

Participation of University Entrepreneurs in Technology Commercialization Companies

Preamble

The “Loyola University of Chicago Intellectual Property and Technology Transfer Policy” covers the protection of

the licensing of such technology to outside companies. Occasionally, a company that wants to license and commercialize university-owned technology may be owned, in whole or in part, by the university inventors, or these inventors may have some other personal financial interest in that company. Indeed, such companies may even have been started up specifically for the purpose of licensing a university-owned invention. In some cases the only viable licensee (and hence the

(i) Creates University Intellectual Property (defined below); and

(ii) Desires to hold an ownership interest in a Technology Commercialization Company that intends to commercialize University Intellectual Property created by him or her.

(G) “University Intellectual Property” shall mean any intellectual property that is owned by or assigned to the university pursuant to the “Loyola University of Chicago Intellectual Property and Technology Transfer Policy”

(<http://www.luc.edu/ors/patentpolicy.shtml>) or the university “Copyright Policy”

(<http://www.luc.edu/ors/copyrightpolicy.shtml>). Works of scholarship that are traditionally owned by the faculty member, such as the “Individual Works” defined in the Copyright Policy, are not included in this definition.

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VII. Responsibility for university duties

(A) University Entrepreneurs should not allow their interest in a Technology Commercialization Company to influence their positional responsibilities or to interfere with their relationships with other faculty, staff, or students. In particular, assignments for students, including research assignments, should be based on the students' interest and academic development. University Entrepreneurs should respect and promote the cooperative nature of the academic environment by sharing information and participating in joint research efforts with their colleagues, as appropriate.

(B) Faculty who are University Entrepreneurs should consult Chapter 6.B. of the Faculty Handbook (http://www.luc.edu/academicaffairs/pdfs/LUC_Fachbook_2009.pdf) prior to engaging in certain private business activities, and continue to be responsible for all of their university teaching, research, and service obligations. Authorized private business activities should be undertaken in accordance with the university's consulting policies and Conflict-of-interest Management Agreements between the University Entrepreneur and the university, and between the Technology Commercialization Company and the university.

(C) University Entrepreneurs should not assume the role of principal investigator/project director in sponsored research awarded to the university by Technology Commercialization Companies in which they have an interest.

(D) Staff members should not engage in activities relating to a Technology Commercialization Company during regularly assigned working hours unless they take approved leave in order to engage in activities relating to a Technology Commercialization Company during regularly assigned working hours. When performed outside regularly assigned working hours, these activities should be undertaken in accordance with university policies and pursuant to a formal Conflict-of-interest Management Agreement between the staff member, the Technology Commercialization Company, and the university.

(E) Staff members should pursue research projects as authorized by their supervisors. Supervisors should authorize only those staff research projects that will advance the missions of the university and the employing unit without regard to the financial interests of individual employees.

VIII. Conflict of interest guidelines

(A) University Entrepreneurs should not use university facilities, equipment and other resources for research benefiting a Technology Commercialization Company, except when such use is pursuant to a sponsored research agreement, facilities use agreement, or other appropriate contractual arrangement entered into between the university and the Technology Commercialization Company.

(B) As a general rule, University Entrepreneurs should not hold management positions in Technology Commercialization Companies. While they may initially find it necessary to play a management role in a newly formed company, it is expected that their management responsibilities will decrease as the Technology

Commercialization Company develops. Professional management should be brought in at the earliest opportunity.

(C) University Entrepreneurs should not allow their management activities with companies to consume a disproportionate amount of their professional attention. Faculty who are unable to perform all of their university responsibilities because of activities in connection with a Technology Commercialization Company should reduce the amount of activity at the Technology Commercialization Company, request a reduction of their appointment or request a leave of absence.

(D) Staff members who are unable to perform all of their university duties because of activities in connection with Technology Commercialization Companies should reduce the amount of activity at the Technology Commercialization Company, request a reduction of their appointment or request a leave of absence.

and such use should be for work performed in university facilities by university faculty, staff or students.

(I) As a general rule, a University Entrepreneur should not hold more than twenty-five (25%) percent of the outstanding equity in a Technology Commercialization Company (subject to Section II.B., above). While significant University Entr