

## **Council for Research Report on Intellectual Property Policy April 2011**

The Council for Research has approved a modification to the University's Research Policy. This policy reflects agreements at other New England and Land-Grant Universities (See Appendix A) as well as the need to maintain the operations of the URI Research Foundation.

The Council for Research recommends that the Faculty Senate approve the revised University of Rhode Island Policy on Intellectual Property as outlined in the following sections of Chapter 10 of the UNIVERSITY MANUAL. Section 10.43.15 to read as follows:

10.43.15 State of Rhode Island Board of Governors for Higher Education Resolution\*  
Regarding the Role of the URI Research Foundation in Patent Management. For the purpose of making research discoveries and helping support further research at the University of Rhode Island, the Board of Governors for Higher Education designates the University of Rhode Island Research Foundation as its patent management arm and hereby appoints it as its agent to apply for, accept assignment of service, administer and market patents, patent protection rights and other forms of intellectual property, and to take steps to protect such rights.

Revenue received from these efforts shall be distributed by the URI Research Foundation in accordance with the approved patent and other intellectual property policies of the University.

Creators of intellectual property (IP) managed by the URI Research Foundation prior to June 10, 2010 shall receive a share of future revenues consistent with the creator's share defined under Appendix H, Figure 2 of the University Manual; specifically, the URI Research Foundation shall deduct from the gross revenue received from a specific piece of IP generating the revenue all costs and expenses associated with development, marketing or protecting rights in that piece of IP, including patent costs and shall distribute to the creator of that piece of IP a one-third share of the remaining revenue. In addition, IP under management prior to June 10, 2010, the URI Research Foundation shall distribute payments to creators of IP equivalent to funds previously withheld through a practice that did not follow the process defined by Appendix H, Figure 2 from approximately Fall 2008 to June 10, 2010; such payments should be completed as soon as practical or within one year of June 10, 2010.

From the gross revenues received from all IP brought under its management after June 10, 2010, the URI Research Foundation shall reimburse itself for all costs and expenses incidental thereto to manage and protect all IP generating licensing revenue so brought under its management. After patent costs are reimbursed, the URI Research Foundation shall deduct an administration fee equal to 10 percent of the remaining revenue. After the administration fee is deducted, the remaining revenue will be referred to as Net Revenue. From the Net Revenue, the URI Research Foundation shall distribute a one-third share of the remaining revenues to (i) the creator of the IP generating the revenue, (ii) the creator's college, and (iii) to the University (as represented by the URI Research Foundation). The administration fee shall be 10% after June 10, 2010 and will not be changed (i.e., increased or decreased), except as provided herein. The administration fee shall be reviewed by the Council for Research, in conjunction with the Vice President for Research and Economic Development, periodically, but no more than once a year but at least every third year. After such review, the Council for Research or the Vice President for Research and

Economic Development may recommend to the Faculty Senate that the administration fee be raised or lowered, subject to vote by the Faculty Senate and the approval of the President. The URI Research Foundation shall report semi-annually to the Board of Governors for Higher Education. This appointment may be terminated at the discretion of the Board of Governors for Higher Education. This appointment may be terminated at the discretion of the Board of Governors upon reasonable notice.

The existing flowchart in Appendix H, Figure 2 of the University Manual shall be replaced by the first flowchart below and numbered Figure 2A. The second flowchart below shall be inserted after and numbered Figure 2B.

10.43.15 State of Rhode Island Board of Governors for Higher Education Resolution\* Regarding the Role of the URI Research Foundation in Patent Management. For the purpose of making research discoveries and helping support further research at the University of Rhode Island, the Board of Governors for Higher Education designates the University of Rhode Island Research Foundation as its patent management arm and hereby appoints it as its agent to apply for, accept assignment of service, administer and market patents, patent protection rights and other forms of intellectual property, and to take steps to protect such rights.

