reports:

1.3.1 Annually, the Vice Chancellor for Technology Commercialization shall prepare for the Chancellor, the Board of Regents and the participating member CEOs a report listing the titles and a brief description of each disclosure received under Section 2.12 of this policy, since the last report.

1.3.2 The Vice Chancellor for Technology Commercialization shall prepare a semi-annual report on all license agreements and commercialization activities involving System intellectual property. The Vice Chancellor for Technology Commercialization shall present the semi-annual report to the advisory committee and the member CEO’s principally involved in research and commercialization. For third party license agreements, the report should include an overview of each licensee’s progress towards meeting development
milestones, and resulting gains to the System through financial return or increased research funding. For commercialization activities in which an equity interest was received, the semi-annual report will include the following information: 1) total securities held and percentage of ownership in each venture; 2) any commitments which will result in additional ownership or investment in each participant; 3) the change in market value of the financial interest; and 4) any anticipated liquidity event which will realize the return on investment.

1.3.3 In compliance with Section 51.912 of the Texas Education Code, the Board of Regents must file a report identifying all employees who conceive, create, discover, invent, or develop intellectual property and has an equity interest in or serves as an employee, officer, or member of the Board of Directors of business entities that have agreements with the System relating to the research, development, licensing or exploitation of intellectual property in which the System has an ownership interest. The report will be filed in accordance with the requirements of Section 51.005 of the Texas Education Code.

1.3.4 The Office of the Treasurer will submit a quarterly report on technology commercialization investments. The investment report will include detailed investment holdings, transaction reports, valuation of holdings, and material events which will affect the value of the investments since the last report. The Office of the Treasurer is responsible for the calculation and monitoring of valuations on all holdings.

1.4 Covered Parties

1.4.1 This policy is applicable to all persons employed by the System, including, but not limited to, full and part-time faculty and staff; and all persons using the System facilities under the supervision of System personnel, including but not limited to, visiting and adjunct faculty and researchers, undergraduate students, candidates for master’s and doctoral degrees, and non-degree seeking graduate students, unless special terms for the management of the work of such individuals are negotiated by the System or its member in advance of employment or visitation. Employees and all others who are subject to this policy shall not enter into any agreement related to intellectual property without affirmative notice to the prospective contracting entity that System intellectual property rights cannot be subordinated.

1.4.2 Inventions, innovations, discoveries and improvements covered by this policy and made with the use of System facilities or during the course of regularly assigned duties of the faculty and staff shall become the property of the System. Employees and others who are subject to this policy by virtue of their use of System services or facilities shall, upon request, assign all inventions and patents to the System, except for intellectual property that might be owned by third parties pursuant to sponsored research agreements and intellectual property resulting from independent work or approved consulting activities not utilizing System facilities.
1.4.3 Any request by a System employee to participate as an employee, officer or member of the Board of Directors of a business entity that has agreements with the System relating to the research, development, licensing or exploitation of intellectual property in which the System has an ownership interest must be approved by the Board of Regents.

1.4.4 The Chancellor, or designee, is authorized to serve on the governing board or as an officer of corporate entities formed for the purpose of development and commercialization of technology owned by the System which have met the requirements of this policy. At the next regular meeting of the Board of Regents, following the date on which the Chancellor, or designee, becomes a member of the corporate board, the Vice Chancellor for Technology Commercialization will provide information concerning the corporation and the System’s involvement to the Board of Regents with a request for authorization for the Chancellor, or designee, to continue serving as a member of the corporate board.

1.5 Intellectual Property Covered

Except as set forth below, this policy shall apply to intellectual property of all types, including but not limited to any invention, creation, discovery, trade secret, technology, scientific or technological development, mediated instruction, research data, tangible research products and computer software regardless of whether subject to protection under patent, copyright, trademark, service mark, mask work, plant variety protection or other national or international laws.

2. INTELLECTUAL PROPERTY RIGHTS AND OBLIGATIONS

2.1 Intellectual Property Owned by the Creator

2.1.1 Intellectual property which is unrelated to an individual's employment responsibilities and developed on his or her own time without the support of the System or any of its members or significant use of their facilities is not owned by the System.

2.1.2 In keeping with academic tradition and except to the extent required by the terms of any funding agreement, the System does not claim ownership to pedagogical, scholarly or artistic works, 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. Furthermore, the System claims no ownership in popular nonfiction, novels, poems, musical compositions or other works of artistic imagination that are not works for hire.

