

Board Meeting
March 13, 2007

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APPROVE POLICY VARIANCES FOR TECHNOLOGY SERVICES CENTERS,
COLLEGE OF ENGINEERING, CHICAGO

Action: Approve Policy Variances for Technology Services Centers, College of Engineering, Chicago

Funding: No New Funding Required

The College of Engineering Technology Services Centers (TSCs) will offer local industry organized short-term research and development services, thus creating a new vehicle for technology transfer from the university, new avenues for graduate student support and practical training, and new opportunities for faculty consulting. TSC revenue will cover full costs, including student and faculty compensation, associated benefits costs, and overhead expenses such as business services and use of university facilities. The activity of the TSCs will be governed by Technology Services Center Agreements developed between the client companies and the University.

In order to provide these services in a cost-effective and timely manner, the Chancellor at Chicago, upon the advice of the Provost and Vice Chancellor for Academic Affairs and the Vice Chancellor for Research, and with the concurrence of the appropriate university officers, recommends two variations to existing University policy relative to (1) intellectual property rights and (2) compensation to faculty and staff.

The first request is for a blanket variance regarding ownership of intellectual property. *The General Rules Concerning University Organization and Procedure*, Article III. Section 7(p), Intellectual Property Administration, Preferential Treatment of Sponsors, states:

...sponsored research agreements shall provide that all intellectual property developed as a result of the sponsored research project shall belong to the University unless otherwise specified in writing.... When the nature of the proposed research allows identification of a specific area of intellectual property or application which is of interest to the sponsor, the University may accept research agreements with terms which entitle the sponsor to specific commercial rights within the defined field of interest.... The University may also determine, on a case-by-case basis, that it is in the university's interest to assign ownership of resulting intellectual property to the sponsor as an exception to this policy when circumstances warrant such action, in accordance with guidelines established by the University Intellectual Property Committee.

In place of case-by-case exceptions, the variance requested is a blanket exception to allow TSC contractual agreements to include ownership by the client company of any new intellectual property created out of the agreement. Any previously developed intellectual property that the University brings to the project will stay with the University. The University will retain publishing rights unless pre-determined confidentiality restrictions apply.

The second request is for a variance to the University of Illinois *Statutes* regarding faculty and staff compensation. Article IX. Academic and Administrative Units, Section 5c. Services Rendered the University, states:

Full-time employees shall not receive compensation for services with the University in excess of a normal schedule except for a reasonable amount of instruction in continuing education and public service programs or for the grading of

special examinations (outside regular course work) stipulated by the University, all to be done at a time that does not conflict with other university duties. Exceptions may be made to this rule in special cases which are approved by the dean of the college of which the employee is a member provided that if such additional payments exceed a nominal amount the advance approval of the chancellor shall be secured. These exceptions shall be held to a minimum.

The financial structure of the TSCs is based on a fee-for-service model wherein the TSC charges an hourly rate for services of its students and faculty. Faculty participation in the TSCs will be treated as paid consulting and will be subject to the applicable annual reporting requirements and restrictions that limit consulting to one day per week. The variance requested is for a blanket extension of the exception categories to permit any faculty or staff member assigned to a TSC project to be eligible for such additional compensation as warranted by the consulting agreement. Approval by the dean will be required.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The plan has received the ~~unanimous~~ **overwhelming** endorsement of the college Executive Committee and the college faculty.

The President of the University concurs.