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From the gross revenues received from all IP brought under its management after June 10, 2010, ~~the URI Research Foundation shall deduct an administration fee equal to 10 percent of the gross revenue and the URI Research Foundation shall reimburse itself for all costs and expenses incidental thereto to manage, and protect, develop and market all IP generating licensing revenue so brought under its management.~~ After patent costs are reimbursed, the URI Research Foundation shall deduct an administration fee equal to 10 percent of the remaining revenue. After the administration fee is deducted, the remaining revenue will be referred to as Net Revenue. From the Net Revenue, the URI Research Foundation including unsuccessful ventures and shall distribute a one-third share of the remaining revenues to (i) the creator of the IP generating the revenue, (ii) the creator's college, and (iii) to the University (as represented by the URI Research Foundation). The administration fee shall be 10% after June 10, 2010 and will not be changed (i.e, increased or decreased), except as provided herein. The administration fee shall be reviewed by the Council for Research, in conjunction with the Vice President for Research and Economic Development, periodically, but no more than once a year but at least every

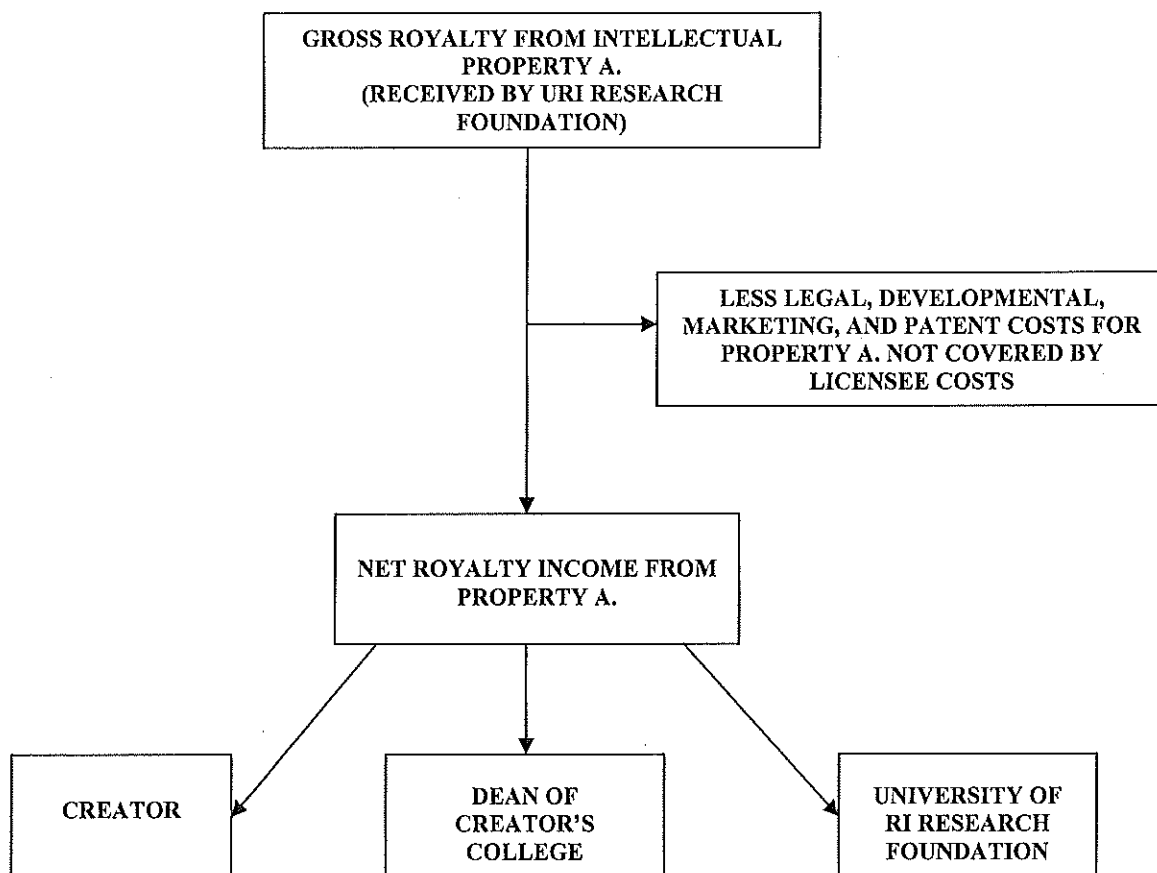
third year. After such review, the Council for Research or the Vice President for Research and Economic Development may recommend to the Faculty Senate that the administration fee be raised or lowered, subject to vote by the Faculty Senate and the approval of the President. . The URI Research Foundation shall report semi-annually to the Board of Governors For Higher Education. This appointment may be terminated at the discretion of the Board of Governors For Higher Education. This appointment may be terminated at the discretion of the Board of Governors upon reasonable notice.

