

**NUMBER: 16.1.05**

**DATE: 07/15/1996**

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**PAGE: 1 of 3**

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**SECTION: RESEARCH**

**AREA: BIOVENTURES, LLC – THE CONTRACTED TECHNOLOGY LICENSING OFFICE**

**SUBJECT: DISTRIBUTION OF ROYALTIES FROM INVENTIONS**

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### **PURPOSE**

To implement Board Policy 210.1 and 210.2 allocating costs and distribution of net revenues resulting from commercialization of intellectual property at the University of Arkansas for Medical Sciences (“UAMS”) and to further the commitment of the University to the widest possible distribution of the benefits of University Research, the protection of Inventions resulting from such research, and the development of Inventions for the public good.

### **SCOPE**

This policy shall apply to all persons employed, compensated, or appointed by the University and to anyone (including non-employees absent an agreement to the contrary) using facilities owned, operated, or controlled by the University. It shall also apply to all Inventions financed, in whole or in part, from funds under the control of the University.

### **DEFINITIONS**

Terms not otherwise defined herein shall have the meanings ascribed to such terms in Board Policy 210.1 and 210.2.

### **POLICY**

In accordance with University of Arkansas Board of Trustees policies, UAMS shall acquire legal title to all inventions, trademarks, and certain copyrightable works created by any person or persons to whom this policy is applicable.

### **PROCEDURE**

- (1) Persons subject to this policy shall submit a full and complete Invention Disclosure or Copyright Disclosure to the UAMS Patent and Copyright Committee promptly after the intellectual property is created or conceived or first reduced to practice. The UAMS Patent and Copyright Committee will review and evaluate the disclosure and make a recommendation whether to seek intellectual property protection, release to the inventor, or take other action consistent with Board of Trustees Policies.
- (2) The UAMS Patent and Copyright Committee will submit its recommendation to BioVentures, LLC (“BioVentures”) regarding the disposition of the Invention. Upon concurrence by BioVentures and if the recommendation is to seek legal protection of the Invention, BioVentures will pursue the appropriate application to protect the Invention.

The legal costs related to the application will be paid by BioVentures. In the event of BioVentures non-concurrence, the matter shall be returned to the Patent and Copyright Committee for further action.

- (3) BioVentures shall act in conformance with Invention and Incubator Management Agreement and the Inventions and Works Assignment Agreement between UAMS and BioVentures.
- (4) Revenues resulting from the commercialization of an Invention will be forwarded to BioVentures. BioVentures will calculate Net Revenues by subtracting from all Revenues actually received by BioVentures the actual costs incurred by UAMS and BioVentures for patenting, licensing, and the protection and maintenance of patent rights and copyright rights and other documented costs directly related to the commercialization of the Invention. In consideration of the disclosure and assignment of the Invention, the Inventor will share in the distribution of Net Revenues. Net Revenues will be distributed in accordance with the percentages below at least on an annual basis. If there are joint Inventors, Net Revenues will be distributed equally among them absent a mutual agreement to the contrary.

For cumulative net revenues up to \$200,000	For cumulative net revenues over \$200,000
50% to the Inventor(s)	35% to the Inventor(s)
5% to the U of A System	5% to the U of A System
20% to a reserve account held by BioVentures to the benefit of the Appropriate College	20% to a reserve account held by BioVentures to the benefit of the Appropriate College
13.5% to a reserve account held by BioVentures to the benefit of the Chancellor	18% to a reserve account held by BioVentures to the benefit of the Chancellor
11.5% to BioVentures to be used in a manner determined by the Board of Managers of BioVentures, LLC	22% to BioVentures to be used in a manner determined by the Board of Managers of BioVentures, LLC

For example, if an Invention or Work is commercialized and generates revenue to BioVentures in the amount of \$100,000, and legal costs and other expenses were \$10,000, the Net Revenue of \$90,000 will be distributed as follows:

Gross Receipt	\$100,000
Less: Direct Costs	<u>10,000</u>
Available for Distribution	90,000

Distribute to Inventor(s)	(50%)	45,000
Distribute to UA System	(5%)	4,500
Held by BioVentures for Appropriate College	(20%)	18,000
Held by BioVentures for Chancellor	(13.5%)	12,150

if an Invention or Work is commercialized and generates revenue to BioVentures in the amount of \$300,000, and legal costs and other expenses were \$10,000, the Net Revenue of \$90,000 will be distributed as follows:

Gross Receipt		\$300,000	
Less: Direct Costs		<u>10,000</u>	
Available for Distribution		290,000	
		<u>First \$200,000</u>	<u>Additional \$90,000</u>
Distribute to Inventor(s)	(50%)	100,000	(35%) 31,500
Distribute to UA System	(5%)	10,000	(5%) 4,500
Held by BioVentures for Appropriate College	(20%)	40,000	(20%) 18,000
Held by BioVentures for Chancellor	(13.5%)	27,000	(18%) 16,200

(5) In the event of a conflict between this Administrative Guide 16.1.05 and a policy of the Board of Trustees of the University of Arkansas, the policy of the Board of Trustees will control. Contact BioVentures for assistance and additional information.

**REFERENCES**

[University of Arkansas Board Policy 210.1 – Patent and Copyright Policy](#)  
[University of Arkansas Board Policy 210.2 – Copyright and Distance Learning Policy](#)

Signature: 

Date: **March 10, 2021**