

UNO OTT MANUAL

OFFICE of TECHNOLOGY TRANSFER

Table of Contents

- [Office of Technology Transfer](#)
 - [LSU System Bylaws and Regulations](#)
 - [Permanent Memoranda \(PM\)](#)
 - [Definition of Terms and Regulations](#)
 - [Joint Appointments](#)
 - [Patents](#)
 - [Copyrights](#)
 - [Confidentiality Agreements and Material Transfer Agreements](#)
 - [Publications](#)
 - [Reporting Requirements](#)
 - [Consulting Agreements](#)
 - [Licensing](#)
 - [Royalty Distribution](#)
 - [Exit Interview](#)
 - [Bylaws and Regulations: Chapter VII regarding Intellectual Property](#)

 - [PM-67](#)
 - [Contracts Between the University and Its Faculty Members](#)
 - [Act 229, Senate Bill No. 646, \(attachment to PM-67\)](#)
 - [PM-64](#)
 - [UNO Intellectual Property - Distribution of Royalties and Other Matters](#)
 - [PM-16 - Technology Transfer](#)

 - [PM-11](#)

 - [Outside Employment of University Employees](#)
-

OFFICE OF TECHNOLOGY TRANSFER, UNIVERSITY OF NEW ORLEANS

The Office of Technology Transfer, charged with the responsibility of protecting and commercializing University of New Orleans (UNO) intellectual property, was established in 1985. As a part of the Louisiana State University system, UNO is subject to Chapter VII of the LSU By-laws on Intellectual Property, which are provided in this booklet. Since 1994, UNO has coordinated technology evaluation and commercialization through the LSU System Office. The Office of Technology Transfer exists to supply specialized knowledge in patenting and licensing, and coordinating the multiple activities required for commercial success.

Technology transfer at UNO is administered within the framework of applicable federal and state laws, *LSU's Bylaws and Regulations of the Board of Supervisors, Permanent Memoranda, Policy Statements*, and other policies and procedures. Some of these policies are compiled in this booklet as a convenient source of reference.

- [Back to Table of Contents](#)
-

LSU SYSTEM BYLAWS AND REGULATIONS

The Board of Supervisors, the governing body of the Louisiana State University System, establishes policies and procedures known as *Bylaws and Regulations of the Board of Supervisors of Louisiana State University*. These *Bylaws*, revised August 1991, are applicable throughout the LSU System.

- [Back to Table of Contents](#)
-

PERMANENT MEMORANDA (PM)

The President of the LSU System, on behalf of the Board, implements decisions, orders, rules, and regulations throughout the system by promulgation of *Permanent Memoranda (PM)*. The pertinent PMs included in this booklet are:

PM-11 *Outside Employment of University Employees (May 12, 1993).*

PM-16 *Technology Transfer (March 7, 1995).*

PM-64 *LSU Intellectual Property--Distribution of Royalties and Other Matters (January 3, 1997).*

PM-67 Contracts Between the University and its Faculty Members (June 29, 1993).

- [Back to Table of Contents](#)
-

DEFINITION OF TERMS AND REGULATIONS

JOINT APPOINTMENTS

While the *Bylaws* and *Permanent Memoranda* are common to all campuses, each campus has its own *Policy Statements*. Those who have joint appointments with other LSU campuses, universities, or outside entities should contact the Office of Technology Transfer for information pertaining to policies and procedures governing intellectual property.

- [Back to Table of Contents](#)
-

PATENTS

A patent may be granted for any new, useful, and non-obvious process, machine, article of manufacture, composition of matter, or any new and useful improvement on an invention. Also, a patent may be granted for certain distinctive and new plant varieties or microorganisms (whether or not genetically engineered), enzymes, etc. The invention must not have been previously known or used in the United States, nor described in any printed publication more than one year prior to the patent application.

Patents are granted only to the first, original inventor or joint inventors. In the case of independent inventors making separate applications for the same invention, a patent will be granted to the inventor who was truly the first original inventor, as evidenced by documentation of his or her work. Therefore, it is extremely important that, as an invention is fully conceived in operating form, the inventor take careful steps to adequately document his or her work. Documentation detailing the progress of the research must be done according to specific rules to ensure that the contents will constitute legal evidence in patent proceedings.

The following record keeping procedure is highly recommended. First, all information should be recorded in bound notebooks, with each page serially numbered, and signed and dated as it is completed. All entries must be made in ink and all mistakes canceled by drawing a line through the error. No erasures are allowed. All corrections need to be initialed and dated by the inventor. Also, if any blank spaces are left, they are canceled by drawing a diagonal line through the space and initialed and dated by the inventor. Finally, a competent, technically knowledgeable staff member or colleague (who is not a

co inventor) should read each entry, and sign and date each page as witness to the work.

To encourage scientific research through individual incentive and to promote the broadest use of technological discovery, the University has established policies and guidelines to deal with discoveries which may have patentable significance. By actively developing patentable discoveries, the University can ensure widespread utilization of the invention while protecting the exclusivity of the discovery for the term of the patent. In addition, patents can be a source of income both for the University and for the employee inventor. Income derived from patents held by the University may also provide funding for future research activities.

When an employee believes that a possible invention has been conceived (regardless of ownership considerations), he/she should immediately notify the UNO Office of Technology Transfer -- located in the Office of Research in Room 208 in the Administration Building -- by preparing a **Confidential Disclosure Form** which includes a description of the invention, pertinent sketches or drawings, and data to explain the operation and performance principles, and approximate dates of anticipated publications disclosing the technology. This *Confidential Disclosure Form* is available from the [Forms](#) page of the OTT WEB or from the Office of Technology Transfer, AD 208.

Since what constitutes "public disclosure" is not always clear, and since public disclosure can have repercussions to patenting, the earliest possible submission of a completed *Confidential Disclosure Form* to the UNO OTT is strongly advised.

Upon receipt of a *Confidential Disclosure Form*, the UNO OTT will evaluate the technical and economic merits of each disclosure and forward the documents to the LSU System for further evaluation. Those disclosures that meet certain standard criteria will be assigned to patent attorneys, who in close consultation with the inventors, will prepare, file, and prosecute patent applications until issuance of a patent (or abandonment).

A patent application includes the following items:

- a descriptive title of the invention,
- a listing of any prior U.S. patent applications that relate to the present invention,
- a brief descriptive history of the invention and the known prior art,
- a brief description of the essential elements of the invention,
- a drawing of the invention (in some cases),
- a sufficient explanation of how the invention works and how a "person skilled in the art "could make and use such an invention,
- a statement of the inventor's claims of the novel characteristics of the invention and its possible applications.

Once the patent application has been submitted, the examination and evaluation of the application by the U.S. Patent and Trademark Office takes approximately twelve to thirty six months. If a patent is issued,

then the owner of the patent has the right to exclude others from making, using, or selling the invention within the United States. The term of the issued patent is twenty years (20) from the earliest filing date or in some cases seventeen (17) years from the issue date. For a University such as UNO, the financial benefits of patenting an invention usually come through licensing agreements with manufacturers or users of the invention. Upon payment of a royalty and fees to the patent holder, a manufacturer/user is given the privilege of using the invention according to the terms of the licensing agreement.

