



**UCC 0035 07F**

**Page 1 of 3**

**UNIVERSITY OF HOUSTON SYSTEM  
UNIVERSITY OF HOUSTON**

Office of the Executive Associate Vice Chancellor for Academic Affairs  
UH System

Office of the Executive Associate Vice President for Academic and Faculty Affairs  
University of Houston

**MEMORANDUM**

To: Joseph Kotarba, UCC Chair

From: Elaine Charlson

Date: September 11, 2007

Re: Revised Policy

---

Attached for UCC consideration is a copy of a revised Net Income Distribution proposal submitted by the Standing Committee on Intellectual Property. Please note that, while the proposal has been reviewed by various UH officers, it will not be formally approved until Dr. Rudley signs.

cc: Marsha Daly



University of  
Houston

College of Optometry  
505 J. Davis Armistead Bldg.  
Houston, Texas  
77204-2020

Donald A. Fox, Ph.D.  
713-743-1964 (Office)  
713-743-1998 (Lab)  
713-743-2053 (FAX)  
dafox@uh.edu

CONFIDENTIAL

June 6, 2007

Dr. John M. Rudley  
Interim Chancellor, University of Houston System

Re: Net Income Distribution

The University of Houston System Board of Regents Policy 21.08 B.2. states that the Chancellor/President may adopt a different Net Income Distribution based on the recommendations of the Standing Committee on Intellectual Property.

On September 1, 2004 the Board of Regents adopted a new Intellectual Property distribution policy: 40 % to the Creators, 40 % to the University for operational expenses of the Office of Intellectual Property Management (OIPM), 13 % to the academic department or research center and 7 % to the colleges. The prior policies provided a sliding scale distribution to Creators ranging from 25-50% (averaging about 40%) with the remainder of the distribution (about 60%) going to OIPM for operational expenses.

In fiscal year 2006, OIPM received \$751,000 in licensing revenue which was a 43% increase over fiscal year 2005. The expenses for fiscal year 2006 were \$ 946,514. Under the new policy the distribution to the Creators was \$ 408,630 and to academic departments and colleges was \$161,458. Patent Expenses overran by approximately \$ 20,000.00 which resulted in a total shortfall for OIPM operational expenses of \$ 195,514. This is the first time in six years that the Office of Intellectual Property Management has not been self-sustaining and as can be seen most of this amount is directly attributable to the distributions to the departments, research centers, and colleges.

The Standing Committee on Intellectual Property, therefore, requests that you adopt our recommended revised policy to allow for distribution of the portion of Net Income Distribution currently allocated to the departments, research centers, and colleges after expenses for the protection, marketing, licensing, and offices of all technologies. This change will allow the Office of Intellectual Property to return to a self-sustaining operation and assist in the development of new research initiatives with industry.

This policy change has been reviewed and approved by Donald Foss, Donald Birx, and Dona Hamilton

Approved by Dr. John M. Rudley, Interim Chancellor, University of Houston System

---

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald A. Fox". The signature is written in dark ink and is positioned below the word "Sincerely,".

Donald A. Fox, Ph.D.

Professor of Vision Sciences, Biology and Biochemistry, and Pharmacology

cc: Dr. Donald J. Foss  
Dr. Donald L. Birx  
Dr. Dona G. Hamilton