I. REFERENCES

1. University of California Patent Policy, effective October 1, 1997;

II. BACKGROUND

Under the University of California Patent Policy, fifteen percent (15%) of Net Revenue (see Definitions, below) arising from the commercialization of an invention shall be allocated for research-related purposes on the inventor's campus.

In recommending the October 1997 Patent Policy licensing revenue distribution formula to the President, the Technology Transfer Advisory Committee broadly defined the 15% direct research allocation so that individual sites would have maximum flexibility to determine how such monies would be applied effectively to support campus research activities. This procedure outlines the UCLA process for allocation and use of this portion of Net Revenue.

III. DEFINITIONS

A License means a legal contract that conveys a commercial right to use intellectual property described in one or more specific UCLA Case(s) in return for consideration in the form of fees, royalties and occasionally equity in the licensee.

Net Revenue means gross royalties and fees received by The Regents after deduction of unreimbursed costs of patenting, protecting, and preserving patent and related property rights, maintaining patents, the licensing of patent and related property rights, and such other costs, taxes, or reimbursements as may be necessary or required by law. Net Revenue may also include cash realized from the sale of stocks or shares received as equity in part consideration for a License.

Organizational Unit means a Department, Organized Research Unit, Interdisciplinary Center or Institute (e.g., the Institute on the Environment, the Center for Embedded Network Sensing, the California NanoSystems Institute, etc.) that produced the research that resulted in the licensing of a UCLA Case.

Administrative Unit means the staff of one or more Organizational Units that is assigned responsibility for administering the funding under which research is conducted that results in a UCLA Case, and any resulting Net Revenue.
Research Use means activities that further the advancement of research, including but not limited to: cost sharing, research-related travel, support for trainees, purchase of specialized equipment, and construction of specialized research facilities. In general, Research Use does not include recruitment and retention activities, general education, curriculum development, or clinical care activities.

UCLA Case means, for purposes of this procedure, intellectual property disclosed to the UCLA Office of Intellectual Property & Industry Sponsored Research that may lead to a patent or sequence of patents connected by their relatedness (applicable only to UCLA Cases that were disclosed after October 1, 1997).

IV. STATEMENT

Upon receipt by the campus of License income during the second half of each fiscal year from the University of California Office of the President (UCOP), fifteen percent (15%) of Net Revenue received during the prior fiscal year from each applicable License will be redistributed to the appropriate Organizational Unit(s). Because a License may contain more than one UCLA Case or involve inventors from more than one Organizational Unit, the proceeds will be allocated between these units on a pro-rata basis. The academic heads of those Organizational Units (e.g., Department Chairs, Directors, etc.) have discretionary authority to utilize those funds to support the research activities of their respective units, or may allocate said funds, in total or in part, for direct use by the inventors of the related invention to support their additional research activities.

V. PROCEDURES

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<tr>
<th>RESPONSIBILITY</th>
<th>ACTION</th>
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<tbody>
<tr>
<td>Inventor(s)</td>
<td>Discloses all affiliations and funding sources when reporting a new invention to the UCLA Office of Intellectual Property &amp; Industry Sponsored Research (OIP-ISR).</td>
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<tr>
<td>OIP-ISR</td>
<td>Collects invention reports, identifies all inventors and apportions research share(s) to respective Organizational Unit(s).</td>
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<td>Department Chair or Director of an Organizational Unit</td>
<td>Identifies an appropriate Research Use for distributed funds within their Organizational Unit, including support of the inventor's own research program(s).</td>
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<td>Vice Provost, Intellectual Property and Industry Relations</td>
<td>Resolves any disputes regarding the allocation of these monies. The Vice Provost's decision shall be considered final.</td>
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Issuing Officer

/s/ Kathryn Atchison

Vice Provost, Intellectual Property & Industry Relations

Questions concerning this policy or procedure should be referred to

The Responsible Department listed at the top of this document.