- [Back to Table of Contents](#)
-

COPYRIGHTS

Literary works, books, works of art, maps, computer software, musical and dramatic works, motion pictures and sound recordings, and other original works of authorship may be copyrighted.

In order to be covered by the copyright laws, the work must be in some tangible form, and it must be the product of original, creative authorship. Ideas, methods, systems, principles, common or standard works, or works already in the public domain are excluded from copyright protection. Unlike patent rights, copyright status is automatically established by the creation of the work. Registration is not a requisite for copyright protection although registration gives the owner advantage should litigation for infringement occur. A copyright notice should be placed on all works to help prevent unauthorized use. Once a copyright is established, unauthorized use of the material is prohibited.

Generally, the duration of a copyright protection, under the 1976 law, is the life of the last surviving author plus fifty (50) years. In the case of works produced under the scope of one's employment, the term is seventy-five (75) years from the first publication, or one hundred (100) years after creation of the work, whichever period is shorter.

- [Back to Table of Contents](#)
-

CONFIDENTIALITY AGREEMENTS AND MATERIAL TRANSFER AGREEMENTS

In the course of research work, faculty members often give or receive to/from other universities, government entities, and/or private companies, items of intellectual property for restricted use in their project and/or departmental work. The most common of these items are proprietary and confidential information, software packages of a specialized nature, biological materials, specialized procedures, etc.

The recipient is often asked to sign some kind of document in which it is agreed that the property in question will be used only for stated purposes, will not be disclosed to others, will be returned to the

giver upon request, and that the giver assumes no liability for use by the recipient and so forth. These documents are varied in form. It is important that these documents be signed by an individual authorized to sign contracts on behalf of UNO. The University can elect not to honor a contract that is signed without proper authority. In such a case, the researcher could be personally liable if he or she has inappropriately signed a legal document. For the researcher's own protection, the researcher is strongly encouraged to contact the Office of Technology Transfer when presented with a contract related in any way to the researcher's work at UNO. The Office of Technology Transfer will review the contract for compliance with UNO's policies, negotiate changes where needed, and arrange for proper approvals and signatures when appropriate.

Each dean and/or director shall be responsible for compliance with the provisions of agreements in force in the organization he or she directs, and for making adequate provisions to UNO, especially when personnel involved leave University employment. Before separation from UNO of any faculty member, the dean or director shall determine how to dispose of or transmit to other faculty any nondisclosure/confidentiality obligations that the faculty member may have. The dean or director shall advise the Vice Chancellor for Research of resulting changes.

- [Back to Table of Contents](#)
-

PUBLICATIONS

UNO employees are generally free to publish the results of their research work in any medium of their choosing and also to present papers at any professional meeting at any time. However, affected researchers should be aware of and meticulously comply with any limitations or restrictions on publications imposed by sponsors of their research contracts and any other pertinent agreements, including any confidentiality agreements or material transfer agreements.

- [Back to Table of Contents](#)
-

REPORTING REQUIREMENTS

Researchers should be fully aware of and meticulously comply with any and all reporting requirements (including but not limited to inventions) to the sponsors of their research projects, whether federal, state, or private. Also, as stated elsewhere in this booklet, researchers are to report to the Office of Research any intellectual property conceived and/or reduced to practice by them.

- [Back to Table of Contents](#)

CONSULTING AGREEMENTS

Any faculty or staff member engaged in consulting work or in business for himself/herself is responsible for complying with **PM-11**, and for ensuring that the clauses in his or her agreements are not in conflict with patent and copyright policies of LSU, UNO or with University commitments. The Office of Research will, upon request, provide assistance in this respect. The University's rights and the individual's obligations to UNO should in no way be abrogated or limited by the terms of such agreements. Faculty and staff members should make their obligations to UNO clear to those with whom they make such agreements and should ensure that other parties to the agreement are provided with a current statement of the University's patent policy. *Permanent Memorandum 11* should be used for all such purposes. Contact the Office of Research, or the Office of the Provost for assistance.

- [Back to Table of Contents](#)
-

LICENSING

The Office of Technology Transfer makes inventions resulting from UNO research available to business, industry, and the public via licenses. This office negotiates the terms of the license, including reasonable royalties and other fees, for use in furthering UNO's educational and research goals.

- [Back to Table of Contents](#)
-

ROYALTY DISTRIBUTION

When UNO undertakes commercial licensing as a member of the LSU system, a share of *Distributable Royalties* (as defined in LSU's *Bylaws*) will be provided to the inventor(s) and to the appropriate areas within LSU and UNO, as stated in *Permanent Memorandum 64*.

Of gross royalties:

- the inventor(s) receive 40%,
- the LSU System Office receives 10%, and
- the inventor(s)' campus receives 50%.

The Royalty Distribution Policy for the UNO's campus, approved by the Dean's Council (1991),

requires the following distribution:

- 25% to the Office of Technology Transfer,
- 15% to the dean of the inventor(s)' college(s), and
- 10% to the Office of Research for technology development support.

- [Back to Table of Contents](#)
-

EXIT INTERVIEW

As a general rule, inventions by UNO employees during their employment at UNO belong to UNO, even when the inventor later leaves UNO. An inventor who leaves UNO will continue to share in LSU *Distributable Royalties* arising from inventions made while at UNO. If appropriate, a UNO employee should contact the Office of Technology Transfer or his/her department chair to schedule an "exit interview" before leaving UNO. At the exit interview, UNO's policies on intellectual property will be reviewed, and the departing employee will be asked to make a final disclosure of any inventions not previously disclosed to the Office of Technology Transfer.

- [Back to Table of Contents](#)
-

LOUISIANA STATE UNIVERSITY SYSTEM, BYLAWS AND REGULATIONS

CHAPTER VII INTELLECTUAL PROPERTY, (Revised August, 1991)

Section 7-1 -- General Policy

LSU encourages and expects its personnel to engage in creative, scholarly activities as part of their duties. All LSU personnel are urged to bring to the attention of an appropriate LSU officer, at an early date, any discoveries, inventions, and works potentially subject to legal protection under patent, copyright, or other law. Both LSU and LSU personnel gain prestige, and in some cases financial benefits from such legal protection. Such legal protection is consistent with, and complementary to, LSU's academic mission.

Section 7-2 -- Definitions

1. "LSU Invention" shall mean an invention or discovery either conceived or first reduced to practice, in whole or in part, during work which is:

1. carried on by, or under the direction of, LSU personnel, regardless of when or where conception or reduction to practice occurs; or
2. supported by funds under the control of LSU; or
3. performed with the use of LSU facilities, equipment, or supplies.

The term "LSU Invention" shall also include any patent application or issued patent containing at least one claim reading on such an invention or discovery.

"LSU Invention" shall not, however, include an invention or discovery which is wholly conceived and wholly first reduced to practice during work which is:

1. on the personal, unpaid time of all involved LSU personnel; and
2. not supported by funds under the control of LSU; and
3. not performed with the use of LSU facilities, equipment, or supplies; and
4. unrelated to any current or past field or area of expertise or employment of any involved LSU personnel.

2. "LSU Work" shall mean any original work of authorship which is fixed in any tangible medium of expression, and which is created or produced during an activity which is supported by LSU, in whole or in part. The term "LSU Work" shall also include any copyright or other legal rights derived from such a work. The support by LSU may, for example, take the form of financial support, use of facilities, use of supplies, payment of salary, a particular contract, or otherwise. "LSU Work" shall not, however, include any work deemed to be LSU software.

