

Board Meeting
March 13, 2007

AMEND ARTICLES I, II, III, AND V OF *THE GENERAL RULES CONCERNING
UNIVERSITY ORGANIZATION AND PROCEDURE*

Action: Amend Articles I, II, III, and V of *The General Rules Concerning
University Organization and Procedure*

Funding: No Funding Required

The General Rules Concerning University Organization and Procedure

(*General Rules*) are enacted by the Board of Trustees and supplement the University of Illinois *Statutes*. The *General Rules* address administrative organization; powers, duties, and responsibilities of University Officers; and various other administrative matters.

Amendments are recommended to the *General Rules* to include the new titles of Vice President/Chief Financial Officer and the Vice President for Planning and Administration as well as other changes to reflect current usage.

Amendments are also recommended to reflect changes in procedures concerning administration of intellectual property.

Revisions and in some cases re-ordering of extant policy are shown on the following pages. Additions to the text are underlined; deletions are lined-out.

Changes to Titles for Vice Presidents and Other Changes to Reflect Current Usage

Revisions are proposed to Articles I, II, and V to clarify the administrative responsibilities of the Vice President/Chief Financial Officer and Comptroller, and to add Vice President for Planning and Administration to the listing of vice presidents of the University.

These proposed revisions are reflective of the assignment of responsibilities to the new positions, and the fact that the Vice President/Chief Financial Officer also serves as Comptroller of the Board of Trustees.

The University Senates Conference has been consulted on the proposed revisions to Articles I and II.

Changes Regarding the Intellectual Property Policy

Article III and Article V of the *General Rules* concern “intellectual property” and “University property,” respectively. Revisions are proposed to these articles to more clearly define the changes in procedures concerning administration of intellectual property and University property.

The following are the key changes in the proposed amendments:

- Article III, Section 1 (Objectives).
Language concerning the purpose of this intellectual property policy has been revised to include enhancing “...the generation of revenue for the University” and ... providing “financial and reputational benefits for the creator(s)” and preserving “the University’s freedom to conduct research and to use the intellectual property created by that research or pursuant to an institutional initiative.”
- Article III, Section 7(b) (Evaluation and Exploitation Decisions).
Language has been revised to reflect the University’s expanded practice in technology commercialization and transfer, specifically articulating that following evaluation of the intellectual property and review of applicable contractual commitments “...the University may develop the property through licensing to an established business or a start-up”

company, may release it to the sponsor of the research under which it was made (if contractually obligated to do so), may release it to the creator(s) if permitted by law and current University policy, or may take such other actions ~~as are determined~~ considered to be in the public interest.”

- Article III, Section 7(f) (Commercialization ~~by Creator(s)~~).
Language has been revised to clarify that “The license may include clear performance milestones with a provision for recapture of intellectual property if milestones are not achieved.”
- Article III, Section 7(g) (Conflict of Interest and Commitment).
Language has been revised to clarify the University conflict management policy with the addition of the following language, “Commercialization Agreements with activities involving creators University employees will be subject to review of potential conflict of interest and commitment issues and approval of a conflict of interest issues management plan in accordance with applicable University policy.”
- Article III, Section 7(jk) (Administrative Responsibility).
Language has been revised to indicate that the vice president for technology and economic development has direct authority for University offices and entities involved in technology commercialization and related economic development, and “with the advice of the chancellors, and in consultation with the vice president for academic affairs and the campus vice chancellors for research, the vice president for technology and economic development will shall establish operational guidelines and procedures for the administration of intellectual property....”
- Article III, Section 8(b) (Revenue Distribution).
Language has been revised to clarify the procedure for revenue distribution when multiple technologies are licensed under a single agreement such that “...the University shall determine and designate the share of the net income to be assigned to each intellectual property.”
- Article III Section 8(b) (1) (Creator’s Share).
Language has been revised to clarify the University’s role in net income division if creators fail to agree on a decision such that if “...the creators fail to agree mutually on a decision, the University shall determine the division.”
- Article V, Section 1(b) (Use of University Premises and Facilities).

Language has been revised to clarify the use of facilities use agreements such that a “...facilities use agreement, articulating the terms of use, should reflect the conditions deemed most likely to advance the development and acceptance of the intellectual property.”

An initial draft was shared with the Chancellors, and the University Senates Conference has been consulted and provided comments and suggestions that have been incorporated by the University’s Intellectual Property Committee.

The proposed revisions to Articles I, II, III, and V are attached to this item.

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 President of the University recommends approval.