

BOARD OF REGENTS
BRIEFING PAPER

Handbook Revision: Title 4, Chapter 12,
Intellectual Property, Research, and Entrepreneurial Activity,
Subsections 7.4.a-e

BACKGROUND & POLICY CONTEXT OF ISSUE:

Title 4, Chapter 12, Section 7.4, sets forth Board of Regents' policies regarding institution implementation options for licensing and commercialization of institution Intellectual Property. The current Board policy provisions in Subsections 7.4.a-c, allow institutions to establish institution policies and procedures for development and management of Intellectual Property licensing and commercialization independently, through an independent assistance organization or through an affiliated nonprofit corporation. However, these current policies do not provide for the conveying of ownership of the Intellectual Property as part of an institution's commercialization program. The current policy in Subsections 7.4.a-c, only refers to the "licensel (s)-5tel (s)-5teIntellectual Property after the "execution of an agreement providing for the division of income." Subsection 7.4.e, an institution may also "release ownership" of Intellectual Property to the Personnel who developed the Intellectual Property when the institution determines that such action "is in the best interest of the institution and NSHE." Subsection 7.4.e also allows an institution "to release or abandon Intellectual Property to the public domain."

The conveying of ownership of Intellectual Property rights is often used by institutions of higher education as part of a program for the aggressive commercialization of Intellectual Property. The proposed amendments to Subsections 7.4.a-c are necessary to clarify that conveying of ownership of Intellectual Property is permitted as part of an institution's program for commercialization of Intellectual Property. The proposed amendments require the execution of a written agreement to provide appropriate legal protections of NSHE and the institution's interests in the Intellectual Property. The language in Subsections 7.4.a and b is also revised to indicate that institutions may engage outside entities to conduct all or a portion of their commercialization program.

The Research Advisory Council (RAC) supports the clarification of the institutions' options for commercialization of Intellectual Property. Howeve

>>

Section 7. Administration

...

4. Institution Implementation Options. In accordance with the institution policies and procedures with respect to Intellectual Property, each institution may elect, through the recommendation of its Intellectual Property Administrator, review by institution General Counsel, and with approval of the President and Board of Regents, any of the following courses:

a. To develop and manage its ~~[licensing and]~~ commercialization program through an independent assistance organization (the "Organization") or any third party engaged by the Organization to assist in the commercialization of the Intellectual Property, so as to secure competent evaluation and protection of Intellectual Property, and aggressive ~~[licensing]~~ commercialization and administration of ~~[such]~~ Intellectual Property. The program may include, but is not limited to, transferring/conveying of ownership ~~[("transferees")]~~, assigning or licensing of Intellectual Property to the Organization after the execution of a written agreement that explicitly grants certain rights to the Organization to perform all or a portion of commercialization activities on behalf of the institution, and that provides for appropriate legal protections for NSHE and the institution. Such legal protections must include, but are not limited to, the following:

- i. The institution retains the ability to revoke any agreement with the Organization should the institution determine that the Organization is not acting in the best interest of NSHE, the institution or the State of Nevada; and
- ii. The Organization, third parties engaged by it, and any assignees, licensees, or transferees of the Intellectual Property, have no ability to pledge funds or credit of NSHE, the institution or the State of Nevada; and
- iii. The Organization, third parties engaged by it, and any assignees, licensees or transferees of the Intellectual Property, shall fully indemnify and hold harmless the State of Nevada, NSHE, the institution, and their officers, employees, and agents from and against any and all liabilities, judgements, and/or expenses, including attorney fees, arising either directly or indirectly from the commercialization of the Intellectual Property.

licensing, of Intellectual Property to the affiliated nonprofit corporation after the

execution of a written agreement that explicitly grants certain rights to the affiliated nonprofit corporation to perform all or a portion of commercialization activities on behalf of the institution, and that provides for appropriate legal protections for NSHE and the institution. Such legal protections must include, but are not limited to, the legal protections set forth in Subsection 7(a) i-iv hereinabove; or

- c. To develop and manage independently its own ~~[licensing and]~~ commercialization program. The institution's commercialization program may include, but is not limited to, transferring/conveying of ownership [~~("transferees")~~], assigning or licensing of Intellectual Property after the execution of a written agreement that provides for appropriate legal protections for NSHE and the institution. Such legal protections must include, but are not limited to, the legal protections set forth in Subsection 7(a) i-iv hereinabove ; or
- d. To ~~[release and]~~ convey ownership in any Intellectual Property (that has been disclosed to the institution) to which NSHE has title or interest, and for which the institution has stewardship to the Personnel for management and development as a private venture after the execution of an agreement providing for the division of income; or
- e. To release or abandon Intellectual Property (that has been disclosed to the institution) to the public domain or ~~[release]~~ convey ownership of Intellectual Property to the Personnel, when it is deemed by the institution that such release is in the best interest of the institution and NSHE.

execution of a written agreement that explicitly grants certain rights to the affiliated nonprofit corporation to perform all or a portion of commercialization activities on behalf of the institution, and that provides for appropriate legal protections for NSHE and the institution. Such legal protections must include, but are not limited to, the legal protections set forth in Subsection 7(a) i -iv hereinabove; or

a.