

1. Title

Rules for Intellectual Property: Purpose, Scope, Authority

2. Rule and Regulation

Sec. 1 Purpose. To balance the interests of the many contributors to the substantial creation of intellectual property at and by the U. T. System, the Board of Regents promulgates these Rules on intellectual property with the purpose to (a) provide certainty in research pursuits and technology-based relationships with third parties; (b) create an optimal environment for research, development, and commercialization opportunities with private industry; and (c) encourage the timely and efficient protection and management of intellectual property.

Sec. 2 Individuals Subject to this Rule. This intellectual property Rule applies (a) to all persons employed by the U. T. System or any U. T. System institution, including, but not limited to, full and part-time faculty and staff and visiting faculty members and researchers, and (b) to anyone using the facilities or resources of the U. T. System or any U. T. System institution, including, but not limited to, students enrolled at a U. T. System institution such as in an undergraduate or graduate degree program or certificate program, and postdoctoral and predoctoral fellows. The Board of Regents automatically owns the intellectual property created by individuals subject to this Rule that is described in Sections 3, 5, and 6 below and in [Rule 90102](#), Sections 2 and 3. Accordingly, all individuals subject to this Rule must assign and do hereby assign their rights in such intellectual property to the Board of Regents. Moreover, individuals subject to this Rule who create such intellectual property (creators) shall promptly execute and deliver all documents and other instruments as are reasonably necessary to reflect the Board of Regents' ownership of such intellectual property. A creator of intellectual property owned by the Board of Regents has no independent right or authority to convey, assign, encumber, or license such intellectual property to any entity other than the Board of Regents.

Sec. 3 Intellectual Property Included. Except as set forth in Sections 4 and 5 below and [Rule 90102](#) of the Regents' *Rules and Regulations*, this Rule applies to all types of intellectual property, including, but not limited to, any invention, discovery, creation, know-how, trade secret, technology, scientific or

technological development, research data, works of authorship, and computer software regardless of whether subject to protection under patent, trademark, copyright, or other laws.

- Sec. 4 Interest in Certain Copyrights. Notwithstanding Section 3 above, the Board of Regents will not assert an ownership interest in the copyright of scholarly or educational materials, artworks, musical compositions, and literary works related to the author's academic or professional field, regardless of the medium of expression. This exemption applies to works authored by students, professionals, faculty, and nonfaculty researchers. The Board of Regents encourages these creators to manage their copyrights in accordance with the guidelines concerning management and marketing of copyrighted works consistent with applicable institutional policies.
- Sec. 5 Copyright Interest in Certain Software. The Board of Regents asserts ownership in software; however, copyright in original software that is content covered by Section 4 above or that is integral to the presentation of such content shall be owned by the creator in accordance with Section 4 above.
- Sec. 6 Works for Hire and Institutional Projects. Notwithstanding the provisions of Sections 4 and 5 above, the Board of Regents shall have sole ownership of all intellectual property created by (a) an employee, student, or other individual or entity commissioned, required, or hired specifically to produce such intellectual property by the U. T. System or any U. T. System institution, and (b) an employee, student, or other individual as part of an institutional project. Except as may be provided otherwise in a written agreement approved by the institution or the U. T. System, the provisions of the Regents' *Rules and Regulations*, [Rule 90102](#), Section 2.5, relating to division of royalties, shall not apply to intellectual property owned solely by the Board of Regents pursuant to this Section.
- Sec. 7 Role of Creator. Any person subject to this Rule who creates intellectual property (other than a work for hire under Section 6 above or on government or other sponsored research projects where the grant agreements provide otherwise) may give reasonable input on commercialization of inventions; provided however, that the president(s) of the applicable institution(s), or his or her designee(s), in his or her sole discretion, will make final decisions concerning whether and how to develop and commercialize an invention.