APPENDIX H

**Figure 2A**  
(Prior to June 10, 2010)

**ROYALTY REVENUE DISTRIBUTION  
FOR LICENSE AGREEMENTS**

To Accompany University Manual 10.43., Figure 2

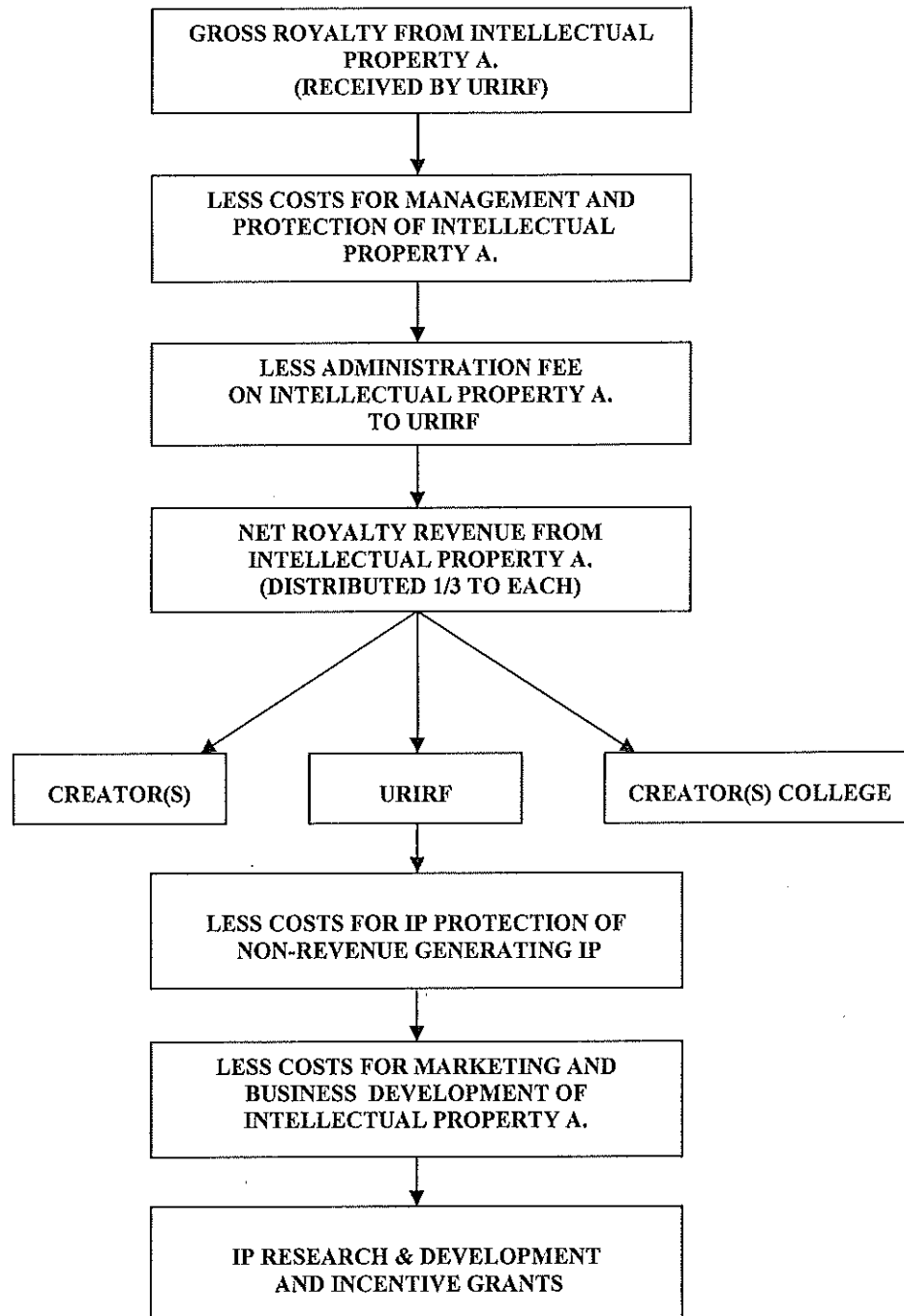


APPENDIX H

