

## NewsFlash!

Below is an Update from Dr. Randolph Hall, Vice President, Research  
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**October 24, 2016**

USC Faculty,

The University of Southern California has a long history of research that translates into public benefits. We were instrumental in developing the Internet and Digital Cinema through standards creation; catalyzing virtual reality for consumers through open source and public domain relationships; and commercializing USC inventions that enabled the creation of vibrant organic-light-emitting-diode displays, the artificial retina for restoration of sight, and materials for more durable artificial joint replacements. These and other USC Innovations are highlighted at the [USC Featured Innovations page](#) and the [Stevens Center for Innovation](#) brochure.

### **Ethical Considerations Arising from Business Relationships**

Technology transfer also sometimes entails the establishment of new businesses that further develop technology created at USC. When such start-up companies include the participation of faculty, students or staff, we must be particularly careful to fulfill the principles of our [Code of Ethics](#), which include prompt and open disclosure of conflicts of interest; [Faculty Handbook](#), which includes unrestricted scholarly dissemination of the results of research and limitation of outside consulting to not more than one day per week; and [Intellectual Property Policy](#), which requires prompt disclosure of potentially patentable inventions to the Stevens Center for Innovation and assignment of all inventions governed by the IP policy to USC. These core values and expectations complement USC's simultaneous commitment to a culture of innovation and entrepreneurship and ensure USC's continued compliance with federal law for all federally funded inventions and discoveries.

### **What Are Our Specific Obligations?**

- 1) Disclose Potential Conflicts of Interest:** All potential conflicts of interest must be disclosed through the [diSClose](#) system for review. These include the following situations:
  - Financial interests in the conduct or outcomes of research, by virtue of equity/ownership interest or compensation (for example, consulting) (see [USC Policy on Conflicts of Interest in Research](#)).
  - For healthcare providers, compensation or other financial interests with pharmaceutical and biotechnology companies, and device and medical equipment manufacturers that might influence clinical, purchasing or prescribing decisions (see [Relationship with Industry Policy](#))
  - Professional and business relationships that may compete with obligations to the university or harm USC's stature. Examples include acting as an educator or conducting research outside of the university, or conducting university business with a company in which you maintain a financial interest (see [USC Policy on Conflicts of Interest in Professional and Business practices](#)).
  - Cases where you may be aware of a financial interest of USC as an institution in the outcome of research (see [USC Policy on Institutional Conflicts of Interest in Research](#)).

Upon disclosure, the Office of Compliance will determine who is responsible for reviewing the

potential conflict. Disclosures by healthcare providers under the Relationships with Industry Policy are automatically routed to the discloser's department for review.

**2) Disclose Inventions:** All inventions and some copyrightable works including software governed by USC policy must be promptly disclosed through [Sophia](#). These obligations include intellectual property created or developed:

- During the course of an individual's responsibilities to USC, including works made for hire;
- Pursuant to a sponsored agreement or pursuant to a written agreement to transfer ownership to USC, or
- Created or developed with significant use of University facilities, funds, resources.

For federally funded research, the obligation to disclose is not just a matter of USC policy, but also necessary to satisfy law.

Exceptions are provided in the policy for specified types of student work and for faculty authored publications, art works and compositions. To clarify, student work for which they are compensated by USC or which is subject to the terms of a grant or funding agreement must be disclosed to USC pursuant to USC's IP policy.

Upon disclosure through Sophia, a licensing associate at the Stevens Center will contact the discloser to assess whether the invention is USC owned or not and to discuss the best pathway for commercialization, reaching a decision within 30 days of submission of the complete invention disclosure. A successful license provides for sharing of revenues with inventors.

### **Guidance, Support and Advice**

USC's Schools have been very successful at offering educational programs, events, and competitions that advance entrepreneurship and innovation. These activities are described at [incubate.usc.edu](http://incubate.usc.edu). However, staff in particular must take care to not overreach their responsibility. While school staff should remind inventors and investigators to be mindful of policy, their roles are limited by the following:

- Employees and students are not permitted to submit conflict-of-interest disclosures into diSClose on the behalf of others. Only the person who holds the conflict is knowledgeable about its full scope, and therefore only the conflicted individual may submit their own information.
- After consideration of inventor input, the Stevens Center is the only USC unit authorized to negotiate a license, which must be fair, reasonable and consistent. Other students, staff and faculty must refrain from engagement in this negotiation process.
- Staff should not offer advice on the interpretation of USC policy (including what inventions to disclose and what conflicts to disclose), unless they have been authorized to do so. USC policies require careful and consistent application.

Please direct all questions related to these policies to:

- Questions related to USC's policies on conflicts of interest and the conflict disclosure process should be directed to Benjamin Bell of the Office of Compliance ([bbell@ooc.usc.edu](mailto:bbell@ooc.usc.edu)).
- Questions regarding the IP disclosure process and IP policy should be directed to Michael Arciero of the Stevens Center for Innovation ([arciero@usc.edu](mailto:arciero@usc.edu)).

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Vice President, Research