

# **William & Mary Research, Commercialization, and Entrepreneurship Conflict of Interest Management Guidance and Form**

## **1. Purpose**

The purpose of this document is to: (i) ensure transparent disclosure of real and potential conflicts of interest (COI) related to research, grants, purchasing, commercialization, and entrepreneurship activities via completion and submission of the form in Section 5, and (ii) ensure that appropriate guidance on managing any such conflicts of interest is provided back to the W&M employee who submits the form, in some cases via a formal COI Management Plan agreed upon by the COI Committee.

Any W&M employee with a real, apparent, and/or potential conflict of interest related to research, grants, purchasing, commercialization, and entrepreneurship activities must fill out Section 5 of this document and return it to Jason McDevitt at [jpmcde@wm.edu](mailto:jpmcde@wm.edu). The term “conflict of interest” includes not only conflicts associated with Related Entities and/or Significant Financial Interests, but also conflicts associated with undue influence in the conduct of research or management of personnel, as well as conflicts of commitment (i.e., pursuit of outside activities to an extent that they interfere with the full-time commitment expected of university employees).

## **2. Background**

W&M encourages entrepreneurial efforts involving faculty and/or students. As an almost inevitable byproduct of these entrepreneurial efforts, conflicts of interest (including conflicts of commitment) will arise. W&M does not discourage or prohibit entrepreneurial ventures just because a conflict of interest exists, provided any such conflict is disclosed and managed appropriately. Nevertheless, real and perceived conflicts of interest can be harmful to the individuals involved and damaging to the spirit, integrity, and mission of W&M. For this reason, W&M has implemented a systematic process to review COI disclosures, provide recommendations for COI management plans, and ensure that all efforts align at an institutional level.

In particular, W&M is sensitive to two issues that sometimes occur in university startup companies: (1) exploitation of students, and (2) exploitation of state resources. Given the inherent imbalance of power in the relationship between a student and his/her faculty mentor, it is important to ensure that the educational interests of a student never become subordinate to the personal or financial interests of a faculty member involved in a startup company. Additionally, given that W&M is a taxpayer-subsidized entity, it is important to ensure that taxpayer-subsidized resources to which a faculty member has preferential access should not be inappropriately used to benefit an entity in which the faculty member has a Significant Financial Interest.

Note that even if there is no financial conflict of interest, a conflict of commitment can exist. This occurs when Investigators commit time and effort to Outside Professional Activities at the expense of their responsibilities to W&M. Faculty members face a number of pressures including teaching, research,

publishing, advising, and other professional or personal commitments which demand their time and dedication. W&M faculty members owe their primary professional allegiance to W&M, meaning that their primary commitments of time and intellectual energies should be focused on W&M programs. Also, all W&M faculty must comply with the [W&M Intellectual Property Policy](#), which requires that all inventions must be disclosed and assigned to W&M, provided the invention is either (i) related to duties or responsibilities for which said individual has been compensated either by or through W&M, or (ii) that makes use of facilities owned, operated, or controlled by the University, with limited exceptions.

Note that this Conflict of Interest Management Guidance and Form does not replace any applicable Virginia or Federal policies.

### **3. Fundamental Principles – Prohibited Actions**

3.1 Investigators may not divert research opportunities to a Related Entity if those research opportunities are more appropriately undertaken at W&M.

3.2 Investigators may not promote the use of products or services of a Related Entity in the course of the Investigator's University Responsibilities.

3.3 Investigators may not lead or be responsible for research involving human subjects that could reasonably be expected to affect the financial condition of a Related Entity.

### **4. Fundamental Principles – Potentially Permissible Actions with Appropriate Disclosure, Approval by the COI Committee, and Oversight**

*Note: Any of the below efforts **require submission of a COI form** to be reviewed by the COI Committee before being approved. The actions described in Article 4 below are potentially permissible. Depending on the circumstances, some of these actions may be permitted **with appropriate disclosure to the COI Committee, approval by the COI Committee, and oversight as set forth by the COI Committee.***

4.1 With appropriate disclosure to the COI Committee, approval by the COI Committee, and oversight as set forth by the COI Committee, Investigators can be paid by W&M to perform sponsored research which is funded by a Related Entity. Because in these circumstances the Investigator is proposing research to be funded by a Related Entity, it is important to ensure that all costs of the scope of work be compensated (i.e., W&M cannot subsidize such work).

4.2 With appropriate disclosure to the COI Committee, approval by the COI Committee, and oversight as set forth by the COI Committee, W&M may subcontract research projects on which an Investigator is a paid researcher to a for-profit, privately-held, entity in which the Investigator has a Significant Financial Interest.

4.3 With appropriate disclosure to the COI Committee, approval by the COI Committee, and oversight as set forth by the COI Committee, Investigators may be paid by W&M to perform sponsored research

that is funded by a Related Entity from which the Investigator receives remuneration. For example, it may be permissible for an Investigator to receive research sponsorship from a Related Entity for whom the Investigator consults, provided W&M determines that the consulting scope of work and the research scope of work are separate and distinct.

4.4 With appropriate disclosure to the COI Committee, approval by the COI Committee, and oversight as set forth by the COI Committee, Investigators may in some cases use University funds to purchase goods or services from a Related Entity. For example, W&M could determine that the goods and services are not commercially available from another provider.

4.5 With appropriate disclosure to the COI Committee, approval by the COI Committee, and oversight as set forth by the COI Committee, Investigators may provide goods, services, or access to W&M facilities to a Related Entity. For example, W&M may determine to make certain unique facilities available for use by outside entities, in which case a Related Entity could be entitled to use the facilities on the same basis as other entities.