2.1.3 The System may assert ownership in software as an invention; however, original software that is also pedagogical, scholarly or artistic or that is integral to the
presentation of such may be owned by the creator in accordance with this section.

2.1.4 If title to copyright in works defined within this section vests in the System by law, the System will, upon request and to the extent consistent with its legal and fiduciary obligations, convey copyright to the authors of such copyrightable works. If a faculty member retains title to copyright in teaching or course materials that are not works for hire, such as class notes, curriculum guides and laboratory notebooks, the System shall retain a royalty-free right to use the materials for educational purposes.

2.1.5 Authors of copyrightable works that are not owned by System, or any of its members, own the copyright in their works and are free to publish them, register the copyright, and to receive any revenues which may result there from.

2.2 Intellectual Property Owned by the System

2.2.1 Intellectual property conceived or developed as a result of activities related to an individual's employment responsibilities and/or with support from the System or any of its members in the form of administered funds or significant use of resources, such as facilities or personnel, shall be owned by the System.

2.2.2 The System or member, as appropriate, shall retain sole ownership of intellectual property that is either: 1. created by an employee who was hired specifically or required as part of their employment to produce intellectual property for institutional purposes; or 2. commissioned or contracted for by the System or any of its members. For example, work assigned to programmers is "institutional work" or "work for hire" as defined by law, as is software developed for the System or System member by staff working collaboratively. Brochures, training programs, CD-ROMs, videos, and manuals for which staff members are hired to develop are other examples of institutional works, or work for hire. The originating System member owns all right, title and interest in such works.

2.3 Role of the Creator

Creators shall be permitted maximum freedom with respect to their intellectual property, consistent with any obligations to the System. All System employees are required to abide by their obligations and those of the System under research agreements with sponsors.

Any individual subject to this policy who creates intellectual property other than on government or other sponsored research projects where the grant agreements provide otherwise, should have a major role in the ultimate determination of how it is to be published; however, the Vice Chancellor for Technology Commercialization in consultation with the relevant member CEO shall decide whether to develop and commercialize intellectual property and whether to secure legal protection as necessary.
Additionally, any individual subject to this policy who creates intellectual property in the course of their employment generally may share directly or indirectly in the proceeds generated by their work as provided in Section 4.3, 4.4 and 4.5 of this policy, and in accordance with state and federal law. Such opportunity provides incentive for individuals subject to this policy to participate in the technology transfer process, promotes the development of commercial applications of intellectual property to benefit the public, and contributes to the economic growth and development of the state.

2.4 **Significant Use of Resources**

Intellectual property that is not institutional work or work for hire as defined in Section 2.2.2 of this policy, but are works that are developed with integral and significant use of funds, space, hardware, or facilities administered by a System member institution, where use was essential and substantial rather than incidental shall be owned by the System. Furthermore, intellectual property that is not work for hire but is work that is developed in the course of or resulting from research supported by a grant or contract with the federal government (or an agency thereof) or a nonprofit or for-profit nongovernmental entity, or by a private gift or grant to the System, shall be determined in accordance with the terms of the sponsored grant or contract, or in the absence of such terms and to the extent consistent with applicable law, shall be owned by the System.

The System 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, the System will not construe the provision of offices or library facilities as constituting significant use of System resources, except for those instances where the resources were furnished specifically to support the development of such intellectual property.

2.5 **Assignment of Rights**

Present and prospective employees of the System shall, upon request by the Chancellor, the CEO of the respective member, or the OTC execute an invention assignment agreement in a form prescribed by and available from the OTC to set forth effectively the ownership and rights to intellectual property that is owned by the System under the terms of this policy.

2.6 **Provisions for Release of Intellectual Property Development to Creators and Authors**

The Chancellor, on advice from the Vice Chancellor of the OTC and with the approval of the relevant member CEO, may release to the creator, development rights for specified intellectual property. The OTC will notify the System member, the creator and research sponsor if applicable of the Chancellor’s decision. The following provisions will apply to any release of rights:

2.6.1 The System shall retain a perpetual, royalty-free license to use the intellectual property and any corresponding patents, copyrights, service marks or trademarks for research, education and service purposes.

2.6.2 The System shall receive a share, to be negotiated at the time of release of development rights, of all proceeds generated from commercialization of the
intellectual property after the creator or author has recovered documented out-of-pocket costs for obtaining legal protection for the intellectual property.

