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6-909.10 Technology Transfer Policy

A. The Arizona Board of Regents encourages the universities of the state of Arizona to engage in technological research and development while insuring that public benefit takes precedence over private gain and assures that public funds or resources are not used for private benefit. Thus, this policy is intended to apply to and govern the relationship between the universities of Arizona and non-university entities formed to, or having as their primary purpose, the commercialization of university developed technology which does not have an immediate obvious market or use whether such entities are composed of employees, non-employees or both. In order to facilitate this transfer and development of university technologies to the public sector for the benefit of the public, the state of Arizona and the nation, the Board will consider approval of arrangements between university and non-university entities that meet the following guidelines.

B. Definitions

For the purposes of this policy the following definitions shall apply:

1. "Employee" means any person employed by the Arizona Board of Regents or an organization governed by the Board to perform duties on a regular basis, whether full or part time, including those individuals who are not paid by the Board but who are treated as employees of the Board or an institution under its governance.
2. "Entity" means any natural person, partnership, corporation, joint venture, limited partnership, unincorporated association or identifiable organization not under the governance of this Board.
3. "Material interest" means an employee either:
  - a. Serving as an owner, officer, director, agent, associate, partner, trustee, consultant, holding any position of management, or being otherwise employed by the organization, or
  - b. Is a stockholder owning three percent (3%) or more of the total stock outstanding in any class when stock is not listed

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on a stock exchange or stock with a total net value in excess of twenty-five thousand dollars (\$25,000) when such stock is listed on a stock exchange.

4. "President" means the chief executive officer of each of the universities or his designee under this policy.
5. "State" means State of Arizona, any of its political subdivisions, boards, agencies, institutions or instrumentalities.
6. "Technology" means inventions, discoveries, intellectual property, techniques or commercially useful information whether patentable or not, developed using in whole or in part the time, resources, facilities or money of the Board or an institution under its control during the course of an employee's employment, irrespective of the source of funding.
7. "Transfer" means the conveyance of any or all rights to university-developed technology however characterized.
8. "University" means any institution or subdivision of any institution under the jurisdiction and control of the Board.

C. Guidelines for Management Contracts With Patent Management, Technology Management or Technology Development Entities

In addition to transfers permitted under ABOR Policy 6-908 (Intellectual Property Policy), a university may manage its technology transfer activities with one or more entities that meet the following criteria:

1. The entity has resources or expertise not readily available within the institution. These resources or expertise may include, but are not limited to, the ability to:
  - a. Design and recommend methods or strategies for the effective transfer of university technology or the management or university patents.
  - b. Act as trustee and legal owner of equity positions in business ventures held for the benefit of the university.

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- c. Provide industry liaison, attract venture capital or otherwise maximize institutional return.
  - d. Provide educational or research opportunities for graduate students, faculty or staff.
2. Each contract shall provide for payment of royalties or other compensation to the university which is judged by the president to be fair and equitable to the university and competitive with similar royalties or compensation prevailing in the commercial marketplace.
  3. Each contract shall provide that any institutional financial support to the entity will ultimately be recovered or will ensure equivalent recovery in the form of additional educational, research or public service benefits to the institution.
  4. The contract shall provide that technology transfer activities carried out under the contract will promote the economy and development of the state or the nation without engaging in conduct constituting state competition with private enterprise.
  5. The contract shall require the entity to comply with the Board and university patent and copyright policies and guidelines for individual technology agreements under this policy.
  6. The contract shall be approved by university counsel, Board counsel, the President and the Board prior to becoming effective. If approved, such agreement shall be managed and administered by the president or his designee.

D. University Technology Transfer Report

The president of each university shall report annually to the Board concerning its technology transfer activities for the preceding year.

The report shall include an analysis of income and expenditures detailed by source, such as licensing, royalty or fees, as well as the university's prevailing standards for measuring performance of patent management arrangements and the performance evaluation results.

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E. Claims and Controversies

Claims or controversies arising from technology transfer activities between employees, between an employee and the university or between the university and an entity shall be resolved by the president of each university.

Any such claim or controversy shall be brought to the attention of the president in writing. The written notice of claim or controversy shall set forth in reasonable detail the technical, legal or other basis for the claim or controversy and shall clearly and concisely state the relief or amount sought.

The president shall make or cause to be made such investigation as he deems appropriate. After investigation but within twenty (20) days of receipt, the president shall make a written determination of the claim or controversy and mail his determination to all interested parties. The twenty (20) day period may be extended by the president for an additional twenty (20) days if necessary to adequately investigate the claim or may be extended additionally as all parties agree. The president's determination shall be final.