- Sec. 8 Use of Facilities and Resources. Neither the facilities nor the resources of the U. T. System or any U. T. System institution may be used (a) to create, develop, or commercialize intellectual property outside the course and scope of employment of an individual (see Regents' *Rules and Regulations*, [Rule 90102](#), Section 1) or (b) to further develop or commercialize intellectual properties that have been released to an inventor (see Regents' *Rules and Regulations*, [Rule 90102](#), Sections 2.2 and 2.3) except as the institution's president may approve where the U. T. System retains an interest under the terms of the release.
- Sec. 9 Use of Research Data. Research data or results created by an employee are owned by the Board of Regents and, except to the extent that rights to such research data are contractually assigned or licensed to another by the Board of Regents, the creator shall have a nonexclusive license to use such data for nonprofit educational, research, and scholarly purposes within the scope of the employee's employment, subject to adherence to other provisions of this Rule.
- Sec. 10 Limited License to Institution. Notwithstanding Section 4 above and as reasonably required for the limited purpose of continuing an institution's scheduled course offerings, the Board of Regents retains for one year following the loss of a course instructor's services, a fully paid-up, royalty-free, nonexclusive worldwide license to use, copy, distribute, display, perform, and create derivative works of materials prepared by the instructor for use in teaching a course (including lectures, lecture notes, syllabi, study guides, bibliographies, visual aids, images, diagrams, multimedia presentations, examinations, web-ready content, and educational software).

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 90102](#) – Intellectual Property Rights and Obligations

Regents' *Rules and Regulations*, [Rule 90103](#) – Equity Interests

Regents' *Rules and Regulations*, [Rule 90104](#) – Business Participation and Reporting

Regents' *Rules and Regulations*, [Rule 90105](#) – Execution of Legal Documents Related to Intellectual Property

Regents' *Rules and Regulations*, [Rule 90106](#) – Income from Intellectual Property

6. Who Should Know

Administrators
Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

November 10, 2011
Editorial amendments made October 6, 2011
Editorial amendment to Sec. 4 made September 29, 2011
February 8, 2007
December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu

1. Title

Intellectual Property Rights and Obligations

2. Rule and Regulation

Sec. 1 Intellectual Property Owned by the Creator. Intellectual property developed or created by a U. T. System employee outside the course and scope of employment of the individual which is developed or created on his/her own time and without the support of the U. T. System or any U. T. System institution or use of their facilities or resources, is the exclusive property of the creator.

Sec. 2 Intellectual Property Owned by U. T. System. Intellectual property either developed within the course and scope of employment of the individual or resulting from activities performed on U. T. System time, or with support of State funds, or from using facilities or resources owned by the U. T. System or any U. T. System institution (other than incidental use) is owned by the Board of Regents. To effectively implement this Rule and provide certainty to individuals subject to this Rule, a U. T. System institution may promulgate institutional rules, regulations, or policies defining the course and scope of employment for persons or classes of persons and specifying that authorized (pursuant to existing rules and procedures) outside employment is or is not within an employee's course and scope of employment.

2.1 Determination of U. T. System's Interest. Before intellectual property subject to ownership by the Board of Regents is disclosed to any party outside the U. T. System, to the public generally, or for commercial purposes, and before publishing same, the creator shall submit a reasonably complete and detailed disclosure of such intellectual property to the president of the creator's institution for determination of the U. T. System's interest. The institution will regularly and promptly communicate with the creator during this decision-making process.

2.2 Election Not to Assert Ownership Interest. If the institution's president elects not to assert U. T. System's interest, the U. T. System Office of General Counsel and the primary creator shall be notified in writing within 20 business days after a decision is made not to assert

ownership rights that the institution will offer the released intellectual property to the creator (see [Rule 90101](#), Section 8), except where prohibited by law or contractual obligations or requirements. Thereafter, the creator will be free to obtain and exploit a patent or other intellectual property protection in his or her own right and the U. T. System and U. T. System institutions shall not have any further rights, obligations, or duties with respect thereto except that, in appropriate circumstances, the institution's president may elect to impose certain limitations or obligations, including, but not limited to, a nonexclusive license for the creator, U. T. System, and any U. T. System institution to use the released invention for patient care, teaching, scholarly and other academically related purposes, and nonprofit research.

- 2.3 Later Release of Invention. Except where prohibited by law or contractual obligations or requirements, the institution's president may elect to release an invention to its creator at any time after asserting U. T. System's interest, with notice to the U. T. System Office of General Counsel (see [Rule 90101](#), Section 8); however, such a release must include provisions for the recovery by U. T. System of patent and licensing expenses, if any, as well as the retention of income rights by U. T. System, and may include certain limitations or obligations, including those set forth in Section 2.2 above.
- 2.4 Protection and Commercialization of Intellectual Property. With respect to intellectual property in which the U. T. System or any U. T. System institution asserts an interest, the institution's president, or his or her designee, shall decide how, when, and where the intellectual property is to be protected and commercialized. Outside counsel services may be contracted with the prior consent of the U. T. System Vice Chancellor and General Counsel and, if required by law, the approval of the Attorney General. U. T. System shall establish an intellectual property data collection system.
- 2.5 Reimbursement of Licensing Costs and Allocation of Income. In those instances where the U. T. System or any U. T. System institution licenses rights in intellectual property to third parties, and other than with regard to elections under Section 2.2 above, the costs of licensing,