2.6.3 In the case of a release of development rights to the creator, the creator shall not be entitled to any share of proceeds received by the System as a condition of its release of development rights to the creator as described in Sections 4.3, 4.4 and 4.5.

2.7 Intellectual Property Involving Sponsored Research

2.7.1 Intellectual property conceived or developed in the course of or resulting from research supported by a grant, sponsorship or contract with the federal government (or an agency thereof) or a nonprofit or for-profit nongovernmental entity shall be owned by the System.

2.7.2 Intellectual property developed under sponsored research should be immediately disclosed through the relevant member CEO to the OTC. The OTC, in coordination with the sponsored research offices of the System members, and the Texas A&M Research Foundation, shall coordinate reporting requirements and other obligations to research sponsors regarding intellectual property developed under a research contract or grant, including but not limited to obligations to the US Government under 37CFR401.

2.7.3 In research sponsored by or involving third parties, provisions for the ownership of intellectual property should be consistent with the general policy stated herein. Recognizing that the terms of sponsored research agreements with governmental entities and some nonprofit entities are not normally negotiable, the research sponsor or third party, when appropriate, should be offered an option for an exclusive or non-exclusive license granting rights to develop and commercialize any intellectual property resulting from the project, subject to System policy and in accordance with the Licensing Guidelines in Section 4.2 of this policy. In certain cases, however, the acceptance of a contract, grant or agreement which does not require sole ownership by the System of intellectual property, may be approved by the System member CEO, or designee, with notification to the Office of Technology Commercialization, provided that the benefits from the level of funding for proposed research and/or other consideration from a sponsor, licensee, or other party outweigh any potential disadvantages that may result from the policy deviation.

2.8 Multiple Creators

In the event of multiple creators, the creators will agree among themselves as to the ownership rights and benefits accruing to the creators; determination of the creators’ share shall be made only upon receipt by the OTC of a signed agreement between the creators. In the event that the creators cannot agree upon an appropriate sharing arrangement as evidenced by a clear and unequivocal written agreement, that portion to which the creators are entitled under Sections 4.3, 4.4 and 4.5 of this policy will be distributed as the CEO of the System member may deem appropriate under the circumstances. Such a decision shall be binding on the creators.
2.9 Joint Employment

In the event that a creator is a joint employee of two or more System members, or in the event that multiple creators represent two or more System members, the member CEOs will agree as to the ownership rights and benefits accruing to the members and the creators, considering such factors as annualized FTE by member, relative contributions of the creators to the work and level of financial support by the member. If the member CEOs cannot agree upon the appropriate sharing arrangement, the Chancellor or designee will make the decision as deemed appropriate under the circumstances and such decision shall be binding on the members and the creators.

2.10 Trademarks

In most situations, a trademark identifies an item of intellectual property, such as a computer program or a plant variety. In other situations, a Trademark identifies an educational, service, public relations, research or training program of the System or its members. The System, or the applicable System member, owns all right, title and interest in trademarks related to an item of intellectual property owned by the System or its members, or to a program of education, service, public relations, research or training program of the System or its members. All income from the licensing of a trademark shall belong to the System, or the System member, as applicable.

2.11 Tangible Research Property

Tangible research property is defined as tangible items produced in the course of research including such items as biological materials, engineering drawings, integrated circuit chips, computer databases, prototype devices, circuit diagrams, and equipment. Individual items of tangible research property may be associated with one or more intangible properties, such as inventions, copyrightable works, and trademarks.

The System owns all right, title and interest in tangible research property related to an individual's employment responsibilities and/or developed with support from System-administered funds, facilities, equipment or personnel. For purposes of management of the asset, tangible research property shall be managed as other intellectual property with distribution of royalties from the distribution or commercialization of such tangible research property made in accordance with Section 4.3 and 4.4 of this policy.

2.12 Public Disclosure

2.12.1 The prompt and open dissemination of the results of System research and the free exchange of ideas among scholars is key to the fulfillment of System's educational, research and service missions. However, any publication or public disclosure which describes a patentable innovation prior to filing for patent protection may entirely preclude patenting in foreign countries and may also preclude protection in the United States unless a patent is filed within one year of publication.
2.12.2 Individuals subject to this policy shall promptly disclose, through their CEO to the OTC, intellectual property covered by this policy, including those made under sponsored research agreements.

2.12.3 Disclosure shall be made in a form prescribed by and available from the OTC. Individuals subject to this policy shall cooperate with the OTC in protecting rights in the intellectual property.

