

**HISTORY OF THE UNIVERSITY OF TEXAS SYSTEM
INTELLECTUAL PROPERTY POLICIES AND GUIDELINES
1985 TO PRESENT**

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| Item No. 13 | Date of BOR Meeting: 11/12/98 | Sections Affected/New Section Added: Amendments to Part Two, Chapter XII, Section 7.1 |
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SUMMARY OF REVISION: Deletion of approval requirement "as an agenda item" for section relating to System employees & business participation.

CHAPTER XII

INTELLECTUAL PROPERTY

Sec. 7. Business Participation.

7.1 Any System employee who conceives, creates, discovers, invents or develops intellectual property shall not serve 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 System relating to the research, development, licensing, or exploitation of that intellectual property without prior review and approval by the chief administrative officer of the component institution, the Chancellor and the Board.

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Section 51.912 of the **Texas Education Code** provides a legal mechanism for addressing potential conflicts of interest that may arise when a university employee involved in the development or creation of licensed intellectual property acquires stock in or serves as a board member, officer, or key employee of a company. In exchange for permission to be involved with a company in this way, the employee and the institution of higher education must successfully manage the potential conflict of interest to reduce or eliminate the likelihood that actual conflicts will arise.

Rather than require the U.T. Board of Regents to review each plan to manage the potential conflict of interest as an agenda item, a procedure will be instituted that (1) defines conflicts of interest in this context, (2) provides information to employees and administrators about managing potential conflicts, (3) prescribes required actions in the event of a failure to manage a conflict, (4) requires a written certification from the employee to the institution's administration and from the administration to the appropriate U.T. System Administration officials outlining the steps each will take to mitigate risk, and (5) describes the approval process for the plans to manage conflicts of interest. Upon the recommendation of the Executive Vice Chancellor for Health Affairs or the Vice Chancellor for Academic Affairs, each plan to manage conflicts of interest will be submitted to the U. T. Board of Regents for approval via the institutional docket.