including, but not limited to, the costs to operate and support a technology transfer office and the costs of obtaining a patent or other protection for the property on behalf of the Board of Regents must first be recaptured from any royalties or other license payments received by the U. T. System or any U. T. System institution. The remainder of any such income (including but not limited to license fees, prepaid royalties, minimum royalties, running royalties, milestone payments, and sublicense payments) shall be divided as follows:

50% to creator(s)
50% to U. T. System,

provided, however, that a creator may disclaim his/her interest in such income, in which case the institution shall receive the creator's share and shall decide, in its sole discretion, if, how, and when to disburse such income.

With the prior approval of the Board and after review by the U. T. System Vice Chancellor and General Counsel and the appropriate Executive Vice Chancellor, an institution may adjust the allocation of royalties set forth herein for a creator.

Sec. 3 Intellectual Property Involving Sponsored Research. Intellectual property resulting from research supported by a grant or contract with the government (federal and/or state), or an agency thereof, with a nonprofit or for-profit nongovernmental entity, or by a private gift or grant to the U. T. System or any U. T. System institution is owned by the Board of Regents.

3.1 Nonconformance with Intellectual Property Guidelines. Administrative approval of such grants and contracts containing provisions inconsistent with this Rule or other policies and guidelines adopted by the Board imply a decision that the value to the U. T. System or any U. T. System institution of receiving the grant or performing the contract outweighs the impact of any nonconforming provisions on the intellectual property policies and guidelines of the U. T. System or any U. T. System institution (Reference Regents' *Rules and Regulations*, [Rule 90105](#), Section 2).

- 3.2 **Conflicting Provisions.** Subject to approval as described in Subsection 3.1 above, the intellectual property policies and guidelines of the U. T. System or any U. T. System institution are subject to, and thus amended and superseded by, the specific terms pertaining to intellectual property rights included in state and/or federal grants and contracts, or grants and contracts with nonprofit and for-profit nongovernmental entities or private donors, to the extent of any such conflict.
- 3.3 **Cooperation with Necessary Assignments.** Those persons subject to this Rule whose intellectual property creations result from a grant or contract with the government (federal and/or state), or any agency thereof, or with a nonprofit or for-profit nongovernmental entity, or by private gift to the U. T. System or any U. T. System institution shall promptly execute and deliver such documents and other instruments as are reasonably necessary for the U. T. System or any U. T. System institution to discharge its obligations, expressed or implied, under the particular agreement.
- 3.4 **Sharing of Royalty Income.** In the event that two or more persons who are entitled to share royalty income pursuant to Section 2.5 of this Rule (or equity pursuant to Regents' *Rules and Regulations*, [Rule 90103](#) concerning equity interests) cannot agree in writing on an appropriate sharing arrangement, the institution's president shall determine that portion of the royalty income to which the creators are entitled under the circumstances and such amount will be distributed to them accordingly. In the event that the creators are located at two or more U. T. System institutions and cannot agree, such royalty (or equity) distribution decision shall be made by the involved institutions' presidents (or their respective designees). In the further event that the involved presidents cannot agree, then the Chancellor (or designee) shall decide and his/her decision shall be binding on the creators.
- 3.5 **Geographical Scope of Protection.** A decision by the U. T. System or any U. T. System institution to seek patent or other available protection for intellectual property covered by Section 2 of this Rule shall not obligate the U. T. System or any U. T. System institution

to pursue such protection in all national jurisdictions.
The U. T. System's decision relating to the geographical
scope and duration of such protection shall be final.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 90101](#) – Rules for Intellectual
Property: Purpose, Scope, Authority

Regents' *Rules and Regulations*, [Rule 90103](#) – Equity Interests

Regents' *Rules and Regulations*, [Rule 90104](#) – Business Participation and
Reporting

Regents' *Rules and Regulations*, [Rule 90105](#) – Execution of Legal
Documents Related to Intellectual Property

Regents' *Rules and Regulations*, [Rule 90106](#) – Income from Intellectual
Property