2.13 Offers of Intellectual Property

2.13.1 If an individual chooses to offer to the System intellectual property in which the System has no claim, the System may accept ownership of the intellectual property provided that: (1) the individual makes the offer through one of the System members as if the intellectual property had been created within the System; (2) the individual agrees to all provisions (including distribution of income provisions) of this policy (3) the individual warrants that he or she owns all right, title and interest to the intellectual property, and that to the best of his or her knowledge, the intellectual property does not infringe upon any existing copyright or other legal rights.

2.13.2 The CEOs of the System members shall advise the OTC of all such offers and may request a recommendation from the OTC regarding acceptance or rejection of the offers, and for patenting and commercialization, by the System.

2.13.3 Should the System agree to accept the offer of intellectual property, the individual will execute an assignment agreement transferring all right, title and interest in the intellectual property to the System, and acknowledging that the individual agrees to all provisions of this policy. In cases in which the individual has already expended funds toward obtaining patent or other legal protection for the invention, the individual and the System may negotiate terms to allow recovery of legal and/or patent expenses from license fees and/or royalty income. Such an agreement would modify normal royalty sharing provisions until such expenses are recovered by the party entitled to recovery of the expenses.

2.13.4 The System may accept charitable donations of intellectual property from governmental or private organizations. Upon the transfer of title in the intellectual property to the System, the intellectual property will be managed in accordance with this policy.

3. INTELLECTUAL PROPERTY EVALUATION AND PROTECTION

3.1 Evaluation

System members are encouraged to perform preliminary screening of all disclosures for scientific merit and forward the results of such screening to assist the OTC with its administrative responsibility for the management of intellectual property.
The OTC, in consideration of any assessment provided by the component and in consultation with the creator, is responsible for determining potential commercial viability, obtaining proprietary protection, and for the determination as to the appropriate means to optimize the benefit of intellectual property to the System. This includes, but is not limited to, the use of patents, licensing agreements, partnerships, and/or the formation of companies for the development of commercially viable technologies.

3.2 Protection of Intellectual Property

3.2.1 The Vice Chancellor for Technology Commercialization, in consultation with the relevant System member, shall decide whether and how intellectual property is to be protected. The System will not seek protection for innovations that OTC determines are not commercially attractive, even if the innovation has intellectual merit, unless required by the sponsor or the member CEO, in which case the sponsor or the member shall pay all related costs associated with protecting the intellectual property. The Vice Chancellor for Technology Commercialization shall notify the relevant System member CEO of his/her decision; if the decision is not to seek protection, the CEO shall notify the OTC if the System member requires protection to be sought.

3.2.2 Outside counsel services may be contracted with the consent of the Vice Chancellor for Technology Commercialization and the Office of General Counsel and, as required by law, the Attorney General of the State of Texas.

3.2.3 The OTC may fund all of the cost associated with the protection of intellectual property subject to ownership by the System, or it may request funding at any time from the member originating the intellectual property. Unless the System member is requiring the protection of the intellectual property, the decision whether to provide such funding shall be in the discretion of the member CEO. In either case, costs associated with the protection of the intellectual property will be recovered for the funding party before making distributions royalties as outlined in Sections 4.3 and 4.4.

4. LICENSING

4.1 Licensing Agreement

The OTC and the Office of General Counsel shall cooperatively develop a model license agreement for licensing System intellectual property which shall include, as a minimum, the guidelines set forth below. The model agreement shall be submitted to all potential licensees for 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. Any exceptions to the model agreement must be approved by the Vice Chancellor for Technology Commercialization and the Office of General Counsel.
The System member from which copyrightable works or trademarks were developed has the primary responsibility and authority for negotiating with third parties having an interest in using, developing or otherwise commercializing copyrightable works or trademarks. The CEO of the System member may request assistance from the OTC regarding the protection and licensing of copyrightable works.

4.2 Licensing Guidelines

The following guidelines are applicable to license agreements with private entities including those formed primarily for the purpose of developing and/or commercializing System intellectual property:

4.2.1 No entity shall be granted the exclusive right to the development and/or commercialization of all intellectual property created at a System member. Agreements should grant rights only for a specific project.

4.2.2 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 System in the event the entity fails to develop and commercialize the property within a specified period of time that is appropriate to the particular circumstances as determined by the OTC.

