

University Budget Committee

Minutes of Friday March 27, 2015

DRAFT

Members in attendance: Michael Ambroselli, Rajeev Bansal, Thomas Bontly (chair), Angela Brightly, Janine Caira, Ellen Carillo, Phillip Mannheim, James Marsden, Jeanne Martin, Katrina Spencer, Daniel Stolzenberg. Guests: Vice President Jeff Seemann, Assistant Vice President Andrew Zehner.

The meeting came to order at 12:05 pm.

1. Research funding and commercialization

Vice President Seemann and Assistant Vice President Zehner provided an update on funded research at the University and possible changes to University policy regarding intellectual property and the licensing of inventions back to inventors.

a. Intellectual property and licensing back

Under CT general statutes, the right to patent inventions by UConn faculty or staff belongs to the University (if the invention results from work performed as a faculty or staff member). Inventors are entitled to share in any revenues received by the University upon successful commercialization of intellectual property. The Office of the Vice President for Research's (OVPR) Office of Technology Commercialization Services facilitates turning new research and intellectual property into something commercially serviceable, supports the development of start ups, handles patent applications, and so on.

The OVPR receives 60 to 90 invention disclosures per year. Of those, the OVPR declines to commercialize approximately one third, usually because it is determined that the University will be unable to receive patent protection or because there is no clear path to commercialization. Otherwise the University files patent applications and seeks commercialization partners. If successful, the University receives royalty income which is then shared with the inventors. If, on the other hand, the OVPR declines to commercialize the invention, or if it tries but is unsuccessful (if e.g. a commercial partner cannot be found), the original inventors are offered the opportunity to license exclusive rights to the invention back from the University (assuming that the inventors agree to assume costs of patent protection and that other conditions are satisfied).

Under existing policy (adopted in 1995), the University grants a license back to the inventor if the Technology Transfer group had not taken any action within six months of the disclosure of an invention. However, a review conducted by the OVPR, the Provost's Office, and the Office of Economic Development deemed the six-month window no longer appropriate, for several reasons. Chief among them, it frequently takes longer to determine whether an invention has commercial value and whether industry partners can be found, and the Office of Technology Commercialization Services now has sufficient staff to respond to all disclosures in a timely manner (which it did not in 1995).

Originally, the OVPR proposed eliminating the six month window altogether. Based on feedback from Faculty Standards, the OVPR proposes instead modifying the draft Intellectual Property and Commercialization Policy as follows:

“OVPR will provide a preliminary evaluation of the invention disclosure within three months after submission by the faculty member. OVPR will provide periodic commercialization updates to faculty members.

“The faculty member may request a license back at any time; UConn will consider such request but have no obligation to grant such license. In addition, if five years after its initial patent application filing date, a technology has not been licensed or no licensing partner has been identified, UConn will offer a license back to the faculty member.”

Discussion of the proposed Intellectual Property and Commercialization Policy ensued. Here are the highlights.

- Isn't the policy one-sided? In many fields, five years is an eternity. What if OVPR does not give an invention high priority or just sits on it? Answer: The OVPR has no desire to sit on inventions; we aim to serve faculty inventors and facilitate commercialization as rapidly as possible. Also, this policy does not apply if a faculty member wants to start a business based on the invention. In that case, the University licenses it back and assists in finding start up capital and so on.
- Should the OVPR be required to respond to requests to license back within 3 months, just as it is required to provide a preliminary evaluation within 3 months? A: yes, that would be acceptable and could be incorporated in the policy.
- Is there an assumption here that a patent only has value if it is commercialized? Often a portfolio of patents has its own value. A: Yes, which is why we seek patent protection whenever possible. However that must be balanced against the cost of applying for and defending patent.
- The University expects faculty members to publish original research, but once an invention is published, it is in the public domain, making it hard to patent. Would the proposed policy mean that the faculty member must wait for the OVPR to decide whether to commercialize, possibly five years? A: No, when the faculty member decides to publish, the OVPR files a preliminary patent application for a couple hundred dollars, which protects the University's rights to some extent. It is up to the faculty member when to publish. All she has to do is inform the OVPR when the paper is submitted.
- Comment: most faculty members are not aware of the preliminary patent application option. A: yes, we need to educate more faculty members about this process.
- After filing a provisional patent application, how long does the University have to file patent application? A: Typically 12 months.
- Are there any plans to change the revenue sharing formula? No. Under CT statute, the State is required to share 20% of revenues with inventors. The Board of Trustees increased that to 33%, and there is no plan to change that formula.

b. Report on Sponsored Program Activity

Discussion then shifted to VPR's report to the Senate (from March 2) on Sponsored Program activity. Here are the highlights. Overall expenditures climbed steadily 2007 to 2012 but have fallen slightly in 2013 and 2014. The drop reflects the end of the ARRA, most funding from which has now been expended. Expenditures per full-time faculty member are also down in 2013 and 2014, due in part to the hiring of additional faculty members. Since most new hires are junior faculty, it takes several years for them to get research programs up and running to the point where they can obtain grant funding.

Sponsored program applications fell from 2009 (when a large number of proposals for ARRA money were submitted) through 2013. However applications for 2014 rose significantly, and awards have risen in 2013 and 2014. The OVPR has also expanded (and will further expand) its Proposal Support Services.

It was noted that in the VPR's report, sponsored program expenditures and awards include funds for instructional programs (e.g., the IGERT grant in Cognitive Science) as well as research. However it does not include money administered by the UConn Foundation instead of the OVPR (although this money is included in the overall research numbers reported elsewhere). VP Seemann also noted that awards from State agencies are up, even though they are still dwarfed by federal and corporate.

c. Other issues

Time did not allow a thorough discussion with VPR Seemann of two other important issues: the rising cost of research at the University and the GA tuition on grants policy. The VPR offered to meet with the UBC again to discuss these issues and would welcome any questions in advance so that he can come prepared with any relevant data.

2. Old business

a. Graduate tuition on grants policy

The Committee is due to submit another report on the GA tuition on grants policy. Bontly distributed data which he has been provided by the Graduate School and the Budget Office, including two comparisons of the cost of employing a GA versus the cost of employing a postdoc. Brief discussion ensued. Bontly will send these materials to all committee members for their consideration.

3. New business

a. Request from SEC to discuss the following:

"In preparation for the BOT meeting on Wednesday, the SEC asks you to discuss with Financial Affairs the potential impact of admitting more students to UConn beginning in Fall 2015. The impact on general education requirements (GER) will be major across all content areas particularly the competency of W and Q. The number of sections of GER will need to be increased and are the resources available for this? Additionally, services for students will need to be increased in all areas particularly health and safety. What are the plans to address this? How does increasing enrollment relate to the academic vision's goal of enhancing teaching effectiveness and the undergraduate experience? With more students, fewer options for individualized learning experiences will be available. Will resources be allocated for such initiatives?"

"We understand that increased students brings in increased tuition revenue. However, in the past decade we have always been told that tuition does not cover the expenses of students. How is this different now?"

This will be discussed at our next meeting.

The meeting adjourned at 1:30 pm.

Upcoming meetings:

- Monday 3/30, 4pm in Senate Conference Room (CFO Scott Jordan)
- TBD with Provost Mun Choi