3. "LSU Software" shall mean any software created or developed, in whole or in part, during work:
 1. carried on by, or under the direction of, LSU personnel, regardless of when or where the creation or development occurs; or
 2. supported by funds under the control of LSU; or
 3. performed with the use of LSU facilities, equipment, or supplies.

The term "LSU Software" shall also include any copyright derived from such software; any patent application or issued patent containing at least one claim reading on such software, or having at least one claim reading on a process or apparatus incorporating such software; or other legal rights derived from such software.

4. "LSU Mark" shall mean any trade name, trade mark, service mark, design, or trade dress:
 1. which is associated with LSU, or any campus or other part of LSU; or
 2. which is created or produced during an activity which is supported by LSU, in whole or in part.

The term "LSU Mark" shall also include any goodwill associated with any such mark, and any registrations or other legal rights derived from such a mark.

5. "Other LSU Intellectual Property" shall mean any intellectual property, other than an LSU Invention, LSU Work, LSU Software, or LSU Mark, where the events giving rise to the creation of that intellectual property are supported by LSU in whole or in part. By way of illustration only, such "Other LSU Intellectual Property" may include:
- plant variety protection certificates;
 - semiconductor mask works;
 - trade secrets;
 - know how; and
 - tangible research property (e.g., chips, software, biological organisms, prototypes, drawings, and other property which can be physically distributed).

In interpreting this paragraph, the principles of paragraphs (a) and (b) above shall apply by analogy where appropriate.

6. "LSU Intellectual Property" shall mean any LSU Invention, LSU Work, LSU Software, or Other LSU Intellectual Property. "LSU Intellectual Property" shall not include any LSU Mark.
7. "Distributable Royalties" shall mean any money, corporate stock, or other property actually received by and in the control of LSU under an authorized contract granting any rights in any LSU Intellectual Property. No expenses shall be deducted in calculating "Distributable Royalties".

"Distributable Royalties" shall not, however, include any consideration deemed a Research Grant or deemed Litigation Proceeds; nor shall "Distributable Royalties" include any amounts received by LSU attributable to an LSU Mark.

8. "Research Grant" shall mean any consideration received by LSU under an authorized contract granting another any rights in any LSU Intellectual Property, where LSU's disposition of that consideration is restricted by that contract to use for conducting research. A "Research Grant" shall not be considered Distributable Royalties.
9. "Litigation Proceeds" shall mean any property received by LSU as a result of any resolution of a dispute over another's use or infringement of any LSU Intellectual Property, whether received by way of judgment, arbitration, or settlement and in the case of a settlement, regardless of whether any arbitration or lawsuit has been instituted. "Litigation Proceeds" shall not be considered Distributable Royalties.
10. "LSU" shall mean the Board of Supervisors of Louisiana State University and Agricultural and

Mechanical College, and all of its campuses, institutions, facilities, and other property. "LSU personnel" shall mean all LSU Supervisors, Officers, Faculty, Staff, fellows, graduate students, and other full time or part time employees of LSU. "LSU personnel" shall, for example, include:

1. visiting faculty, and
2. LSU undergraduate and professional students when those students act as employees of LSU.

"LSU personnel" shall not include LSU undergraduate and professional students when those students are not acting as employees of LSU.

11. "Chancellor" shall be construed to include the Executive Director of the Pennington Biomedical Research Center.

- [Back to Table of Contents](#)
-

Section 7-3 -- Disposition of LSU Intellectual Property and LSU Marks

1. LSU holds all right, title, and interest to all LSU Intellectual Property and LSU Marks in all countries. LSU personnel shall execute any formal assignments to LSU of all right, title, and interest to any LSU Intellectual Property or LSU Mark, and shall execute such other documents and perform such other lawful acts (at no expense to the LSU personnel) as may be deemed necessary by LSU fully to secure LSU's interest in LSU Intellectual Property and LSU Marks.
2. (1) Notwithstanding the provisions of paragraph (a) above, LSU releases to the respective author (s) all of LSU's interest in any copyright to a book, article, lecture, or other literary work which would otherwise be an LSU Work; except that LSU's interest shall not be so released:
 1. if LSU publishes the work itself, or
 2. if LSU publishes or produces a derivative work based on that work, where the derivative work is an audio or video production or broadcast.

(2) LSU may waive its rights to items which would otherwise be LSU Intellectual Property, in favor of an outside employer, if LSU expressly approves a valid consulting agreement between that employer and one or more LSU personnel, and if the consulting agreement expressly states that such items shall become the property of that employer.
3. As owner of LSU Intellectual Property and LSU Marks, LSU may manage and dispose of LSU Intellectual Property and LSU Marks as LSU in its discretion sees fit.

4. Nothing in this Chapter shall be construed to prohibit or restrict LSU personnel from publishing any material which LSU and those personnel are otherwise free to publish. This freedom to publish does not give the author any other rights in LSU Intellectual Property.
5. (1) Forty percent (40%) of all Distributable Royalties shall be paid or transferred to the respective inventors or authors. Corporate stock within Distributable Royalties shall be transferred to the respective authors or inventors in accordance with the preceding sentence as soon as LSU is legally able to transfer title to such stock, and until that time LSU shall be the sole owner of such stock. Provided, however, that the Chancellor (or Chancellors) of the appropriate campus (or campuses) may direct, on a case by case basis, that no part of particular Distributable Royalties shall be paid or transferred to the inventors where those Distributable Royalties are attributable to one or more Plant Patents or Plant Variety Protection Certificates. Further provided, that on the written request of any inventor or author, that inventor's or author's share of Distributable Royalties may be retained by LSU to support research under the direction of that inventor or author. Where the inventors' or authors' share of particular Distributable Royalties is to be paid to more than one inventor or author, that share of Distributable Royalties shall be distributed among the inventors or authors in proportions and under procedures established by the President.

(2) Ten percent (10%) of all Distributable Royalties shall be allocated to the Office of the President of the LSU system. The remainder of all Distributable Royalties shall be allocated within the LSU campus as directed by the Chancellor. None of this remainder may be allocated directly to any individual, except as provided in subparagraph (3) below.

(3) In a case where particular Distributable Royalties are attributable solely to one or more copyrights, and not to any LSU Intellectual Property other than copyrights, then the following adjustment to the above allocation of Distributable Royalties may be made if appropriate in light of all the circumstances: On the request of the Chancellor, the President of the LSU system in his discretion may direct that an additional portion of those Distributable Royalties be paid to the author(s), the amount of any such additional portion to be determined by the President of the LSU system, but not to exceed a total of ten percent (10%) of those Distributable Royalties. In any case where such an adjustment is made, the allocation of LSU's share of those Distributable Royalties shall automatically be modified proportionately.

(4) A Research Grant shall be administered by LSU in accordance with the terms of the contract establishing the Research Grant, and in accordance with any applicable laws, rules, and regulations. Authors and inventors shall not be entitled to any portion of a Research Grant, except in some cases for that portion of a salary which is customarily paid from such a source.

