

Guidelines on Appropriate Involvement in Start-ups by Members of the University Community

Morgan State University encourages and supports the efforts of its faculty and other research personnel to participate in the development and dissemination of Morgan intellectual property (IP) by entering into relationships with existing business entities and forming start-up companies. At the same time, the University must also identify and appropriately manage potential conflicts of interest and commitment arising from these relationships to ensure the integrity of the research process, the unbiased and effective development of University Intellectual Property (IP), and the protection of its students' ability to pursue studies and research activities with appropriate independence and objectivity.

This document provides guidelines for determining appropriate types and levels of involvement in start-ups by members of the University community, and acceptable relationships among those persons from the perspective of research integrity. Where Morgan IP is licensed to a start-up by the Office of Technology Transfer, readers should also refer to the following Policies and Procedures: Intellectual Property Policies; Policy on Conflicts of Interest in Research and Development; Procedures on Conflict of Interest and Professional Commitment of Faculty; Policy and Procedures on Outside Consultancy; and Policy on Professional Commitment of Faculty.

1. General Requirements for Faculty & Staff Entrepreneurs

1.1 Faculty and staff must:

- Separate and clearly distinguish the focus of ongoing University research and educational responsibilities from involvement in any effort being conducted for the company.
- Limit the time they spend on behalf of the company to the maximum allowed by University and college policy (up to the equivalent of one day per week for faculty).
- Take an unpaid leave of absence if serving in a company management role³, or if the effort with the company will exceed that allowable for faculty, or consume time from a staff member's normal working hours or otherwise preclude the staff from meeting their job responsibilities.

1.2 Faculty and Staff May Not:

- Negotiate with the University on behalf of the company;
- Involve company personnel in Morgan research;
- Involve Morgan students under their direct academic supervision, or staff under their management supervision, in company activities. Any other students or staff may be engaged only if approved by the FCOI committee and under the conditions described in a conflict management plan;
- Assume managerial or executive roles (e.g., CEO, CTO, CSO) in a start-up unless specifically allowed under the circumstances described in a Conflict of Interest Management Plan (COIMP), serve as a Morgan PI/protocol director for human participant or other research that is related to the company's business activities or objectives, or supervise faculty, staff, or students who are in similar roles, unless specifically approved by a COIMP, and, when applicable, by all other cognizant University boards, including the IRB and funding agency.

2. Requirements when Students or Postdoctoral Researchers Are Involved in a Start-up in Which Faculty Hold a Financial Interest or Managerial Role

2.1 General Considerations

Graduate students or postdoctoral researchers (postdocs) are often co-inventors with a Morgan faculty member of IP that has arisen out of their joint research program at Morgan. In some cases, the inventors may wish to be involved in the development and commercialization of the Morgan IP by starting a company together with the intent of licensing the IP. However, the education and guidance given to students or postdocs by faculty must be governed primarily by the academic interests of the student/postdoc. If a faculty member were to have a financial interest in a current student or postdoc's company, or vice versa, it would inherently create a situation in which the faculty member's actions or decisions in relation to that student or postdoc may be determined, or appear to a reasonable third party to be determined, by considerations of personal financial gain as opposed to the best academic interests of the student or postdoc. Examples of actions that could be based on considerations other than the academic interest of the student or postdoc include:

- Permitting a student or advising her/him to spend an inordinate amount of time on company activities, rather than focusing on his/her academic program as required by Morgan policy limiting the amount of time a full time graduate student can spend on outside activities;
- Directing a student or postdoc's Morgan research toward a topic that might increase the potential success of the company; and
- Generally treating a student or postdoc who is a co-investor in, or has another financial involvement in, a company with the faculty member, more favorably than other students or postdocs.

An inherently unequal power relationship between faculty and student exists even if the faculty member is not in a position to evaluate the student or influence the student's academic program. Thus even if the faculty member is not involved in the student's academic program, he/she could still influence (or be perceived to influence) the student to alter his or her academic program in favor of the start-up. Similar circumstances may arise for academic staff, other teaching staff, or others who have instruction or advising roles for the student. In light of these concerns, the following rules and procedures govern such circumstances.

2.2 If the faculty or staff is directly involved in a student's academic program

2.2.1 Faculty may not:

- Have a current or prospective financial interest in a startup company with an undergraduate or graduate student when the faculty/staff has a direct involvement in a student's academic program, including as an honors/PhD thesis advisor, or a teacher in the student's major. Such involvement constitutes a significant conflict of interest that cannot be mitigated or managed and is therefore not permitted.
- Assign students or Morgan staff over whom they have any academic oversight or supervisory responsibility to sponsored projects funded by the company without the explicit approval of the COIC and a COIMP to oversee the activities of the students/staff involved.

2.2.2 Student Requests:

If a student requests a leave of absence or in absentia status to participate in a faculty member's company, faculty must refer the student to their department head, the Director of Graduate Studies for the student's graduate field, or to the Dean of the faculty member's unit for independent advice. Internships and coop assignments for students at the company may be appropriate under a COIMP.

