

NUMBER: 16.1.05**DATE: 07/15/1996****REVISION: 07/14/2009****PAGE: 1 of 3**

SECTION: RESEARCH**AREA: UAMS BIOVENTURES, TECHNOLOGY LICENSING OFFICE****SUBJECT: DISTRIBUTION OF ROYALTIES FROM PATENTS, COPYRIGHTS AND
LICENSES**

PURPOSE

The purpose of this policy is to notify colleges and researchers within the University of Arkansas for Medical Sciences (UAMS) of the procedures that are followed when allocating the costs and the distribution of income resulting from a successful patent, copyright or license.

POLICY

It is the policy of the University of Arkansas¹ to acquire and retain legal title to all inventions created by any person or persons to whom this policy is applicable. This policy is established in furtherance of the commitment of the University to the widest possible distribution of the benefits of University Research, the protection of Inventions resulting from such research, and the development of Inventions for the public good.

This policy shall apply to all persons employed, compensated, or appointed by the University and to anyone using facilities owned, operated, or controlled by the University. It shall also apply to all Inventions financed, in whole or in part, from funds under the control of UAMS.

PROCEDURE

- (1) All persons to whom this policy is applicable shall submit a full and complete Invention Disclosure to the UAMS Patent and Copyright Committee promptly after it is created or conceived or first reduced to practice. The UAMS Patent and Copyright Committee will review and evaluate the disclosure and make its recommendation whether to seek patent or copyright protection, release to the inventor, or take no action.
- (2) The UAMS Patent and Copyright Committee will submit its recommendation to the Chancellor regarding the disposition of the invention or copyright. Upon concurrence of the Chancellor the recommendation will be forwarded to the President of the University of Arkansas System. If the recommendation is to seek patent or copyright protection, UAMS BioVentures will obtain legal Counsel on behalf of the University approved by the Office of the General Counsel. The legal costs related to the application of a patent or copyright will be paid by UAMS.
- (3) Once a patent or copyright application is filed, the sale or licensing of the invention or copyright is sought and negotiated by UAMS BioVentures together with the appropriate

College, the inventor(s) if requested by UAMS BioVentures, and approved by the General Counsel of the University of Arkansas System.

- (4) Revenues resulting from the commercialization of an invention and/or approved license will be forwarded to the UAMS Treasurer’s Office and deposited into a Royalties/Patents Control Account. The UAMS Treasurer’s Office will notify UAMS BioVentures of the receipt of payment. UAMS BioVentures will reduce the payment amount by the actual costs of patenting, licensing, and the protection of patent rights and copyrights. In consideration of the disclosure and assignment of the invention, the inventor will share in the distribution of net revenues. Net revenues will be distributed in accordance with the percentages below. If there are joint inventors, net revenues will be distributed equally among them absent a mutual agreement to the contrary. Each College has their own unique percentage breakdown for their respective share.

<u>For net revenues up to \$200,000:</u>	<u>For net revenues over \$200,000</u>
50% to the Inventor(s)	35% to Inventor(s)
5% to the U of A System	5% to U of A System
31.5% to the Appropriate College	42% to Appropriate College
13.5% to the Chancellor & Processing Reserve	18% to Chancellor & Processing Reserve

For example, if a patent is sold for \$100,000, and legal costs were \$10,000, the net proceeds of \$90,000 will be distributed as follow:

Gross Receipt	\$100,000
Less: Direct Costs	<u>10,000</u>
Available for Distribution	90,000
Distribute to Inventor(s) (50%)	45,000
Distribute to UA System (5%)	4,500
Distribute to Appropriate College (31.5%)	28,350
Distribute to Chancellor (13.5%)	12,150

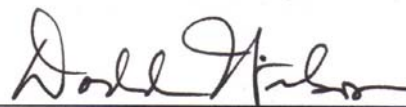
If a patent sold for \$300,000, and legal costs were \$10,000 the net proceeds of \$290,000 will be distributed as follows:

Gross Receipt	\$300,000
Less: Direct Costs	<u>10,000</u>
Available for Distribution	290,000

		<u>First \$200,000</u>		<u>Additional \$90,000</u>
Distribute to Inventor(s)	(50%)	100,000	(35%)	31,500
Distribute to UA System	(5%)	10,000	(5%)	4,500
Distribute to Appropriate College	(31.5%)	63,000	(42%)	37,800
Distribute to Chancellor	(13.5%)	27,000	(18%)	16,200

(5) Contact UAMS BioVentures for assistance and additional information.

¹ Uof A Board Policy 210.1 - Patent and Copyright Policy

SIGNATURE: 

 Chancellor

Date: July 30, 2009