Figure 2B  
(Post June 10, 2010)

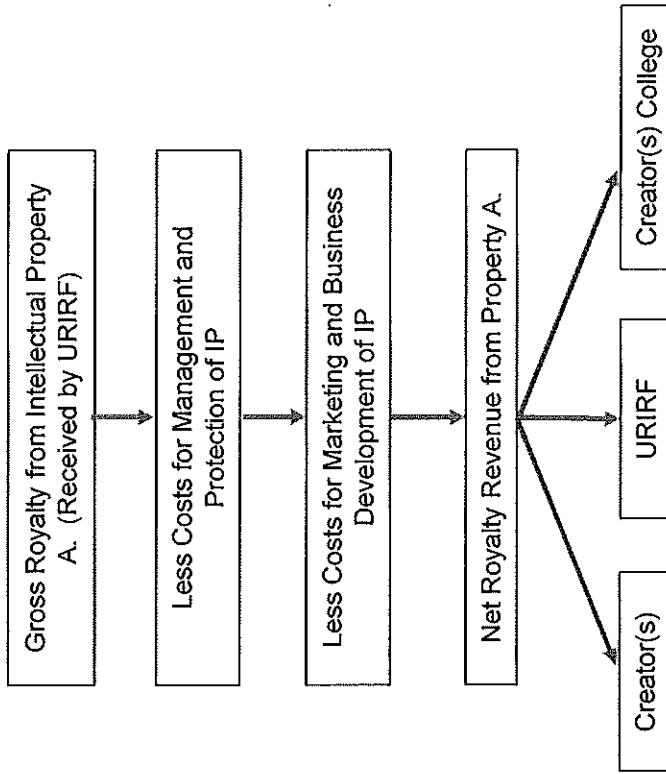
ROYALTY REVENUE DISTRIBUTION  
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To Accompany University Manual 10.43., Figure 2

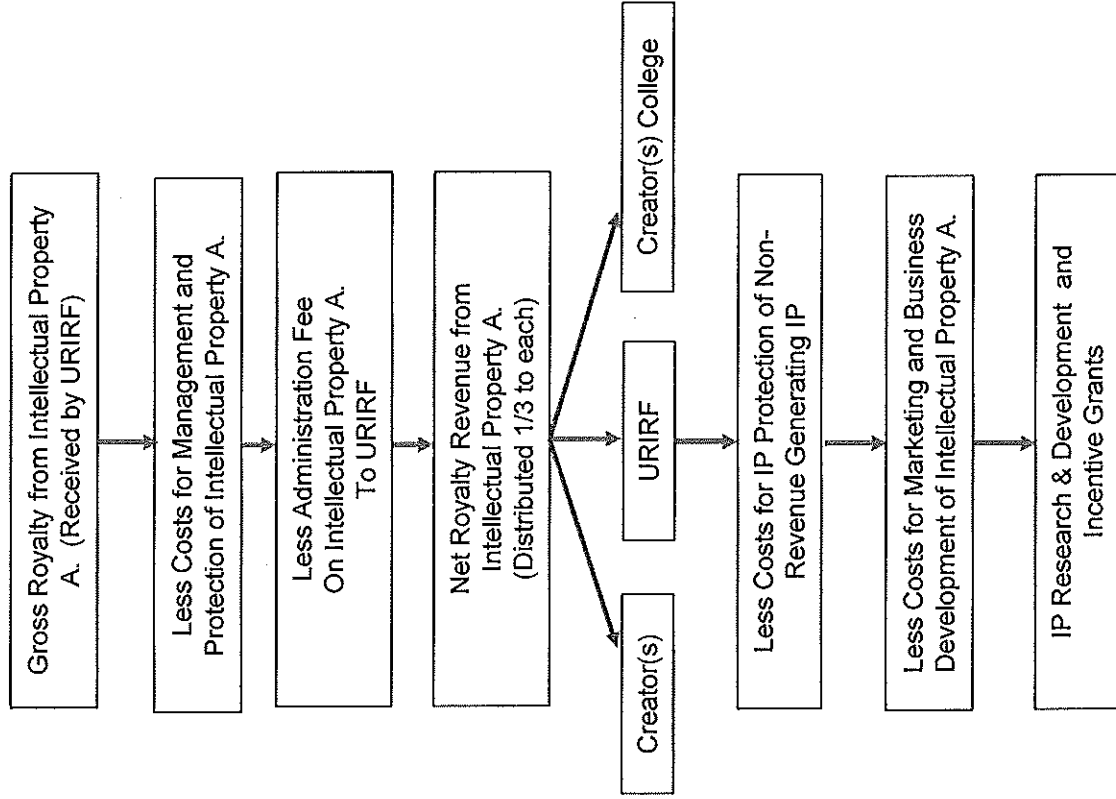


# Detailed Comparison of Prior and Post Distribution of Royalty by the URI Research Foundation for Revenue Generating Intellectual Property

## Prior to June 10, 2010



## Post June 10, 2010



## APPENDIX A

### Council for Research Report on Intellectual Property Policies

#### Summary of Net Revenue Returned to Inventor and College at New England Land-Grant Universities

(Based on information provided January 2011)

University	Percentage
UMass	70%
University of Rhode Island	67%
University of Connecticut	67%
University of New Hampshire	60%
University of Maine	50%
University of Vermont	45%

**INTELLECTUAL PROPERTY POLICIES**  
**AT NEW ENGLAND LAND-GRANT UNIVERSITIES**

*Please note that in all cases, the allocations refer to the net income remaining after the institution recovers its expenses. A succinct summary of institutional policy is provided below.*

**University of Connecticut**

The Office of the Vice President for Research stated: "Please note that prior to distribution according to the policy below, patent expenses are taken off the top of any IP related revenue received by the University."

State law requires the University to share at least 20 percent of the net invention-related income with employee-inventors. The current distribution plan for net income is as follows:

- 33.3 percent to the inventor
- 33.3 percent to the University
- 33.3 percent subdivided, with
  - 50 percent (16.65 percent of total) to inventor's research program,
  - 30 percent (10 percent of total) to the inventor's primary academic unit (department), and
  - 20 percent (7 percent of total) to inventor's school or college.

**University of Maine**

For the first \$100,000 cumulative net income, 50 percent goes to the faculty inventor and 50 percent to the University.

For cumulative net income in excess of \$100,000, the distribution is 40 percent to the faculty inventor and 60 percent to the University.

**University of Massachusetts**

The university is reimbursed for any out-of-pocket expenses incurred in obtaining or maintaining a patent or copyright. The remaining net income is distributed as follows:

- 15 percent to the Office of Commercial Ventures and Intellectual Property to fund patents, office operations and research grants
- 30 to the inventor
- 15 percent to the university entity that provided the resources for development of the IP, to fund research and scholarship
- 40 percent to the campus of the inventor to fund research and scholarship.

**University of New Hampshire**

Distributes net income from license fees, royalties and other income received from the licensing of IP as follows:

- 30 percent to the inventor
- 30 percent of net income to inventor's college, school or program
- 30 percent of net income to a university-wide Research and Development Fund administered by the VPR
- 10 percent to net income to Office for Research Partnerships and Commercialization.

**University of Vermont**

The Office of UVM Ventures and Technology Commercialization stated, "Basically we share 45% of any income with our inventor after we recover any external legal fees."

Net royalty income is distributed by giving 45 percent to the inventor and 55 percent to the University.