6. Who Should Know

Administrators
Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

November 10, 2011
Editorial amendments made October 6, 2011
Editorial amendment to Sec. 2.5 made September 1, 2010

February 8, 2007
December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu

1. Title

Equity Interests

2. Rule and Regulation

Sec. 1 Agreements with Business Entities. In agreements with business entities relating to rights in intellectual property owned by the Board of Regents, the U. T. System or any U. T. System institution may receive equity interests as partial or total compensation for the rights conveyed. In any such instance, the institution where the intellectual property was created may elect, at its option, to share an equity interest, dividend income, or the proceeds of the sale of an equity interest with the creator(s) in the same manner as royalties are shared pursuant to Regents' *Rules and Regulations*, [Rule 90102](#), Section 2.5. The U. T. System or any U. T. System institution may also receive equity interests in a business entity as consideration for the institution's role as a founder, or for other contributions made to the business entity other than as a licensor, and institution shall not be obligated to share such equity interests with the creator(s).

Sec. 2 Creator Holding Equity and Managing Conflict of Interest. Employees of the U. T. System or any U. T. System institution who conceive, create, discover, invent, or develop intellectual property may hold an equity interest in a business entity that has an agreement with the U. T. System or any U. T. System institution relating to the research, development, licensing, or exploitation of that intellectual property only so long as the institution where the intellectual property was developed is in full compliance with the requirements to have, implement, and enforce for that employee an effective conflict of interest management plan approved by the institution's president as set forth in the U. T. System's *Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest* (<http://www.utsystem.edu/ogc/IntellectualProperty/ProcedureManagingConflicts.htm>). In any case where actual conflict of interest is found, the employee may be required to divest the equity interest or terminate affected research.

Sec. 3 Employee Equity Interests. The U. T. System or any U. T. System institution may, but shall not be obligated to, negotiate an equity interest on behalf of any employee as a part of an agreement between the U. T. System or any U. T. System institution and a business entity relating to intellectual property

conceived, created, discovered, invented, or developed by the employee and owned by the Board of Regents.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 90101](#) – Rules for Intellectual Property: Purpose, Scope, Authority

Regents' *Rules and Regulations*, [Rule 90102](#) – Intellectual Property Rights and Obligations

Regents' *Rules and Regulations*, [Rule 90104](#) – Business Participation and Reporting

Regents' *Rules and Regulations*, [Rule 90105](#) – Execution of Legal Documents Related to Intellectual Property

Regents' *Rules and Regulations*, [Rule 90106](#) – Income from Intellectual Property

6. Who Should Know

Administrators
Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

November 10, 2011
Editorial amendments made October 6, 2011
February 8, 2007
December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu

1. Title

Business Participation and Reporting

2. Rule and Regulation

Sec. 1 Approval to Serve as Officer or Director. Any individual subject to [Rule 90101](#), Section 2 who conceives, creates, discovers, invents, or develops intellectual property may serve, in his/her individual capacity, as a member of the board of directors or other governing board or as an officer or an employee (other than as a consultant) of a business entity that has an agreement with the U. T. System or any U. T. System institution relating to the research, development, licensing, or exploitation of that intellectual property only so long as the institution where the intellectual property was developed is in full compliance with the requirements to have, implement, and enforce for that individual an effective conflict of interest management plan approved by the institution's president as set forth in the U. T. System's [Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest](#). In any case where actual conflict of interest is found, the individual may be required to terminate the business relationship or the relevant research.

Sec. 2 Request for Employee to Serve as Officer or Director. When requested by the Board of Regents, an employee may serve on behalf of the Board of Regents as a member of the board of directors or other governing board of a business entity that has an agreement with the U. T. System or any U. T. System institution relating to the research, development, licensing, or exploitation of intellectual property, but may not accept any consideration offered for service on such board.

