

BOARD OF REGENTS POLICY: ***Commercialization of Intellectual Property Rights***

SECTION I. SCOPE.

This policy governs the University of Minnesota's (University) ownership and commercialization of intellectual property rights, subject to the exclusions provided in Section IX of this policy.

SECTION II. GUIDING PRINCIPLES.

The following principles shall guide the University in commercializing intellectual property rights under this policy:

- (a) The primary mission of University research is the study without regard to the potential for the creation of inventions.
- (b) The development and dissemination of new knowledge, technology, or scientific procedures resulting in innovative products, practices, and ideas is a valued supplement to scholarly publications.
- (c) University commercialization activities shall not inhibit the ability of University researchers to pursue research of their choosing, to publish results of their work in a timely manner, and otherwise to exercise their rights of academic freedom.
- (d)

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[REDACTED]

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The University hereby claims and shall own all right, title, and interests in a technology created by an inventor in the course of their University employment or appointment or using substantial University resources and in research data generated or acquired by an inventor through research projects conducted at or under the auspices of the University, regardless of funding source.

[REDACTED]

[REDACTED]

The University does not claim ownership of a technology developed or research data generated or acquired by a student in connection with their participation in a University course or University educational activity. Notwithstanding the foregoing, the University hereby claims and shall own all right, title and interests in a technology developed and in research data generated or acquired by a student ~~who~~

- (a) an external sponsor solely or partially funded the development of the technology;
- (b) the technology was an improvement of a University-owned technology;
- (c) the student used substantial University resources to develop the technology;
- (d) the student and an inventor jointly developed the technology.

In each such situation, the student shall be deemed under this policy an inventor of the technology, with all commensurate rights and obligations.

[REDACTED]

[REDACTED]

An inventor hereby irrevocably assigns to the University all of their rights, titles, and interests in a technology they created in the course of their University employe6 (h)-6.4e e erty 7 (nv)-5.icon,a, 0.6 (i)-1.6 (e)-4.

- (c) shall discharge fiduciary and contractual responsibilities to the company, subject to the performance of University duties as provided in Board and administrative policies and procedures if the individual is an employee of the University and
- (d) shall resign as a voting member of the governing body of the company prior to the company's becoming publicly held, unless the president or delegate approves an extension of the appointment.

Subd. 3. Financial Support.

The president or delegate is authorized to approve the following:

- (a) the purchase of equity securities and securities that are convertible to equity securities of a company formed to develop and commercialize technology up to \$1,500,000 per company. The securities may be purchased in one or a series of transactions.
- (b) providing to a non-University person in a single project up to \$250,000 from income the University earned from the commercialization of technology to directly encourage, promote or assist with the development or commercialization of technology.

SECTION VII. EQUITY SECURITIES

Subd.1. Disposition of License Equity.

The University shall sell license equity as soon as practicable and in compliance with all applicable laws.

Subd. 2. Investment.

University officials shall not purchase or invest, directly or indirectly, in the equity securities of a non public company commercializing a technology. University employees who are not University officials may purchase such equity securities if permitted under applicable Board and administrative policies.

SECTION VIII. NET INCOME DISTRIBUTION

The University shall distribute the net income it received from commercializing a technology as follows:

- (a) thirty- three and one third percent to the inventors of the technology,
- (b) twenty-five and one third percent to the department, division, or center that supported the creation of the technology, to be spent in support of the inventor's research or directly related University work,
- (c) eight percent to the collegiate unit that supported the creation of the technology, and
- (d) thirty- three and one third percent to the Office of the Vice President for Research, to be spent in support of the University's technology commercialization activities and to fund University research and scholarly activity.

The president or delegate may change the distribution to collegiate units or to departments, divisions, or centers if such cumulative amounts become disproportionate compared to their budgets or if there have been administrative organizational changes, including an inventor's movement among units or departments. The president shall inform the Board in each instance after changing a distribution to a collegiate unit or to a department, division, or center.

SECTION IX. EXCLUSIONS.

Subd. 1. Copyright.

The University only claims ownership of copyrighted works as stated in Board of Regents Policy: *Copyright* and related administrative policies and procedures, except the University claims ownership of the intellectual property rights in software developed by inventors in this policy.

Subd. 2. Trademarks.