(5) Litigation Proceeds shall be administered and distributed in proportions and under procedures established by the President of the LSU system.
6. (1) All stock owned by LSU as LSU's portion of Distributable Royalties shall be managed and

disposed of by an Equity Committee consisting of three members of the LSU Board of Supervisors appointed by the Chairman, the President of the LSU system, and the Chancellor of LSU.

(If more than one campus is involved, the Chancellors of the affected campuses shall agree as to which Chancellor shall serve on the Equity Committee.)

If any individual who would otherwise serve on the Equity Committee for the stock of a particular corporation has a conflict of interest with that corporation, then that individual's position on the Equity Committee shall be replaced by the Vice President for Academic Affairs or the Vice President for Administration and Finance, on an alternating basis, so long as the Vice President does not also have a conflict of interest. The Equity Committee shall have the authority to perform all acts which a stockholder lawfully may perform under applicable law.

(2) All stock acquired by LSU as LSU's portion of Distributable Royalties shall first be evaluated to ascertain that value is received for value given.

(3) To attempt to avoid potential questions of conflict of interest and liability:

1. No LSU personnel shall act as an officer or director of any corporation in which LSU acquires stock; and
2. LSU shall not otherwise attempt to influence the management or operation of any corporation in which LSU owns stock. Any exceptions to this policy must be individually approved by the President of the LSU system in writing in advance, on a case-by-case basis. This authority of the President will not be delegated. Exercising any voting rights associated with stock owned by LSU shall not be considered to be prohibited by this subsection B(2)(b).

(4) Any stock owned by LSU as LSU's portion of Distributable Royalties shall not be further distributed within LSU, but instead shall be managed by the appropriate Equity Committee. Any cash benefits received by LSU arising from such stock ownership (for example, cash dividends, or proceeds from the sale of the stock) shall be distributed within LSU in the same relative proportions as other Distributable Royalties; except that the inventor shall receive no portion of any such cash, because the inventor is entitled to forty percent (40%) of the stock originally received by LSU under § 7-3(e)(1).

- [Back to Table of Contents](#)

Contracts Between the University and Its Faculty Members, June 29, 1993

The University recognizes the benefits to the State of Louisiana, to the private sector, and to its employees in allowing, under limited circumstances, contracts between itself and its faculty members or a legal entity in which a faculty member has an interest.

The purpose of this *Permanent Memorandum* is to clarify those situations in which a faculty member or a legal entity in which a faculty member has an interest can now contract with the University.

A. Background

Prior to the passage of *Act 229* of the 1987 Regular Session of Louisiana Legislature, Louisiana law prohibited a University employee and any company in which he owned an interest from bidding on or entering into a contract with the University or involving the University. However, *Act 229*, which became *R.S. 42:1123(10)*, amends the *Ethics Code* to authorize contracts between a university and members of its faculty or a company in which faculty members have an interest.

For this exception to apply, the contract must regard either:

1. The disposition of a patent, copyright, licensing right, or royalty which is attached to a discovery, technique, or technology resulting from research done by a faculty member in the course of employment with LSU, or
2. An activity related to or resulting from research activity of a faculty member conducted in the course of his employment with LSU.

LSU employees or faculty members, and their immediate families, who were not involved in the research or activity in question may *not* have an interest in the contract or the private entity if:

1. They are in the same department or area as the faculty member whose research or activity is the basis of the discovery, technique or technology; or
2. They participated on behalf of LSU in the negotiation or confection of the contract between LSU and one of its employees or an entity in which an employee has an interest.

The Act requires that the following procedure be followed for such contracts:

1. The contract must be approved through a procedure established by the LSU Board of Supervisors.
2. The procedure must be approved by the Board of Regents and the Commission on Ethics for Public Employees.
3. There must be a finding and certification by the University to the Board of Regents that entering into the contract will contribute to the economic development of the State and will not interfere or conflict with the performance of the employee's obli

4. The Board of Regents reports those certifications semiannually to the House and Senate Commerce Committees or Subcommittees designated thereby.

This amendment to the *Code of Ethics* affects the area of technology transfer, among others. For example, a fledgling Louisiana company receiving the license of a particular technology from LSU may need to employ the services of the LSU faculty member who was instrumental in the discovery or technology. The ability to provide that employee with an ownership interest in the corporation may insure the viability and success of the venture. Also, those University faculty members who desire to be entrepreneurs as well as academicians will have the opportunity to promote and market their own discoveries if the appropriate procedure is followed and approval is received.

B. Policies And Procedures

This statement of policy and procedure sets forth general guidelines for every campus within the LSU System. The Chancellor of each campus may modify these guidelines, provided such modifications are more limiting than the provisions herein.

If a faculty member or entity in which the faculty member has an interest intends to enter into a contract with the University, and that contract would be a violation of the *Code of Governmental Ethics* but for the exemption contained in *La. R.S. 42:1123(10)* (see copy of *Act 229* attached), the procedures set forth herein must be followed. All such contracts must be in writing.

If an entity in which an LSU faculty member has an interest wishes to contract with LSU, the following must be followed.

1. The ownership interests in the entity must be disclosed in writing to the appropriate Chancellor or his designee. The owner's name, address, and interest, as well as the names of every officer, director, and 10 percent or larger shareholder, must be stated in the written disclosure. Notice of any change from the original disclosure shall be given to the appropriate dean and chancellor if such change affects the status of the contract.
2. All negotiations between a faculty member, or an entity in which he/she has an interest, and LSU must be arms length. Therefore, the faculty member must recuse himself/herself in writing from participation in negotiation or decision making on behalf on behalf of LSU with respect to the contract. At LSU's option, the faculty member may be consulted by LSU with respect to the technical or scientific aspects of the proposed contract.
3. A designated University employee must be appointed to negotiate and confect the contract, which employee shall not be under the direct supervision or a member of the department of the faulty member submitting the contract.
4. A standing committee appointed by the President of the LSU system shall be established to review all such proposed contracts after the terms have been agreed to by the LSU Chancellor or designee and the faculty member and/or legal entity in which the faculty member has an economic interest. Membership on this committee may include representatives from both the

public and private sector. The committee shall be chaired by the LSU system President or designee. This committee is authorized and empowered by the LSU Board of Supervisors to certify to the Board of Regents semi-annually that entering into the contract will contribute to the economic development of the state and that, among readily available alternatives, entering into the contract serves the public interest.

5. The Chancellor or designee shall certify to the committee that entering into the contract will not interfere or conflict with the performance of the employee's obligation to the University.
6. An employee with a joint appointment must receive the approval of both Chancellors; provided, however, that where agreement on approval cannot be reached, the President of the LSU system shall make the final decision on such approval.

With respect to payments pursuant to any contract conferred under this policy, the following standards should be adhered to:

1. Compensation to the University for the use of services, facilities, equipment, or technology must be paid at the same rate that such services, facilities, equipment, or technology would be available to the general public or to others under arms length negotiated contracts.
2. Compensation from LSU to its employee, or to an entity in which the employee has an interest, for services rendered, cannot be more than normally would be paid for similar services.
3. Where LSU and an employee or entity in which the employee has an interest together provide services to a third party, a fair apportionment of the remuneration should be made and specified based on the value of the respective contributions in services, investments, technologies, equipment, or facilities utilized.

