

Appendix K

Columbia University Guidelines for Situations Involving Potential Conflicts of Interest Between Scholarly and Commercial Activities

The following guidelines were adopted by the University Senate on April 18, 1986.

A. Background

Rapid advances in some areas of science and technology make likely new applications of science for industrial and commercial purposes as well as a shortened time period between discovery and application.

These advances in science and technology present opportunities for funding at a time when traditional sources of funding are less readily available than in the past. At the same time, the University has proprietary interests to protect. Therefore it seems in the best interest of the University and its investigators⁽¹⁾ to establish guidelines which define the potential conflicts of interest which both the University and its investigators may face, more than in the past, in entering into agreements with commercial ventures. Such guidelines must keep firmly in mind the public interest.

B. Establishing General Principles

The following broad general guidelines are provided for the guidance of the University community in dealing with situations of possible conflict. Many decisions, however, can be made only by examining actual cases, and a standing University Policy Committee on Science and Technology (the Policy Committee) has been appointed to review specific cases. Any questions arising under the guidelines should be referred to the Policy Committee.

General Principles

1. The interests of the University and its investigators are served by responsible and continuing interaction between industry and the University, with a view to stimulating and nurturing research, development, and other scholarly activities. The University therefore encourages serious and determined efforts to establish such interactions and to attract funding for its initiation and continuing support.

2. The interaction between the University and its faculty with a commercial enterprise must not hinder the pursuit of the primary goals of the University and its faculty nor be in conflict with any statute or policy of the University.
3. The University may enter into agreements with commercial enterprises, making it possible for the University and its investigators to realize financial rewards from the results of their scholarly activity and research when these results are beneficial to the public and have commercial value.
4. The University may enter into agreements with commercial enterprises to receive funding from such external organizations in support of research in which the external organizations have an interest, provided that no predetermined result is stipulated and provided also that the freedom to publish is protected.
5. Any arrangement between the University and a commercial organization must not inhibit the free publication and dissemination of results of scholarly activity and research. A reasonable, and usually very brief, delay may be acceptable for such purposes as patent review or a review to protect trade secrets and proprietary or other confidential information.
6. As has long been University policy, ⁽²⁾ faculty members may engage in outside work up to one day a week.
7. The University and its investigators will consider the public interest both in the selection of joint projects with commercial enterprises, and equally in minimizing the time to transmit the results of discovery to benefit the public.

C. Three Areas in Particular Present Potential Conflicts of Interest

1. *Participation of the University and its investigators in commercial organizations.*
The University, or an investigator, may of course invest in or own stock or other equity in a commercial enterprise. However, if an investigator holds a controlling interest, participates in the management or the conduct of affairs of the commercial organization, except for personal corporations or their equivalents, or if the work of the University and its investigators is being funded by the organization, conflicts of interest are likely to exist, and the question should be referred to the Policy Committee.

Investigators may own a controlling interest in a commercial enterprise, and may participate in its management or conduct of affairs, as long as such participation does not interfere with their ability to fulfill their University commitments, and as long as the activity of the commercial organization is not closely related to the area of the investigator's University research. If there is a close relation between these two, the question should be referred to the Policy Committee. The University does not participate in the management or conduct of affairs of a commercial organization.

An investigator may own significant stock or equity in a commercial enterprise, but a conflict of interest may exist if the investigator's University research is

closely related to the activity of the enterprise, except for personal corporations or their equivalents, especially when the investigator participates in management, in which case the question should be referred to the Policy Committee.

According to its "Policy on Proprietary Rights in the Intellectual Products of Faculty Activity" (University Patent Policy),⁽³⁾ the University may file a patent application for an invention in the name of an investigator and receive an assignment of the invention from the investigator. The University may grant an exclusive license to a commercial organization under terms that provide royalty or other financial rewards to the University. Distribution of these funds within the University will be done according to the University Patent Policy.

