



University of Central Florida Research Foundation, Inc.

<u>SUBJECT:</u> Revenue Distribution Guideline	<u>Effective Date:</u> 2017
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STATEMENT AND PURPOSE

The UCF Research Foundation (UCF RF) has the authority to receive and manage revenue from intellectual property agreements generated through the Office of Technology Transfer.

GENERAL INFORMATION

As specified in the University of Central Florida's (UCF) Collective Bargaining Agreement and UCF's Intellectual Property policy, the inventor(s) of intellectual property is entitled to receive a share of revenue. Revenue received from license agreements can include license fees, royalty payments and proceeds from the sale of equity in the licensee company. Revenue received as a result of a license agreement shall be distributed in such a manner as to encourage technology development within and technology transfer from UCF. The schedule for distribution of net revenues is designed to provide personal incentives to inventors.

This guideline addresses the process to receive and distribute revenue accordingly.

DEFINITIONS

Cumulative Net Income is defined as gross revenue minus Institutional Expense of patenting, copyright registration, trademark registration, licensing, legal, and other related expenses resulting from protecting and commercializing Inventions and Works¹ to which UCF or its designee, UCF RF, takes title.

Institutional Expense is defined as the costs incurred in protecting and commercializing an Invention or Work, including: 1) expenses and legal costs incurred in filing, prosecuting, registering, licensing, enforcing, maintaining or defending any patent, trademark, or copy right and other related expenses; 2) expenses and legal costs incurred in defending or prosecuting any litigation for infringement of the intellectual property rights in said Invention or Work; 3)

¹ Works exceptions per the Collective Bargaining Agreement include (i) those Works for which the intended purpose is to disseminate the results of academic research or scholarly study, such as books, articles, electronic and digital media; (ii) works developed without the use of appreciable University support and used solely for the purpose of instruction; and (iii) the intellectual content development by faculty members for web-based courses.

marketing costs attributable to the Invention or Work; and 4) any other expenses or outlays, including but not limited to, expenses related to agreements between UCF and UCF RF and any other parties for jointly owned intellectual property, incurred in commercializing the Invention or Work.

Revenue Sharing Agreement is defined as the agreement which the Inventor(s)/Creator(s) execute with UCF and UCF RF to allocate their respective shares of Cumulative Net Income.

Joint Appointment is defined in UCF Office of Academic Affairs [*Joint and Secondary Joint Appointment Policies & Procedures*](#) as a paid appointment of a faculty or staff member to a second UCF unit (host unit) when the person will be regularly participating in the teaching, research, or graduate supervision responsibilities of more than one UCF unity. The salary of a joint appointment is shared by the host and home unit. The proportion of the salary to be shared depends upon the individual circumstance and is determined and approved by the home and proposed host unit.

The following terms used in this guideline shall have the same meaning as defined in [UCF Regulation 2.029, Patents, Trademarks and Trade Secret:](#)

Invention
Works
Creator
Inventor

PROCEDURES

Distribution of revenue follows the standard policy in place at UCF. Cumulative Net Income resulting from Inventions and Works (excluding books) to which UCF takes title and is currently divided according to the following distribution:

<u>Recipient</u>	<u>\$1-\$100K</u>	<u>\$101K-\$200K</u>	<u>>\$200K</u>
Inventor/Creator	50%	40%	30%
Inventor/Creator's College*	20%	24%	28%
Inventor/Creator's Department	20%	24%	28%
UCF Research Foundation	10%	12%	14%

*** College means University College, Research Center, or Institute**

The Inventor(s)/Creator(s) understand and agree that UCF or UCF RF may, at its sole discretion, combine multiple Inventions or Works under a single license agreement and that the Cumulative Net Income received under such license agreement will be attributed equally to all Inventions or Works under that license unless a different allocation is agreed upon by the Inventor(s)/Creator(s) in writing and approved by their respective Colleges and Departments and the Vice President for Research & Commercialization or his/her designee.

If Revenue Sharing Agreement is not executed by all of the Inventor(s)/Creator(s) listed on the Invention or Work within sixty (60) days after execution of an option or license agreement which incorporates the Invention or Work, revenue will be distributed equally among the Inventor(s)/Creator(s) listed on the Invention or Works.

Inventor(s)/Creator(s) who have waived their share of Cumulative Net Income may be eligible to begin receiving distribution of Cumulative Net Income once the Inventor(s)/Creator(s) leave UCF or if their ownership interest in the company paying licensing income to UCF RF falls below the threshold established in the UCF Collective Bargaining Agreement and UCF regulations.

If Inventor(s)/Creator(s) waive their share of revenue, the waived amount is to be distributed equally between the Inventor(s)/Creator(s) College, Inventor(s)/Creator(s) Department, and UCF RF.

Distributions are not affected should the Inventor/Creator: (i) transfer within UCF to another College and Department; or (ii) should the Inventor/Creator leave UCF. The Inventor/Creator will continue to receive his/her share as will the appropriate College and Department.

The Inventor(s)/Creator(s) understand and agree that in accordance with this policy, the Inventor's or Creator's College and Department which provided support for the creation of the Invention or Work will receive an equal share unless the Colleges agree in writing to a different distribution. Inventor(s) or Creator(s) with Joint Appointments should indicate percentage attribution for each Department and College in accordance with UCF's *Joint and Secondary Joint Appointment Policies & Procedures*.

In the event an Inventor/Creator is deceased, the distributions assigned to him/her will pass to his/her estate.

RELATED INFORMATION

UCF RF Business Manual

UCF Collective Bargaining Agreement

[UCF Regulation 2.029 Patents, Trademarks and Trade Secrets](#)

UCF and UCF RF Revenue Sharing Agreement

[UCF Office of Academic Affairs Joint and Secondary Joint Appointment Policies & Procedures](#)