- [Back to Table of Contents](#)

Act 229 -- Senate Bill, No. 646, Regular Session, 1987

To amend and reenact R.S. 42:1123(9) and to enact R.S. 42:1123(10), relative to governmental ethics; to authorize faculty or staff of public institutions of higher education to perform certain consulting services; to provide for an approval procedure for the allowance of such consulting services; to authorize faculty members of public institutions of higher education or legal entities in which such persons have a substantial economic interest to enter into certain contracts with the faculty members agency; to provide an approval and certification procedure for such contracts; to provide for legislative oversight; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 42:1123(9) is hereby amended and reenacted and R.S. 42:1123(10) is hereby enacted to read as follows:

S1123. Exceptions

This Part shall not preclude:

9. (a) The receipt of or sharing in the proceeds of any patent, copyright, licensing right, or royalty by faculty or staff members of a public higher education institution or management board resulting from any activity of the faculty or staff member, which is consistent with and pursuant to the mission of the college or university to advance knowledge or further the economic development of the state and which activity has been approved by the campus head and the management board of the employing college or university.

(b) The performance of services for compensation for any person, by faculty or staff members of a public higher education institution, provided the services consist of consulting related to the academic discipline or expertise of said public employee and provided the services have been approved in writing by the chief administrative officer of the public employee's institution in accordance with rules and procedures established by the management board of the institution, which rules and procedures have been approved by the Board of Regents and the Commission of Ethics for Public Employees.

10. (a) The negotiation or entering into a contract as defined in Subparagraph (b) of this Paragraph, provided that such contract has been approved in accordance with a procedure established by the appropriate higher education management board which procedure has been approved by the Board of Regents and the Commission on Ethics for Public Employees. Such an approval procedure shall require a finding and certification by the appropriate management board to the Board of Regents that entering into such contract will contribute to the economic development of the state and that entering into such contract will not interfere or conflict with the employee's obligation to the university. Semiannually, the Board of Regents shall report all such certifications to the committees on commerce of the Senate and House of Representatives or any subcommittee designated by either standing committee.

(b) A contract between an institution of higher education and a member of its faculty or a legal entity in which such employee has a substantial economic interest, regarding the disposition of any patent, copyright, licensing right or royalty which is attached to a discovery, technique or technology resulting from the research done by such employee in the course of his employment with the institution, or regarding an activity related to or resulting from the research activity of such employee conducted in the course of employment with the institution.

- [Back to Table of Contents](#)

PM-64, LSU INTELLECTUAL PROPERTY -- DISTRIBUTION OF ROAYALTIES AND OTHER MATTERS, January 3, 1997

The purpose of this *Permanent Memorandum* is to establish guidelines under the newly revised Chapter

VII (Patents & Copyrights) of the *Regulations of the Board of Supervisors*. This Memorandum replaces and supersedes prior Permanent Memorandum 64 of August 19, 1986. The immediate motivation for both the revised version of Chapter VII and this Memorandum was the 1990 amendment to the state constitution permitting universities to acquire stock in exchange for rights in intellectual property. Desirable changes in other areas have also been made. The distribution of royalties has been modified, and clarifications have been made on several questions that have arisen in the course of administering LSU Intellectual Property.

The definitions of Chapter VII of the *Regulations* apply to this *Permanent Memorandum 64*. The term "inventor" in this Memorandum shall be construed to include an "author" if appropriate in a given context. Similarly, the term "invention" shall be construed to include a "copyright" or "other intellectual property" if appropriate in a given context.

1. Distributable Royalties

1. Basic Rule

- Forty percent (40%) of all Distributable Royalties shall be paid to the respective inventors within thirty days of receipt, unless a different schedule is otherwise agreed in writing by LSU and any inventor.
- Ten percent (10%) of all Distributable Royalties shall be allocated to the Office of the President of the LSU system.
- The remaining fifty percent (50%) of all Distributable Royalties shall be allocated to LSU as directed by the Chancellor of UNO, except that none of this amount may be allocated directly to any individual.
- Exceptions to this basic rule are in Sections 7 3(e)(1) and (3) of the new Chapter VII.

On written request by an LSU inventor, a portion of that inventor's share of Distributable Royalties will be paid to any other LSU personnel who helped reduce the invention to practice.

2. Multiple Entities

- The distribution of Distributable Royalties becomes more complicated when more than one inventor, department, or campus is involved. Such a situation can arise in several ways:
 - A single invention may have several joint inventors.
 - One joint inventor may be an LSU employee, while another joint inventor has no affiliation with LSU.
 - An inventor may have a joint appointment with two departments or two campuses.
 - A single license agreement may simultaneously license two or more inventions.

The distribution of Distributable Royalties in these situations will be proportional to certain presumed contributions to total Distributable Royalties by the different entities involved, as specified in the *Appendix* below.

2. Litigation Proceeds

Because of the expenses and risk inherent in litigation and other means of dispute resolution, that part of the LSU System which funds such expenses shall be entitled to recover double its legal and other associated expenses before any other distribution of Litigation Proceeds. After this recovery of double expenses, any excess Litigation Proceeds shall be distributed according to the formula used for Distributable Royalties.

3. Nonelected LSU Intellectual Property

If LSU elects not to pursue or maintain any item within the definition of LSU Intellectual Property, in LSU's discretion LSU (with the concurrence of any research sponsor, if necessary) may assign that item to the respective inventor(s). The President of LSU or his designee may exercise this authority.

4. Sponsored Research

1. LSU Elects to Retain Intellectual Property Rights - Any intellectual property rights that LSU retains under a sponsored research agreement will be deemed LSU Intellectual Property. All LSU personnel who participate in an authorized sponsored research agreement must comply with the terms and conditions of the agreement concerning intellectual property, and shall take appropriate steps to preserve LSU's intellectual property rights under the agreement. In particular, such personnel must comply with the contractual reporting requirements regarding disclosure of any invention made under research sponsored by a federal agency.

To protect LSU's rights in inventions made under research sponsored by a federal agency, additional procedures shall be followed to ensure that timely disclosures and elections are submitted to federal funding agencies:

1. The officer responsible for technology transfer at each campus shall promptly review each initial disclosure document filed by any LSU personnel with that officer, and in consultation with the researcher(s), shall determine the pertinent source(s) of funding. For each invention made under research sponsored by a federal agency, the technology transfer officer shall submit a written disclosure of the invention to the appropriate federal funding agency within two months of the technology transfer officer's receipt of the initial disclosure of the invention.

2. Each patent attorney or patent agent responsible for drafting and filing any new LSU patent application (whether a patent attorney or contract with LSU, a patent attorney for an LSU licensee, or otherwise) shall be instructed in all cases to ascertain from the inventor(s) the source of any pertinent funding, and where appropriate to include at the beginning of the specification of the patent application a statement acknowledging the federal sponsor. Where such a statement is appropriate, contemporaneously with filing the patent application the patent attorney shall notify the federal funding agency that LSU elects to retain title to the invention, and shall simultaneously send to the agency a copy of the application as filed. If either the patent attorney or the campus technology transfer officer realizes that more than two years may lapse between the initial disclosure to the funding agency and the filing of the patent application, the two shall confer to discuss the reasons underlying the delay; if the campus technology transfer officer shall so notify the funding agency before the second anniversary of the initial disclosure to the agency.