2.3 Faculty Not Involved in Student's Academic Program Involvement

While this relationship is not expressly prohibited, it can only be allowed, and will require monitoring, under a COIMP executed by the COI Committee.

2.4 Special Considerations for Postdocs

The university recognizes that the relationship between a postdoc and a faculty member may be more equal than that between a faculty member and his/her student. Therefore, although work by a Morgan postdoc and a faculty member in a start-up presents conflicts of interest similar to those arising when a faculty member is in business with a student, the university may allow this relationship under the following restrictions/conditions designed to assure that the interests of Morgan are protected and that our obligations to any sponsor are fulfilled:

- A Conflict of Interest Management Plan: A COMP must be entered into by both the postdoc and the faculty member and be Approved.
- A minimum 10% reduction in the postdoc's Morgan appointment: To account for some of the time that the postdoc will need to spend on business development for the start-up including travel, meetings, proposal writing etc., it is unreasonable to promise to sponsors that the postdoc will be devoting 100% of his/her effort towards the fulfilment of his/her Morgan duties. A minimum 10% reduction in the postdoc's Morgan appointment is therefore required.
- Maximum of one-year appointment in the faculty member's research group: The postdoc's appointment under the faculty member's direct supervision can continue for no more than a year after the license is assigned to the start-up. After this time, if the faculty member and the postdoc continue to be business partners, the postdoc's appointment in the faculty member's research group must terminate. The postdoc may, however, seek appointment under the supervision of another Morgan faculty member. Should either choose to divest themselves from any financial interest in the company, this stipulation does not apply.
- Disclosure: The faculty member must disclose his/her financial interest and her/his relationship with the postdoc to the members of her/his research group.

3. Use of Resources by a Faculty or Staff Start Up Company

3.1 Use of University Resources

- Early career faculty should not be involved in a senior faculty member's company activities. It is not acceptable to involve early career faculty for whom a faculty member has supervisory responsibility, or has the authority to vote on tenure or otherwise provide assessment of performance, in company activities. Even if there is no supervisory role, faculty members must avoid situations in which early career faculty might feel obligated to be involved.
- University facilities, services, tax exempt status, or purchasing discounts may not be used for company purposes. The only exceptions are the routine use of the faculty/staff member's office and office software, use of University library resources, and those facilities that are available to all commercial or industrial users on the same basis and with the same fee structure. Any exceptions must be approved in writing by Vice President for Research and Economic Development and the Dean of the college in which the resources are located.
- Company employees or agents may not be granted Visiting, Courtesy, Adjunct appointments at Morgan. Any petition for an exception must be made in writing by the hosting faculty member to the Vice President for Research and Economic Development, and must include the following: (1) a description of the research activities that the appointee will be engaged in, the types of resources that they will need access to, and any direct or indirect compensation being provided to them; (2) a compelling argument as to the special circumstances that warrant the appointment;

and (3) letters of support from the cognizant Dean, Department Chair and the College Business Officer.

- Morgan's name may only be used in accordance with University Policy on use of Morgan's Name, Logos, Trademarks, and Insignias. Faculty and staff members may use Morgan's name as a factual reference to identify themselves in a manner that does not imply university endorsement. For example, using "John Smith, Professor of Psychology, Morgan State University" on a book jacket or journal article or on a business card. However, the use of Morgan letterhead, address, or other identification to suggest or imply university support for a personal viewpoint should be avoided.
- A faculty member's research staff member, administrative support person, or other University staff over whom the faculty/staff member has oversight or supervisory responsibility, shall not engage in activities at, or for, the company, unless approved under a COIMP.

3.2 Use of Start-up Resources in Morgan Research

Occasionally, a company in which a faculty/staff member has an interest may wish to sponsor research at Morgan with the faculty/staff member as a PI, Co-PI or Key personnel, or provide unrestricted gift monies to be used at the direction or discretion of that faculty/staff member. Such an arrangement is allowable only with the approval of the COIC under an approved COIMP to oversee the use of the funds, and only with a prior written agreement with the University regarding the ownership and disposition of any intellectual property that may arise from the use of such funding.

4.0 Other

Faculty should contact the Office of Technology Transfer for additional guidance on navigating and managing activities related to their start-up company with respect to licensing Morgan Intellectual Property, and their Department Chairs and Deans for guidance on conflict of commitment concerns.

"Involve" for the purpose of these Guidelines does not include, Morgan research activities not sponsored by the company, but under the direction of the faculty member that are in the same general areas as those of interest to the company, nor public discussions of the results of such research in the presence of company staff.

"Involve" for purposes of these Guidelines is defined as any activity associated with the company, including, but not limited to planning, performing duties, assessing or testing ideas/materials/other business-related items, providing representation or support of/for the company, discussing any aspect of company business, and performing any research directly or indirectly for the company, regardless of time, compensation, or location.