The University may own interest in stock or other equity of a commercial enterprise, whether the equity interest is acquired by gift, by purchase for cash, or in exchange for intellectual property such as inventions or technological discoveries. Transfer to a commercial organization by the University or an investigator of biological or other such material, which may have commercial value, will raise questions of possible conflict of interest. Such questions should be referred to the Policy Committee and covered by an agreement.

2. *Funding of research or conduct of research at the University by commercial organizations.* The University or an investigator may receive funding from a commercial organization for research, where there is no other relationship between the University and the commercial organization and where that organization does not seek special rights except the right of first refusal to a license arising from the research so funded. If special rights are sought by the commercial enterprise, the question should be referred to the Policy Committee.

The University and its investigators may not enter into any relationship with commercial organizations which provide a financial or other incentive for reaching a predetermined result in agreed-upon research.

If an investigator has significant stock or other equity interest in a commercial corporation and/or participates in the management or the conduct of its affairs, it is not normally permissible for the University and the investigator to receive funding from that organization for the investigator's research at Columbia University. These rules apply with particular force when investigators hold administrative positions which permit them significant control of space and other resources at the University.

The University may not receive funding for research from a commercial organization under terms which grant that organization special rights except the right of first refusal to a license arising from the research in question. Other special rights for a commercial organization must receive the authorization of the Policy Committee, following review by that Committee of all the terms and conditions of the arrangement, and provided that the Committee determines that

the arrangement does not compromise the objectivity and independence of the University and its investigators. The terms of the arrangement may include equity participation by the University in a commercial organization subject to the provision in section C1 above. A commercial organization may not normally conduct research at the University with equipment and personnel of that organization, except with the authorization of the Policy Committee.

3. *Consulting Agreements.* Subject to University policies on the amount of professional time that may be devoted to outside activities and the reporting of these to the appropriate person, as specified in the Faculty Handbook (1975, p. 33, on Outside Interests and Employment)⁽⁴⁾ and the Trustees Resolution of April 12, 1962, each investigator is free to enter into consulting agreements with commercial organizations provided that:
 - a. the agreement does not purport to allocate property rights to the investigator's inventions, technical discoveries, or similar intellectual property in a manner inconsistent with the University Patent Policy, a copy of which is attached to these guidelines;
 - b. the investigator notifies the Director of the Office of Science and Technology Development of any conception which is or might be both patentable (as defined in the University Patent Policy, attached) and is or might be assigned to the University prior to divulging the same to any commercial entity.

D. The Policy Committee

The Policy Committee will address potential conflicts and questions of doubt or ambiguity, proceeding in timely fashion on a case by case basis, taking into account in each instance the facts and circumstances of the special situation.

Recommendations by the Policy Committee will be a matter of public record, subject only to appropriate safeguards to protect the confidentiality of matters such as the names of participants and specific dollar amounts. The Committee, recording its decision, should state clearly the issues involved and the reasons for its decision and should disseminate significant decisions that may be helpful to the University community in interpreting these guidelines.

E. Scope

These guidelines have attempted to define what is clearly permissible as well as what is clearly not permissible for the University and its investigators when interacting with commercial enterprises. Questions of doubt, rather than being addressed in the abstract, must be referred as specific cases to the Policy Committee.

The Committee will restrict its consideration of ethical issues and the benefit of research to society to the extent that is required by the individual case under discussion; general philosophical issues are best taken up in another context.

F. Effective Date

These guidelines shall be effective April 25, 1986. The Policy Committee on Science and Technology may make exceptions to the application of the guidelines to situations already existing on that date to relieve hardship on investigators in particular instances or to honor agreements that include a relatively short period after that date.

Footnotes

1. Throughout these Guidelines the term "investigator" refers to officers of instruction, officers of research, and associated staff.
2. See *The Faculty Handbook of Columbia University*.
3. See appendix G.--Ed.
4. Superseded by this handbook.--Ed.