

17.01.08 Outside Activities – Business Entities Having an Intellectual Property Agreement with the System



Revised [October 9, 2024](#)

Next Scheduled Review: October 9, 2029

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Regulation Summary

This regulation implements the state requirements necessary to authorize employees of The Texas A&M University System (system) to participate in certain outside activities involving business entities having an agreement with the system or a member relating to research, development, licensing or exploitation of intellectual property.

Regulation

1. EMPLOYEE EQUITY OWNERSHIP

A system employee who conceives, creates, discovers, invents, or develops intellectual property (IP Creator) may own an equity interest in a business entity having an agreement with the system or any member relating to the research, development, licensing, or exploitation of that intellectual property on the condition that the IP creator must report the name of such business entity and the IP creator's amount of equity in that business entity to the appropriate member chief executive officer (CEO) on an annual basis and all system member CEOs must report this information to Texas A&M Innovation (TI) and Vice Chancellor for Research (VCR) on an annual basis. Furthermore, the IP creator must disclose conflicts of interest to the appropriate member and/or system, and comply with applicable system ethics policies, including System Policy 07.01, *Ethics*, System Policy 07.03, *Conflicts of Interest, Dual Office Holding and Political Activities*, and System Policy 07.04, *Benefits, Gifts and Honoraria*.

2. EMPLOYEE PARTICIPATION

An IP creator may not serve as a member of the board of directors or other governing board or as an officer or employee of a business entity having or negotiating for an agreement with the system or any member relating to the research, development, licensing, or exploitation of that IP creator's intellectual property (Employee Participation) without the prior approvals of (i) VCR, and (ii) the system Board of Regents (system board). See Section 2.1 – *Participation Approval Request Process* and Section 2.2 – *Submission to System Board* below for the employee participation approval process. If approved by the VCR and the system board, the IP creator must report annually the name of the business the employee serves as director (or other governing board), officer, or employee to the appropriate member CEO and to TI.

2.1 Participation Approval Request Process

A request for approval of an employee participation for an IP creator under Section 2 is first submitted to the appropriate IP creator's member's conflict of interest official (COI Official). If the member's COI official approves the employee participation request for that IP creator, the member's COI Official submits the employee participation request, approval information and other relevant information to the system's COI Official. The system's COI Official reviews the employee participation request and other relevant information and determines if the intellectual property-based financial conflict of interest (IP-FCOI) can be managed if the request for the employee participation were to be approved. During the review, the system's COI Official may consult with such member's COI Official(s), the IP creator and other relevant persons. If the IP-FCOI for that IP creator can be managed, the system's COI Official will create a management plan for such IP-FCOI, which may include an agreement with the IP creator, mitigating actions for the conflict or a combination thereof. After the system's COI Official completes the review, the system's COI Official will make a recommendation concerning the IP-FCOI, accompanied by any executed license, TI's approved proposed license agreement, or an approved research agreement with the business entity associated with the employee participation request, to the VCR.

2.2 Submission to the System Board

Once the VCR receives the recommendation and related information from the system's COI Official for an employee participation request and approves the request, the VCR will submit an agenda request to the system board for its approval.

3. SERVICE IN AN ENTITY UPON REQUEST OF THE SYSTEM BOARD

Upon request of the system board via an agenda request submitted by the VCR, an employee may serve as a member of the board of directors or other governing board of a business entity having an agreement with the system or any member relating to the research, development, licensing or exploitation of intellectual property in which the system has an ownership interest to represent the system's interests, so long as such employee is not an IP creator under Sections 1 and 2 for such business entity. Such employee must report annually to the appropriate member CEO the name of the business the employee is serving as a member of the board of directors or other governing board on behalf of the system board, and such member CEO must report such information to TI and VCR annually. Furthermore, such employee is not allowed to receive compensation for such service but may receive reimbursement for legitimate expenses incurred that are directly related to such service.

Related Statutes, Policies, or Requirements

[Tex. Educ. Code § 51.912](#)

[System Policy 07.01, Ethics](#)

[System Policy 07.03, Conflicts of Interest, Dual Office Holding and Political Activities](#)

[System Policy 07.04, Benefits, Gifts and Honoraria](#)

[System Policy 17.01, Intellectual Property Management and Commercialization](#)

[System Policy 31.05, External Employment and Expert Witness](#)

[System Regulation 31.05.01, Faculty Consulting and/or External Professional Employment](#)

Member Rule Requirements

A rule is not required to supplement this regulation.

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