2. LSU Elects Not to Retain Title to or Not to Pursue Patent Protection for a Federally-Funded Invention.

To comply with federal law, the following procedures should be followed if LSU elects not to retain title, or elects to abandon patent protection for a federally-funded invention:

1. If LSU elects not to retain title to a federally-funded invention, the federal agency should be notified in writing within two years of the initial disclosure to the agency. If LSU elects not to retain title to a federally-funded invention, LSU may not assign, even to the inventor, any rights to the invention without the approval of the federal agency.
2. After electing to take title to a federally-funded invention and filing a patent application, LSU should notify the federal agency of any decision to discontinue prosecuting the application, not to pay maintenance fees on an issued patent, or not to defend in a re-examination or opposition proceeding. The patent attorney handling the application or patent should notify the federal agency at least thirty days before the last day on which action may be taken to prevent abandonment.

3. LSU Elects To Retain Title to Unpatented Biological Material

If the federal funding agency is the National Institutes of Health (NIH), and if the federally-funded invention is a biological material, under NIH guidelines UNO may elect to retain title and the right to license the biological materials, even if they are unpatented. To retain title to such unpatented biological materials, UNO must comply with certain terms and conditions set by NIH, including the following:

1. the campus technology transfer officer must make a written request to NIH for UNO to retain title;
2. information describing the materials must be made publicly available, for example by publication; and © LSU' licensing activities must ensure that the biological materials remain available to the nonprofit research community.

5. Restrictions on Publication

Research sponsors and intellectual property licensees frequently request restrictions on publication of relevant subject matter. Before UNO can consent to any such restrictions on publication, both of the following conditions must be satisfied:

1. the restrictions must be tailored to be the least restrictive conditions which will satisfy the legitimate concerns of the sponsor or licensee; and
2. the consent must be obtained of all LSU personnel likely to be affected by the proposed restrictions on publication.

6. Retroactivity

The revised Chapter VII of the *Regulations of the Board of Supervisors*, and this revised *Permanent Memorandum 64* shall generally have prospective effect only, but their provisions may provide guidance in determining the effect of earlier events. However, in the case of Multiple Entities, Section A(2) and the Appendix of this revised *Permanent Memorandum 64* shall apply in all cases.

Where a disclosure on an invention is submitted to UNO's Technology Transfer Office on or before August 31, 1991, the inventors' share of Distributable Royalties for that invention shall be determined in accordance with prior PM-64. By written request received by UNO's Technology Transfer Office on or before September 30, 1991, any such inventor may instead opt to have the inventors' share of royalties determined under these new provisions. In either case, the relative distribution within UNO of UNO's share of Distributable Royalties shall be governed solely by this revised *Permanent Memorandum 64* (adjusted proportionately in cases where the inventors' share of Distributable Royalties continues to be governed by prior PM-64).

Where a disclosure on an invention is submitted to UNO's Technology Transfer Office on or after September 1, 1991, that invention shall in all respects be governed by the revised Chapter VII and this revised *Permanent Memorandum 64*.

- [Back to Table of Contents](#)

Appendix--Multiple Entities

Following are the details regarding presumed contributions to Distributable Royalties in the case of multiple entities under Section A(2) above:

1. By contract, negotiation, litigation, or otherwise, LSU any other party not affiliated with LSU shall resolve any apportionment issue between LSU and that other party. Only LSU's part of this apportionment may be considered "Distributable Royalties".

2. (a) Each invention associated with particular total revenues (e.g., each patent or patent application licensed in a single license agreement), in the absence of any agreement by LSU providing the contrary, shall be presumed to have contributed equally to those total revenues (not just to Distributable Royalties).
 - (b) For each invention, each LSU joint inventor shall be presumed to have contributed equally to Distributable Royalties for that invention.

 - (c) The respective contributions to Distributable Royalties from different departments or campuses shall be presumed to be the sum of the contributions thus determined for the inventors associated with each department or campus. If one inventor has appointments with more than one department or campus, each such department or campus shall be deemed to participate equally in the departmental or campus contribution to Distributable Royalties associated with that inventor, unless the invention concerned clearly resulted from work done by that inventor in association with only one of the departments or campuses.

 - (d) No predetermined formula for allocating Distributable Royalties can do justice in all cases. By unanimous written consent of all affected persons or entities, the above proportions may be modified. If the above proportions are felt to be inequitable in a given case, and the affected parties cannot agree on different proportions, the Chancellor or the Chancellor's designee (or if more than one campus is involved, the President of the LSU system or the President's designee) shall make an allocation among the parties based on the merits of the individual case. This allocation by the Chancellor or President shall be final and unappealable.

The following hypothetical **example** will illustrate these principles for handling royalties in the case of multiple entities, in the absence of an agreement providing a different distribution.

Example:

\$100,000 in total revenue has been received under a single license for four inventions: Invention 1, Invention 2, Invention 3, and Invention 4.

- The license agreement does not allocate royalties among the four inventions.
- Invention 1 was conceived by A and B. Invention 2 was conceived by B, C, and D.
- Invention 3 was conceived by A, B, and E. Invention 4 was conceived by C.
- Inventors A and B are in department X on campus Q. Inventor C has a joint appointment with departments X and Y on Campus Q. Inventor D is in department Z on campus R. Inventor E is employed by W Corporation.
- Invention 3 was conceived by A, B, and E during joint research by LSU and W Corporation. Separate negotiations between LSU and W Corporation have established that W Corporation's share of licensing revenues from this license agreement will be 10% of the total revenue. W Corporation has no rights in inventions 1, 2, and 4.

Distribution:

1. W Corporation receives its 10% of total revenues, or \$10,000. Then \$90,000 in Distributable Royalties remain.
2. LSU System
 1. The Office of the President of the LSU system receives 10% of total distributable Royalties, or \$9,000.
 2. Each of the four inventions is presumed to have contributed equally, or \$25,000 each, to total revenues. The Distributable Royalties for Inventions 1, 2, and 4 are thus \$25,00 each. Because of the payment of \$10,000 to W Corporation, Distributable Royalties for Invention 3 are \$15,000.
 3. For each invention, each LSU joint inventor is presumed to have contributed equally to the Distributable Royalties received for that Invention. Thus these "contributions" are:
 - Invention 1, $1/2 \times \$25,000 = \$12,500$ each for A and B
 - Invention 2, $1/3 \times \$25,000 = \$8,333$ each for B, C, and D
 - Invention 3, $1/2 \times \$15,000 = \$7,500$ each for A and B
 - Invention 4, all \$25,000 for C

The total contributions to Distributable Royalties allocated to each LSU inventor are thus:

<p>Inventor A Invention 1 = \$12,500. Invention 3 = \$7,500. Total = \$20,000.</p>	<p>Inventor B Invention 1 = \$12,500. Invention 2 = \$8,333. Invention 3 = \$7,500. Total = \$28,333.</p>	<p>Inventor C Invention 2 = \$8,333. Invention 4 = \$25,000. Total = \$33,333.</p>	<p>Inventor D Invention 2 = \$8,333. Total = \$ 8,333.</p>
--	--	--	---

The inventors are entitled to 40% of their respective "Contributions":

Inventor A	Inventor B	Inventor C	Inventor D
\$ 8,000.	\$11,333.	\$13,333.	\$ 3,333.