4.6 With appropriate disclosure to the COI Committee, approval by the COI Committee, and oversight as set forth by the COI Committee, Investigators may involve a student for whom the Investigator is a thesis supervisor in the Investigator's Outside Professional Activities. In such cases, particular caution and oversight is required given the imbalance of a student/faculty relationship.

4.7 With appropriate disclosure to the COI Committee, approval by the COI Committee, and oversight as set forth by the COI Committee, Investigators may involve W&M staff in the Investigator's Related Entity's activities. Greater scrutiny and oversight is required when staff report directly to the Investigator.

4.8 With appropriate disclosure to the COI Committee and approval by the COI Committee, Investigators may enter into consulting agreements with third parties, including Related Entities.

4.9 With appropriate disclosure to the COI Committee and approval by the COI Committee, Investigators may be permitted to serve on the Board of Directors of a Related Entity. Investigators who assume Board seats on Related Entities should be sensitive to the need to recuse themselves from all Board decisions that involve conflicting duties to the Related Entity and to W&M.

4.10 With appropriate disclosure to the COI Committee and approval by the COI Committee, Investigators may serve as Officers in a Related Entity.

## 5. Requested Information from Investigators

5.1 Please identify **each** Related Entity in which you have a Significant Financial Interest that might benefit economically from your research or personal paid employment. Additionally, please describe the Related Entity (number of employees, revenue, type of business, field of business, etc.) and your current and expected future role in the Related Entity. Please also provide information about any W&M students or staff who have a role in the Related Entity, or who will perform work on a project supported by or supporting a Related Entity.

5.2 Please provide a full disclosure of your Significant Financial Interest or your potential, perceived, or actual conflict of interest and/or commitment with respect to each Related Entity disclosed in 5.1, and how you might try to manage that conflict.

5.3 For any activity described in Section 4 in which you might participate, please detail the proposed activity.

5.4 Please identify any W&M organizational entities with whom you have discussed your entrepreneurial activities (e. g., Technology Transfer Office, Entrepreneurship Hub, Office of University Counsel, Department Chair, Dean, etc.).

5.5 Please recognize that conflict of interest management is not a static process. Accordingly, please update this form when new conflicts or additional COI elements are introduced. **This duty of disclosure and candor is required for each Investigator.**

## Appendix

### Definitions

**Conflict of Interest Committee** consists of the Vice Provost for Research & Graduate Professional Studies and representatives from Sponsored Research, Technology Transfer, Office of Compliance & Equity, Procurement, and a faculty member.

**Equity Interests** means stock, stock options, warrants, and other existing or contingent ownership interests in a commercial entity.

**Investigator** means the individual or individuals who are independently responsible for the design, conduct, or reporting of the research project. This is typically the principal investigator and any co-principal investigator (i.e. the project leadership), though in some cases the principal investigator may determine that others are independently responsible for the project. Some sponsors have specific requirements for identifying Investigators.

**Outside Professional Activities** means compensated and uncompensated activities undertaken outside of an Investigator's University Responsibilities.

**Related Entity** means any domestic or foreign, public or private, for profit, non-profit or governmental organization in which the Investigator, alone or in combination with his/her Family, holds a Significant Financial Interest.

**Remuneration** means salary and payments for services to an Investigator, such as consulting fees, honoraria or paid authorship, and cash or in-kind gifts from entities for which an Investigator provide services.

**Significant Financial Interest** means a financial interest that meets any of the criteria for significance set forth below and is received or held (i) by an Investigator; or (ii) by an Investigator and members of his or her Family; or (iii) solely by members of the Investigator's Family, but only if the financial interest could reasonably appear to be related to the Investigator's Institutional Responsibilities.

A financial interest is deemed to be significant if: (i) the aggregate value of Remuneration and Equity Interests in lieu of payment received from a US or foreign publicly traded entity during the 12 month period preceding the disclosure exceeds \$5,000; or (ii) the aggregate value of Equity Interests in a US or foreign publicly traded entity exceeds \$5,000 and the entity is sponsoring any of the Investigator's research; or (iii) the aggregate value of Equity Interests in a US or foreign publicly traded entity exceeds \$100,000 and the entity's business, or any portion thereof, reasonably appears to be related to any of the Investigator's Institutional Responsibilities; or (iv) the aggregate value of Remuneration received from a US or foreign non-publicly traded entity or non-profit institution received during the 12 month period preceding the disclosure exceeds \$5,000; or (v) an Equity Interest is held totaling 3% or more of the total equity in a US or foreign non-publicly traded entity; or (vi) the aggregate value of Remuneration received from a foreign governmental organization during the 12 month period preceding the disclosure exceeds \$5,000; or (vii) the aggregate value of income related to intellectual property rights and interests paid by an entity other than W&M exceeds \$5,000.

Significant Financial Interest does NOT include (i) Remuneration from W&M; (including salary and royalty payments); and (ii) Remuneration paid to an Investigator's Family by any entity what would not reasonably appear to be related to the Investigator's Institutional Responsibilities; and (iii) Remuneration from authorship of academic or scholarly works, regardless of the source; and (iv) Remuneration from seminars, lectures, or teaching engagements sponsored by, or from advisory committees or review panels for, U.S. Federal, state, or local governmental agencies; U.S. institutes of higher education; U.S. research institutes affiliated with institutes of higher education, academic teaching hospitals, and medical centers; and (v) equity Interests in or income from investment vehicles, such as mutual funds and retirement accounts, so long as the Investigator does not directly control the investment decisions for these vehicles.

**University Responsibilities** means the Investigator's responsibilities associated with his or her W&M appointment or position, such as research; teaching, administration, conference attendance, research presentations or lectures at other universities or uncompensated publication review, and service on W&M committees.