4.2.3 An entity that is granted exclusive rights to develop or commercialize intellectual property that is patentable should be required to reimburse the System for all expenses incurred by the System 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 System 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.

4.2.4 The System, the member, and the employees of each should be protected and indemnified from all liability arising from the development, marketing, or use of the particular intellectual property.

4.2.5 Restrictions on use by the member for research and teaching purposes and the publication rights of creators should be minimized during the licensing process.

4.2.6 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 System, should be required to share with the System a minimum of: 50% of any royalty received by the entity and 50% of any equity position to which the entity may be entitled. Exceptions must be approved by the Vice Chancellor for Technology Commercialization.

4.2.7 Commitments should not be made for future inventions even when improvements are expected. Exceptions must be approved by the Vice Chancellor for Technology Commercialization as appropriate to handle subordinate patents.
4.2.8 License agreements should contain such other provisions as may be determined by the System OTC, and the Office of General Counsel, to be in the best interest of the System.

4.3 Distribution of Royalties and License Fees from Intellectual Property Licensed on or Before February 1, 2006

All monetary proceeds from commercialization of System-owned intellectual property, including royalties, equity interests, and dividends, are the property of the System. The Chancellor, subject to approval by the Board of Regents, may adjust the allocation of royalties set forth herein.

Royalty income and license fees received by the System from commercialization of intellectual property during the preceding System fiscal year will be distributed at least once annually as follows:

Step 1 - Deduct the costs of obtaining legal protection for the intellectual property to arrive at adjusted income (when such costs are not already paid in full by another source at the time of distribution).

Step 2 - Deduct eighteen percent (18%) from adjusted income. This deduction is directed toward covering the related operating cost (excluding patent expenses) of the OTC.

Step 3 - Distribute the remaining adjusted income as follows: fifty-two percent (52%) to the creator and forty-eight percent (48%) to the System member supporting the research from which the invention was developed.

4.4 Distribution of Royalty Income and License Fees from Intellectual Property Licensed After February 1, 2006

All monetary proceeds from commercialization of System-owned intellectual property, including royalties, equity interests, and dividends, are the property of the System. The Chancellor, subject to approval by the Board of Regents, may adjust the allocation of royalties set forth herein.

Royalty income and license fees received by the System from commercialization of an intellectual property during the preceding System fiscal year will be distributed at least once annually as follows:

Step 1 - Deduct the costs of obtaining legal protection for the intellectual property to arrive at adjusted income (when such costs are not already paid in full by another source at the time of distribution).

Step 2 - Deduct twenty-five percent (25%) from adjusted income. This deduction is directed toward covering the related operating cost (excluding patent expenses) of the OTC.
Step 3 - Distribute the remaining adjusted income as follows: fifty percent (50%) to the creator and fifty percent (50%) to the System member supporting the research from which the invention was developed.

4.5 Distribution of Royalty Income and License Fees from Copyrightable Works

All monetary proceeds from commercialization of copyrightable works, including royalties, equity interests, and dividends, are the property of the System component from which the work emerged. Income received from commercialization of copyrightable works will be distributed at least once annually as follows:

4.5.1 In cases where the System member requests that the OTC conduct the commercialization or distribution of the copyrightable work on their behalf, the distribution of income shall be made in accordance with the steps outlined in Sections 4.3 and 4.4 above.

4.5.2 In cases where the System member conducts the commercialization or distribution of the copyrightable work, the distribution of income shall be as follows: fifty percent (50%) to the System member and fifty percent (50%) to the author.

4.5.3 Notwithstanding sections 4.5.1 and 4.5.2 above, the System member shall be entitled to all income from distribution or commercialization of institutional works and works for hire as described in section 2.2.2.

4.6 Equity as a Consideration in Licensing

4.6.1 The OTC may negotiate, but shall not be obliged to negotiate, for equity interests in lieu of or in addition to royalty and/or monetary consideration as a part of an agreement relating rights in intellectual property owned by the System. The System is not restricted in the percentage of equity it may take in a company as a part of an agreement relating to rights in intellectual property owned by the System.

4.6.2 Inventors and authors may receive up to fifty percent (50%) of any equity or other non-monetary consideration received by the System or its members as consideration in a license agreement. However, the System shall control the liquidation of equity interest in its sole discretion. This may include agreeing to receive the equity interest under terms that restrict its ability to sell, distribute or otherwise deal with the equity interests.