4. The departments' and campuses' "contributions" to Distributable Royalties are the sum of the "contributions" for their respective personnel, reduced (as in the case of C) if necessary for any joint appointments. The department "contributions" are thus:

- X—A, B, and half of C = \$20,000 + \$28,333 + (1/2) (\$33,333) = \$65,000
- Y—half of C = (1/2)(\$33,333) = \$16,667
- Z—D = \$8,333

Similarly, the campus "contributions" are:

- Q—A, B, and C = \$20,000 + \$28,333 + \$33,333 = \$81,667
- R—D = \$8,333

The campuses' net share of Distributable Royalties is 50% of their respective contributions:

- Q—\$40,833
- R—\$4,167

The distribution of these amounts within the campuses shall be as directed by the Chancellors of campuses Q and R. Any departmental shares of Distributable Royalties should (in general) be proportional to their total "contributions".

In other words:

- X would receive $\$65,000/\$81,667 = 79.6\%$ of the departmental share for Q
- Y would receive $\$16,667/\$81,667 = 20.4\%$ of the departmental share

5. Thus the total \$100,000 received is distributed as follows:

- A = \$8,000
- B = \$11,333
- C = \$13,333
- D = \$3,333
- Q = \$40,833
- R = \$4,167
- President's Office = \$9,000
- W Corporation = \$10,000

The shares of campuses Q and R are further distributed within those campuses as directed by their respective Chancellors.

Note: For many license agreements the relative distribution percentages will be constant over time and will thus only have to be calculated once, and not separately for each new payment received. Also note that the above example was deliberately chosen to be more complex than is typical to illustrate the principles involved.

- [Back to Table of Contents](#)

PM-16, TECHNOLOGY TRANSFER, March 7, 1995

The PM reproduced here does not include attachments or appendices. To review a complete version of this policy contact your dean/director or the Systems OTT.

The purpose of PM-16 is to provide information on the technology transfer process. The Board of Supervisors of Louisiana State University and A&M College holds all right, title, and interest to all intellectual property (new ideas, inventions, discoveries, etc.) discovered by a full or part time LSU System employee. This exclusive right of ownership is extensive and applies to intellectual properties related to the field of study and assigned responsibilities of the employee, regardless of the place or the time of day or day of the week that the discovery is made and applies even if the employee is on leave at the time of the discovery. In consideration for exclusive ownership right, the Board of Supervisors' policy currently provides one of the most progressive incentive plans in the country. The employee/inventor generally receives 40% of the distributable royalties regardless of whether this is cash or stock.

There are three steps in the technology transfer process: **disclosure**, **protection** and **licensure**.

I. Disclosure

The technology transfer process begins with the disclosure of the invention or software creation. Disclosure forms are available from the Forms page of the UNO OTT WEB or from the System Office of Technology Transfer. A sample form illustrating the minimum amount of required information is provided in Appendix 1 of this memorandum. The inventor should complete the form and forward it to UNO Office of Technology Transfer.

II. Protection

Protection of the invention is the second step. The invention will be evaluated and placed in one of the following categories:

1. Patentable
2. Not patentable, but may be commercialized through license under know how
3. Copyright protected

Prior to seeking protection, it is necessary to determine if the economic return from the discovery will be sufficient to offset the costs of patenting or other associated costs of licensing. A sample evaluation form is included as Appendix 2. The patenting of inventions and processes will be handled by either the campus based technology transfer office or the System Office where appropriate. In most cases, the University will pursue the prosecution of the patent, but with System approval, an independent entity may be used.

III. Licensure

During the protection process of an invention, the third stage of technology transfer begins: the licensing of the technology to appropriate potential users. The System or campus Office of Technology Transfer will try to identify potential licensees. Preference will be given to Louisiana firms or to firms seeking to locate in Louisiana.

Confidential Information And Materials

Any disclosure of information concerning the invention to non-university employees or organizations requires a signed confidentiality agreement prior to the dissemination of information. A sample confidentiality form is included as Appendix 3. In a like manner, University employees should only accept confidential information and materials from outside entities after completing and signing a similar document. The University employee should read a proposed confidentiality agreement very carefully because of the liability one assumes when receiving confidential information which may have economic value (see Appendix 4 for further information). The release of biological materials such as plasmids, bacterial strains, new plant or animal cell lines to investigators outside the University should be preceded by the completion of a biological materials use agreement. (See Appendix 5.)

Transfer of University technology to the private sector is the primary goal of every license negotiation. A secondary goal is to utilize the income from the licenses to further the educational and research goals of the University. The draft license must be reviewed by the University legal counsel prior to being submitted to the campus and System Office of Technology Transfer for review and approval. Adequate indemnification of the University is a key element of any license. PM-67 governs cases where the inventor holds interest in the company that is going to license the technology. Administrators dealing with the license should be very careful to assure that the inventor of the technology is not in any way involved in the negotiation or approval process, as their involvement may violate the State Ethics law.

- [Back to Table of Contents](#)
-

PM-11, OUTSIDE EMPLOYMENT OF UNIVERSITY EMPLOYEES, May 12, 1993

This memorandum rescinds PM-11 dated October 4, 1991 and PM-66 dated March 22, 1988.

I. Introduction

The University of New Orleans recognizes that certain outside employment activities are of benefit to the University, to the State of Louisiana and to the private sector as well as to individual employees. Although the University recognizes a right of employees to engage in outside employment, it has established policies and procedures requiring that such outside employment be disclosed and submitted for administrative review and approval.

1. All full time employees of the University including faculty, other academic, unclassified, and classified, are required to abide by this Presidential Memorandum at all times, including during regular and summer term and while on paid or unpaid leave.
2. Outside employment is defined as any non-University activity for which economic benefit is received, including but not limited to:
 1. Employment with any non-University employer.
 2. Contracts to provide consulting, personal or professional services to non-University individuals or entities, including publishing agreements or arrangements.
 3. Self-employment or operation of a business.
3. Economic benefits include cash payments or such other non-cash economic benefit, e.g., share of profits, shares of stock, equity participation, etc. as the employee and outside employer may

agree; provided that such non-cash economic benefit shall not have a present value significantly in excess of fair compensation for the services rendered. Compensation rates for outside employment need not be related to University salary rates but should be negotiated fairly based on normal private sector levels for similar services.

4. Outside employment shall be performed only outside of assigned working hours or responsibilities or during a period of paid or unpaid leave. During paid sabbatical, special, or educational leave, outside activities may be permitted only in exceptional circumstances.
5. Outside employment shall not conflict, delay, or in any manner interfere with instructional, scholarly, and/or other services which the employee is obligated to render to the University.

II. Outside Employment Which Will Be Considered for Approval

The following types of outside employment will be considered for approval:

1. General consulting, other outside employment, or business activities.
2. Serving as an expert witness in an area, based upon the employee's training and experience.
3. Consulting on a non-University research project. A University employee may be engaged as a consultant on a non-University research project or projects conducted by an outside employer, provided the employee neither supervises the research nor performs the research.

III. Outside Employment Which Will Not Be Approved

1. A University employee may not receive compensation to assist in the passage or defeat of legislation during the fiscal year in which the legislation is pending in the legislature, except from the Louisiana Legislature or any department, institute, or agency within the legislative branch.
2. If the University employee supervises non-University research or performs the research, he/she is considered a participant or a part of the outside research team rather than a consultant. In such instances, the employee may not be employed by nor contract directly with the outside agency unless it is not feasible or practical to seek a contract through the University under established procedures for sponsored research, as determined by the Chancellor.
3. Blanket approvals for outside employment will not be granted.
4. Employment or contractual relationships which are considered to be a violation of the Louisiana Code of Governmental Ethics will not be approved.

IV. Employee Responsibilities

Full time employees contemplating outside employment or engaged in outside employment shall:

1. ***Disclose outside employment*** in accordance with PM-11, and procedures established therefore.
2. ***Submit a list of all contracts or other agreements*** between the University and the outside employer in which the employee is involved on behalf of LSU. Such list is to include, to the extent the information is known to the employee, the owners, directors, majority shareholders, or affiliates of the outside employer. Additional information about such contracts may be required by the University upon request.
3. ***Provide notification to the outside employer*** that he/she accepts such employment as an individual and not, in any manner, as a representative of the University. It is recommended that employees do this by including with any oral testimony or written reports a statement to the effect that the views expressed are those of the employee and do not necessarily reflect the views of the University. In no case may the individual concerned use the name of the University or his/her University affiliation, title, or address officially or in any other way in support of any position he/she may take. Biographical data, including a statement of employment by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, may be included as introductory material to written reports or orally in the case of expert witness statements, but may not be incorporated into the body of the written report.
4. ***Comply with*** any other provisions of PM 11.

V. Approval Levels

Certain types of outside employment require approval of a Chancellor and/or the President of the LSU System as follows:

1. ***Approval by the Chancellor***

Under the *Louisiana Code of governmental Ethics*, certain outside employment requires review and approval by the Chancellor and may be approved only for academic, administrative, and professional employees.

1. Outside employment which requires approval by the Chancellor includes:

1. Outside employment with an individual or entity currently doing or actively seeking to do business with the employee's unit at the University or under circumstances in which the employee is collaborating with, or on special assignment to, a unit within the University with which the entity is doing or is

actively seeking to do business.

2. Outside employment involving teaching which will result in university level credit for the student, which will be conducted on University time, or which will utilize University property or services.
 3. Outside employment which ordinarily would be performed as part of the public service aspect of the University insofar as that employee's job duties and responsibilities are concerned.
 4. Outside employment yielding results which advance a theory or practice in the employee's field.
 5. Outside employment activity which could be accomplished more appropriately by a contract through the University. This activity shall be the subject of a University contract unless it is not feasible or practical to do so.
 6. Outside employment activity for an individual or entity that has substantial economic interests which may be materially affected by the way in which the employee performs his or her duties and responsibilities as a University employee.
2. If such proposed outside employment is with a third party that is contracting with or is seeking to contract with the University, the employee must remove himself or herself from any relationship in which he or she would:
1. Approve payments by the University to the third party pursuant to any contract between the University and the third party.
 2. Evaluate any work performed by the University pursuant to a contract between the University and the third party.
 3. Negotiate and/or approve any subsequent contracts between the University and the third party.
 4. Approve the purchase of University equipment pursuant to the contract with the third party in an amount in excess of \$2,000.

The above actions must be carried out by the employee's immediate supervisor and that approving supervisor's next immediate supervisor.

3. Outside employment requiring the approval of the Chancellor also requires a written agreement between the employee and the outside entity which shall contain the following

explicit information:

1. General technical area of endeavor.
 2. Specific employment or consulting activities.
 3. Duration of employment agreement.
 4. Estimated time in hours per week or days per month required for the employment.
 5. Employee's compensation rate and method of payment.
 6. Statement that agreement is between employee and outside entity, that employee is not acting as an agent of the University and that the University bears no liability in the relationship.
 7. Statement that the use of the University name in connection with the employment activities shall be only upon written authorization of the University.
 8. Statement that the rights to any intellectual property, i.e., inventions, materials subject to copyright, etc. resulting from the employment activity, to the extent that they would vest in the employee in the absence of any other agreement, will be assigned to the University and disposed of in the manner prescribed by Chapter 7.2 and 7.3 of the *Bylaws and Regulations of the LSU Board of Supervisors* and such other University policy as may be applicable.
4. The outside entity and the employee shall negotiate and draft an agreement meeting all of the requirements herein. If the contract involves consulting with respect to research or technology, the appropriate University office primarily responsible for licensing and transfer of technology, e.g., Office of Research & Economic Development, Office of Technology Transfer, etc., should be consulted during the negotiating process. If the contract involves trade secrets and commercial or financial information obtained from the outside employer pertaining to research or to the commercialization of technology, such information may be removed from the agreement before its submission for administrative review.
 5. For such agreements, the Chancellor must certify to the following prior to the execution of any contract approved pursuant to this policy.
 1. The outside employment activities are not within the employee's duties and responsibilities to the University for which the employee is being compensated by the University.

2. The outside employment activities do not conflict, delay or in any manner interfere with instructional, scholarly, and/or other services which the employee is obligated to perform for the University.
 3. The consulting activities to be performed are within the academic or professional discipline of the employee or are related to the area of expertise in which the employee is employed by the University.
6. Following approval and execution, the Chancellor shall receive a copy of the executed agreement. Copies of approval forms, certifications, and the executed agreement shall be kept in a permanent file by the Chancellor or his designee until at least three years beyond the expiration of the agreement.

2. Approval by the President

The following types of outside employment require review and approval by the President of the LSU system in addition to campus approval:

1. Outside employment involving public policy.
2. Outside employment of a Chancellor.
3. Outside employment or contracts by employees for professional, personal, consulting and social services with a department, commission, council, board, office, bureau, committee, institution, agency, government, corporation, or any other establishment of the Executive Branch of the State of Louisiana.

3. Approval by Chancellor or Designated Administrative Officer

All other outside employment may be approved through normal administrative channels by the Chancellor or by a campus administrative officer designated by the Chancellor.

4. Joint Appointments

If the outside employment involves employees from more than one department or campus, or if it involves an employee holding joint appointments, action by the appropriate administrative officers of the affected campuses is required.

VI. Use of University Equipment, Materials, and Services

The appropriate campus administrators, including chairs, directors, deans and vice chancellors, are responsible for determining the circumstances under which University personnel, laboratories, services, and equipment may be used in connection with outside employment of University employees. When University owned facilities, equipment or other resources are needed or required for any reason, a contract between the University and the private third party may be executed separately. Compensation to the University must be paid at the fair market rate or, if different, at the same rate that such services, facilities, equipment or technology would be available to any qualified non University user.

VII. Procedures

The Chancellor shall develop such written procedures and approval forms as are necessary to provide for compliance with this policy and submit such campus procedures and approval forms to the President of the LSU system for review and approval.

VIII. Reporting Requirements

Annually, the Chancellor shall prepare an information report listing all outside employment approved by the Chancellor and currently in force under this policy and any other details which may be requested. Copies of this report shall be sent to the President of the System and to the Board of Supervisors.

IX. Code of Ethics Requirements

Compliance with the provisions of this policy is required by the Louisiana Code of Governmental Ethics. Violation of this policy may result in a violation of the Ethics Code and penalties applicable thereto and/or appropriate sanctions by the University. All employees, both full-time and part time, are reminded that they are subject to the Ethics Code.

END OF UNO OTT MANUAL

- [Back to Table of Contents](#)