Sec. 3 Report of Equity Interest and Service as Officer or Director. Any individual subject to Regents' *Rules and Regulations*, [Rule 90101](#), Section 2; [Rule 90103](#), Section 2; and Sections 1 or 2 above must report in writing to the president of the institution the name of any business entity in which the person has an interest or for which the person serves as a director, officer, or employee and shall be responsible for submitting a revised written report upon any change in the interest or position held by such person in such business entity. The Office of Technology Commercialization will file a report by October 1 of each year with the Board of Regents for transmittal to the Comptroller of

Public Accounts as required by [Section 51.912](#) and [Section 51.005](#), *Texas Education Code*.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code [Section 51.005](#) – Reports

Texas Education Code [Section 51.912](#) – Equity Ownership: Business Participation

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 90101](#) – Rules for Intellectual Property: Purpose, Scope, Authority

Regents' *Rules and Regulations*, [Rule 90102](#) – Intellectual Property Rights and Obligations

Regents' *Rules and Regulations*, [Rule 90103](#) – Equity Interests

Regents' *Rules and Regulations*, [Rule 90105](#) – Execution of Legal Documents Related to Intellectual Property

Regents' *Rules and Regulations*, [Rule 90106](#) – Income from Intellectual Property

6. Who Should Know

Administrators
Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

November 10, 2011
Editorial amendments made October 6, 2011

Editorial amendment to Sec. 3 made September 29, 2011
Editorial amendment to Sec. 3 made September 1, 2010
Editorial amendment to Sec. 3 made November 3, 2009
February 8, 2007
December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu

1. Title

Execution of Legal Documents Related to Intellectual Property

2. Rule and Regulation

- Sec. 1 Execution of Agreements. Agreements that grant an interest in Board intellectual property, including but not limited to option and license agreements and contracts with corporate sponsors, may be executed and delivered in accordance with the provisions of the Regents' *Rules and Regulations*, [Rule 10501](#), after any required review by the U. T. System Office of General Counsel.
- Sec. 2 Agreements That Do Not Conform to the Rules. Any agreement that deviates substantially from the basic intellectual property Rule of the U. T. System as set out in the Regents' *Rules and Regulations* may be executed and delivered as set forth in Section 1 above if, in the judgment of the institution's president and after any required review by the U. T. System Office of General Counsel, the benefits from the level of funding for proposed research and/or other consideration from a sponsor, licensee, or other party outweigh any potential disadvantage that may result from the Rule deviation.
- Sec. 3 Authority to Execute Documents. The Chancellor, the appropriate Executive Vice Chancellor, or the Vice Chancellor and General Counsel may execute, on behalf of the Board of Regents, legal documents relating to the Board's rights in intellectual property, including, but not limited to, applications, declarations, affidavits, powers of attorney, disclaimers, and other such documents relating to patents and copyrights; applications, declarations, affidavits, affidavits of use, powers of attorney, and other such documents relating to trademarks; and corporate documents related to the formation of new companies. In addition, the institution's president may execute, on behalf of the Board, (a) institutional applications for registration or recordation of transfers of ownership and other such documents relating to copyrights and (b) corporate documents related to the formation of new companies if (i) first reviewed and approved by the U. T. System Office of General Counsel or (ii) first reviewed and approved by institution's outside counsel working under a U. T. System Office of General Counsel-approved outside counsel agreement.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 10501](#) – Delegation to Act on Behalf of the Board

Regents' *Rules and Regulations*, [Rule 90101](#) – Rules for Intellectual Property: Purpose, Scope, Authority

Regents' *Rules and Regulations*, [Rule 90102](#) – Intellectual Property Rights and Obligations

Regents' *Rules and Regulations*, [Rule 90103](#) – Equity Interests

Regents' *Rules and Regulations*, [Rule 90104](#) – Business Participation and Reporting

Regents' *Rules and Regulations*, [Rule 90106](#) – Income from Intellectual Property

6. Who Should Know

Administrators
Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

Editorial amendments made October 6, 2011
Editorial amendment to Sec. 3 made September 1, 2010
February 8, 2007
December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu

1. Title

Income from Intellectual Property

2. Rule and Regulation

Sec. 1 Use of Income. The portion of the net income the U. T. System or any U. T. System institution retains from royalties and any other intellectual property-related income shall be used by the U. T. System institution where the income-producing intellectual property originated.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 90101](#) – Rules for Intellectual Property: Purpose, Scope, Authority

Regents' *Rules and Regulations*, [Rule 90102](#) – Intellectual Property Rights and Obligations

Regents' *Rules and Regulations*, [Rule 90103](#) – Equity Interests

Regents' *Rules and Regulations*, [Rule 90104](#) – Business Participation and Reporting

Regents' *Rules and Regulations*, [Rule 90105](#) – Execution of Legal Documents Related to Intellectual Property

6. Who Should Know

Administrators
Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

November 10, 2011

Editorial amendments made October 6, 2011

December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu