**Plan to Manage Potential Conflict of Interest**

**for**

**[Name] and [Company]**

**[Describe inventions and license agreement]**

The University of Texas \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “University”), on behalf of the Board of Regents, wishes to enter into an exclusive license agreement with **[Company]** (“Licensee”), a **[State]** corporation having its principal place of business in **[City]**, **[State]**. The license agreement covers the following inventions in the field of \_\_\_\_\_\_\_\_\_: **[list the inventions]** (collectively, the “Inventions”). The Inventions were developed by **[Name]**, Professor of \_\_\_\_\_\_\_ in the Department of \_\_\_\_\_\_\_\_ at University.

The provisions of this exclusive license agreement have been reviewed and approved pursuant to the Regents’ *Rules and Regulations* by **[name of Chief Administrative Officer or designee and title]** and the Office of General Counsel. Under the proposed license agreement, Licensee is granted an exclusive, worldwide license and right to make, have made, use, lease, rent, sell, and distribute the Invention(s) **[please recite language verbatim from your license agreement]**. As consideration for the exclusive license, Licensee will pay The University of Texas System Board of Regents (1) a royalty fee of $**[\_\_\_\_\_\_\_]**; (2) an additional royalty fee of $**7,500** due one year from the effective date; and (3) a **[\_\_\_]** percent (**\_**%) running royalty on net sales of licensed products in the field of \_\_\_\_\_\_\_\_\_\_\_\_\_\_. The license agreement includes sublicense provisions, reimbursement of all Invention expenses to date and on patent applications in the future, and standard language indemnifying the Board of Regents.

**[Describe faculty member(s), facts that raise conflict issues and Plan to Manage Conflict]**

Dr. **[Name]** currently holds equity in Licensee and has requested approval to serve on the scientific advisory board or as a director of Licensee **[include exactly and only those facts applicable to your circumstances]**. The University has determined that a license to a faculty-owned company is appropriate because the activities of Licensee involve applied research and the manufacturing of \_\_\_\_\_\_\_\_\_\_\_\_, whereas Dr. **[Name]**’s University laboratory performs basic research **[include only if appropriate]**. Additionally, the University plans to manage the potential conflict of interest to reduce or eliminate the likelihood that actual conflicts will arise by: **[Please describe only those circumstances applicable to your situation]** (1) assigning an independent departmental person to monitor the faculty member’s research activities; (2) requiring administrative review and approval of the faculty member’s research projects that are subject to potential conflicts of interest; and, if necessary, (3) requiring modification of research plans or transferring portions of research to independent researchers to avoid actual conflicts of interest.

**[Request approval]**

Pursuant to the Regents’ *Rules and Regulations*, Rule 90103: Equity Interests and Rule 90104: Business Participation and Reporting, approval by the component institution President and compliance with the requirements of the Procedure for Obtaining Approval of the Plan to Manage Conflicts of Interest is necessary for Dr. **Smith** to hold equity in and serve as a director of Licensee. **[Include only those requests applicable to your situation.]**