4.6.3 As stated in Texas Education Code Section 153.007, neither the System nor any member thereof acts as a fiduciary for any individual concerning equity or other consideration received under the terms of this policy.
4.6.4 Creators should refer to System Regulation 31.05.01 regarding System regulation and state law addressing equity ownership.

5. FORMATION OF, AND/OR INVESTMENT IN ENTITIES TO COMMERCIALIZE SYSTEM INTELLECTUAL PROPERTY BY THE OTC

5.1 General

Following disclosure, evaluation and protection of intellectual property, the OTC may elect to form or assist with the formation of a company, or enter into a venture with an existing company for the purpose of developing and/or commercializing System intellectual property. The commercialization process should include the means by which the OTC will be able to receive a return on investment of OTC resources. If monetary or non-monetary support is exchanged in part or wholly for equity, the exchange of equity must comply with this policy and Texas Education Code Chapter 153.

5.1.1 The OTC is responsible for determining the corporate structure and the financing strategy, executing a licensing agreement subject to the guidelines set forth in this policy between the company and the System, and other activities related to company formation, such as selection of a CEO, other corporate officers and board members.

5.1.2 Outside counsel services may be contracted to assist with the formation of a company, or to review and prepare documents associated with a venture whose purpose is to develop and commercialize System intellectual property with the consent of the Vice Chancellor for Technology Commercialization and the Office of General Counsel and, as required by law, the Attorney General of the State of Texas.

5.1.3 The OTC and the Office of General Counsel shall develop draft shareholder agreements for protection of System interest in the venture.

5.1.4 The OTC, may also operate programs to provide assistance to individual persons and companies in commercializing technology owned wholly or in part by the System or in which the System has an interest. Assistance may include providing monetary support or non-monetary support, including the use of premises, computers, computer software, telecommunications terminal equipment, office equipment and supplies, machinery, utilities, or other services that are customarily treated as overhead expenses.

5.1.5 The System is not restricted in the percentage of equity it may own in an entity formed for the purpose of developing and/or commercializing System intellectual property.

5.1.6 Such companies and individuals receiving monetary or non-monetary support as described above will collectively be considered OTC program participants.
5.1.7 Creators of intellectual property covered by this policy or members from which the intellectual property originated may be offered equity in a company formed or venture entered into by the Office of Technology Commercialization or any of its centers at the recommendation of the Vice Chancellor for Technology Commercialization and with the approval of the Chancellor. Any equity the creator is offered will be based on their level of participation in the venture and may be in addition to, or in lieu of, the income they may receive as a part of royalty income distributions resulting from a license agreement as described in Section 4.3 and 4.4 of this policy.

5.2 **Due Diligence Process**

5.2.1 To guide in the consideration of OTC program participants, the OTC will be responsible for development and maintenance of guidelines on the minimum requirements for OTC participants, subject to approval by the Chancellor. Participants may not be considered unless they meet the minimum requirements.

5.2.2 The OTC is responsible for review of the commercialization plan including analysis of the potential participant’s business model, financial plan, viability of succeeding in commercialization, and potential return to the System in terms of investment return or increased research revenue. The Vice Chancellor for Technology Commercialization, subject to approval of the Chancellor, will have authority for approving participant plans, consistent with the results of the review and analysis, and the responsibility for setting milestones for the participants.

5.2.3 Due diligence for OTC program participants will include: 1) conflicts of interest in regard to all parties concerned; 2) background checks on the CEO and other corporate officers; 3) evaluation of the competence of management to execute the business plan; and 4) the financial risk and reward profile of the participant.

5.2.4 The OTC is responsible for reviewing its program participant’s progress every six months. If the participant receives a financial investment from the OTC as part of the participant plan, the initial review shall be conducted in three months. Review will focus on compliance with the commercialization plan and the achievement of milestones established. Participants which are not meeting milestones or making satisfactory progress will be placed on a six month probationary period with monthly milestones established by the OTC. Results of all reviews will be provided to the Chancellor and the Executive Vice Chancellor for Finance.

5.2.5 The Vice Chancellor for Technology Commercialization, with the approval of the Chancellor, may terminate any participant for not making satisfactory progress in regard to milestones or immediately if the OTC determines that the participant is not adhering to the participant plan or is misusing System resources. Decisions not to terminate a non-performing program participant must be approved by the Chancellor.
5.2.6 Participant plans must include an exit strategy which indicates how the entity will be concluded, and any financial interest will be returned to investors. In the event a participant distributes publicly traded securities to the OTC, securities will be immediately transferred to the System Office of the Treasurer for management.

5.2.7 The ongoing monitoring of conflicts of interest pertaining to commercialization entities formed or supported by the OTC is the responsibility of the OTC. This will include all individuals involved in the OTC process including but not limited to: employees of OTC, employees of the System and its members, staff of the participant companies, and other investors in the participant. Potential conflicts will be disclosed to the Board of Regents and resolved to the satisfaction of the Board of Regents prior to any agreements being executed or immediately upon notice for those agreements already in place.

5.3 Technology Commercialization Investment Fund

5.3.1 The Technology Commercialization Investment Fund (the Fund) may be established at the System level to finance companies formed in whole or in part by the OTC, companies the OTC enters into a partnership with, or companies the OTC accepts as program participants. System members and their affiliates, at the discretion of the CEO or appropriate management, may invest in the Fund. Individuals and corporations outside of the A&M System may also invest in the Fund, subject to the approval of the Chancellor or his designee, and the Office of Finance. The OTC may solicit gifts to the System for the purpose of supporting commercialization efforts. The Chancellor may delegate to the Vice Chancellor for Technology Commercialization, or with the prior approval of the Board, may delegate to another employee of the System Offices management oversight responsibility of the Fund.

5.3.2 Any additional intellectual, administrative, and/or infrastructure support for the OTC endeavors related to company formation, may come from System members or affiliated entities, at the discretion of each respective CEO.

5.3.3 As provided in the Texas Education Code, each member of the Board of Regents has the legal responsibilities of a fiduciary in the management of funds under the control of the System on behalf of the System. All investments will be made in accordance with applicable State and Federal regulations. All assets of the System will at all times be vested in the Board of Regents of the System, and such assets will be deemed to be held by the Board as a fiduciary regardless of the name in which the securities may be registered.

5.3.4 Investment of Fund assets into any single participant will be limited to the greater of $250,000 or 10% of the Fund’s total value.

6. CONFLICTS OF INTEREST
The OTC will interact with Board Members, faculty, the System, government employees, and private investors with wide-ranging business interest. The reporting requirements above are in addition to requirements of System Policy 07.01 Ethics, Conflicts of Interest.

7. DISPUTE RESOLUTION

All disputes with, or requests for deviations from, this policy are to be submitted to the Chancellor for resolution.

CONTACT OFFICE: The System Office of Technology Commercialization

HISTORY: Replaces existing policy.
<table>
<thead>
<tr>
<th>Statements by the Working Group</th>
<th>Faculty Questions</th>
<th>Faculty Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitions of the objections and roles of the PI – we felt TAMU policy could use work on this. Other university’s documents are very clear in what they hoped to accomplish.</td>
<td>How do you address the possibility of negotiating IP with private funding? Industry?</td>
<td>Would like to see stated that pedagogical material is owned by the author.</td>
</tr>
<tr>
<td>Other area that we pulled – administration of licensing – I.D. ownership – goes to system or university at all the institutions the responsibility of the disclosure is with the PI. Public decision – to PI – except in TAMU policy</td>
<td>Inter-University Collaborations; What if collaborating w/someone at another university – how does it (copyright) get split? This should be clearly stated.</td>
<td>Need to spell out ambiguities; visiting professors discoveries; who has ownership.</td>
</tr>
<tr>
<td>Decisions on commercialization’s, release of IP in TAMU document strictly w/Technology Licensing group; with other universities, committee based (within the University)</td>
<td>Grandfathering – are current faculty grandfathered under the previous clauses?</td>
<td>Define Royalties vs. equities; Inventor needs to have some say as to whether or not equity is taken, or needs to be able to say that they don’t want the equity, pay them off in royalty. Etc.</td>
</tr>
<tr>
<td>Cost incurred in patenting and technology licensing. – all costs taken off the top of any revenue that comes in – this is fact in all of the other institutions, and ours.</td>
<td>Didn’t adjust issues for software patents? How usually handled? GPL and other mechanisms have been used to keep in public domain to keep in public software use.</td>
<td>Should be an objective to involve the inventor in all business decisions.</td>
</tr>
<tr>
<td>Patent admin is under the office of the TLO – other places it varies – usually committees advising the president/advising the chancellor</td>
<td>What is the goal of the university in terms of Intellectual Property? TLO doesn’t fully understand what a PI is doing scientifically; they can’t</td>
<td>Conflict resolution not addressed very well but big issues. [not called consulting though] Our policy deals with policy if you or the system tech creates a company or they allow you to participate based on your technology; we</td>
</tr>
</tbody>
</table>
**understand it all.**
How can you differentiate? You can’t have one person in the business world trying to commercialize your science.

**determine that to be consulting.**

<table>
<thead>
<tr>
<th>PI’s who malign w/other universities to be able to fall under their IP regulations; Is there a State law?</th>
<th>Need to cover consulting related to IP and things a PI might be developing.</th>
</tr>
</thead>
</table>

**Falls along lines of whether or not there is ownership involved – if no IP allowed to do 20%**

Should pi’s be able to do this?????********

**Should consulting be a part of this document?**

Should technology licensing encompass scholarly works, books, etc., should that be part of this

Do these universities have on their legal council or office of general council, lawyers that specialize in this, that deal w/ contract research?

**Back to publication decision issues – obvious this policy is different and I’d like to get idea of what mechanism will be in place of that and whether or not TLO would have ability to analyze our manuscripts or grant proposals to see if anything in it is to be protected?**

[regarding early disclosure]

In defense of our proposed document – there are other schools that say you have requirement, if there is intellectual property, to let appropriate committee know in advance.

Major point is that this is not very clear in the current proposed documents – other docs on the web – pretty nicely spelled out in nice terms.

This is important point that clearly needs discussed and resolved. To the satisfaction of the faculty and admin involved – fact is, it’s not clear, that’s why all confused.

what we need are more clear rules
<table>
<thead>
<tr>
<th>Q. from Electrical Engineering: Do we know in other schools, who pays for patent, System or PI?</th>
<th>Appropriate thing, it is the PIs decision whether they want to go through with publishing. TLO involvement not appropriate.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sacchettini – you take invention to TLO, they examine patent, sometimes have committees look at – they either make decision to go forward or not. If they decide not to, IP goes to the investigator, then PI decides whether they want to go ahead and patent and the PI has all rights – University gets no revenue.</td>
<td></td>
</tr>
<tr>
<td>Not 100% clear if that is what is proposed.</td>
<td>What would happen to IP if system decided not to pursue – do they now own that and get all revenues, make all decisions, or does system still own – we don’t know, not clear?</td>
</tr>
<tr>
<td>TEES – you go ahead and pay and we pay but IP still goes to system.</td>
<td>“They will sign the IP back to you then you have to have permission” – Westhusin</td>
</tr>
<tr>
<td>Article V, whole thing is written, gives the appearance that it trivializes the role of the PI; the process of whether or not it is considered for commercialization. Not sure that will sit well with faculty. Takes away the incentive.</td>
<td></td>
</tr>
<tr>
<td>A pi should have a say whether or not a technology should be put forward. Pi should be partner and be treated as a partner. PI should have opportunity to do, or do ahead of.</td>
<td></td>
</tr>
<tr>
<td>Should have a representative from EVERY college on this committee. [need people who have actually invented something]</td>
<td></td>
</tr>
<tr>
<td>[Physiology and Pharmacology faculty that does file fair # of patentable disclosures] “unless faculty member negotiates a research relationship which they</td>
<td>Given all the ambiguity, it’s common to have conflicts. Conflict resolution handled at the TLO level – isn’t that who we’d have conflicts with? Obviously you’d want someone other that TLO to</td>
</tr>
<tr>
<td>( \text{will let associates/co. revised data for 60 days before it’s published} )</td>
<td>( \text{committees system seems to be along the right line.} )</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>( \text{pi should not be compromised for when they should publish.} )</td>
<td>( \text{2nd opinion on giving someone authority but should be strict performance expectations – due diligence} )</td>
</tr>
<tr>
<td>( \text{(what if working with a colleague)} )</td>
<td></td>
</tr>
<tr>
<td>( \text{Also needs to include, [TCC has enough money to do the things they need to do?] Who’s out there selling our property? Other part, who is enforcing it?} )</td>
<td></td>
</tr>
<tr>
<td>( \text{How does the committee see this current proposed policy apposed to what was in place, what was the old policy good at as opposed to what’s being proposed? [committee didn’t look at the current document] [This is much more extensive policy – very difficult to compare]} )</td>
<td></td>
</tr>
<tr>
<td>( \text{What issue of participating with consulting issues – do you think that will affect people’s decisions to come here?} )</td>
<td></td>
</tr>
</tbody>
</table>