**Rutgers Startup Company Conflicts-of-Interest**

**Committee, Guidelines, and Review Process**

**January 9, 2020**

Startup Company COI Review Committee makeup:

The committee is currently seated and convened under the auspices of the Senior Vice President, Research & Economic Development (David Kimball). The committee is designed for review, advice, and oversight of COI issues related to Rutgers startups and as such is primarily composed of faculty with experiential knowledge of university startups and entrepreneurial arrangements with faculty. In addition, the committee is supported by staff from Research Commercialization, Research Regulatory Affairs, and General Counsel. Committee members are appointed for three-year terms.

Committee areas of review may include:

* General conflicts of interest
* Conflicts of commitment
* Utilization of students for work associated with faculty startups
* Research and academic integrity related to work associated with faculty startups
* Rutgers intellectual property rights
* Adherence of state and federal laws which are assessed through the review process and not necessarily directly by the faculty committee members

Triggers for COI review:

All agreements between Rutgers and a company owned ≥1% by a Rutgers faculty/staff member or their immediate family, and all agreements involving ≥ $25.00 between Rutgers and faculty/staff members should be reviewed using the established Rutgers COI and ethics policies. Such agreements include licenses and options to faculty/staff owned startups as well as licenses directly to faculty/staff (licenses to Rutgers inventors). Any required COI review needs to be completed prior to the execution of any agreement.

The COI and ethics policies are established and interpreted by Rutgers and are designed to meet State and Federal conflicts of interest and ethics laws. One example is a non-disclosure agreement between Rutgers and a Rutgers startup owned ≥1% by a faculty member. The agreement per the NJ Conflicts of Interest Law falls under its prohibitive exception clause (19.1); the law still mandates that it goes through our COI/ethics “procedures” before execution. In the case of essentially all non-disclosure agreements, the Rutgers “procedure” does not require a formal COI review.

There may be situations where the one percent ownership trigger is not reached, but a COI review is advisable. These situations may include visiting scientist agreements (startup scientists working in the same lab as faculty owner), and sponsored research agreements involving a Rutgers startup where a faculty member is an inventor (potential revenue from royalties). These reviews can be requested by faculty members, department chairs, or other research staff throughout Rutgers. The COI committee will review the matter, offer advice, and ultimately confirm that any COI issues are being managed in an appropriate manner.

The Committee from time to time may also request status update from faculty involved with Rutgers startup companies to determine if there are changes in COI status. These reviews may trigger the need to modify or update any COI management plans that were put into place or may result in new management plans.

* General Conflicts of Interest
  + Faculty cannot use Rutgers resources for one’s own profit or benefit without establishing a formal agreement (i.e. research agreement) that complies with Rutgers COI policies.
  + Examples: faculty members should not use their Rutgers email for startup related correspondence; faculty members should not be using any Rutgers equipment or supplies from their offices or labs to do startup work; faculty cannot negotiate the terms of any licensing or option agreement with Rutgers; if a faculty member is an officer in their startup then they should not be the Rutgers PI on sponsored research coming from that company.
  + All options or license agreements with faculty startups require the faculty member to get written approval from their chair related to conflicts of commitment prior to the agreement being executed.
  + All faculty/staff must keep their eCOI financial disclosure record up to date. Faculty must update their disclosure records to reflect equity and income from their startup company.
* Conflicts of Commitment
  + Faculty should inform their department chair of outside work.
  + Their outside work (including consulting) is limited to 20% effort or a total of 5 eight-hour days per month. Any percent effort over this amount must be reported and requires approval by the department Chair and or Dean. For faculty, every day of the month including weekends is included in the 5-day calculation.
  + Faculty can never be a PI on an SBIR application because of the requirement to be working for the company at least 51% time.
  + There are no financial restrictions associated with outside work such as consulting, but present effort time should be tracked and recorded.
* Utilization of Students for work associated with faculty startups
  + Undergraduate or Graduate students should never be assigned tasks or projects to benefit faculty owned startups unless and only after careful review to determine that:
    - The student will directly benefit from the work and the work is aligned with their study/degree pursuits
    - The work is not assigned or overseen by the faculty member who has an interest in the startup
  + Although there is no prohibition on faculty owned startups offering internships or work through their companies for students, the work cannot be overseen by the students’ faculty advisor or mentor. Faculty members need to prioritize the wellbeing of any students who work for their startup.
* Research and Academic Integrity related to work associated with faculty startups
  + Research done for a faculty startup should never incur publication restrictions above and beyond those required for intellectual property protection after disclosure to Rutgers.
  + All researchers must disclose their interest in the startup when publishing research results sponsored by the startup.
  + A management plan should be put into place to ensure the integrity of the results of any research sponsored by the faculty’s startup in their lab.
  + The faculty member should avoid being the PI for sponsored research work that would provide financial benefit to their company.
* Rutgers Intellectual Property Rights
  + The COI committee emphasizes the importance of clear invention ownership. Faculty should disclose any inventions made while conducting research involving their startup regardless of any consulting agreements or positions within the company. The Office of Research Commercialization will ultimately determine the ownership of disclosed inventions.
* Adherence to State and Federal laws which are assessed through the review process and not necessarily directly by the faculty committee members
  + When applicable, qualified non-faculty members of the committee can provide advice and ensure adherence to any applicable State and Federal Laws. Some frequently referenced laws involving Rutgers COI reviews include the NJ Conflicts of Interest Law (NJSA 52:13D-19 and the federal Bayh–Dole Act.

Referenced documents: Rutgers Policy [90.2.5](https://policies.rutgers.edu/9025-currentpdf) Investigator Conflict of Interest, Rutgers Policy [60.5.8](https://policies.rutgers.edu/6058-currentpdf) Conflict of Interest – Faculty, Rutgers Policy [60.5.9](https://policies.rutgers.edu/6059-currentpdf) Faculty or Staff Involvement with Commercial Enterprise – Contacts with the University, N.J.S.A. [52:13D-19](https://www.state.nj.us/ethics/docs/ethics/uniformcode.pdf) State Conflicts of Interest Law, Rutgers Policy [60.5.8](https://policies.rutgers.edu/6058-currentpdf) Professional Activities Outside the University and Outside Employment for Academic Personnel

Language of the NJSA prohibitive exclusion clause – contracts and agreement may be entered into if they are “for the development of scientific or technological discoveries or innovations in which the State agency has a property right.”

**Startup COI Review Process:**

**Before a startup company—in which a faculty member has equity ownership—can sign a license agreement with Rutgers, that faculty must**:

1. Fill out the Questionnaire attached at the end of this document.
2. Schedule an in-person meeting with the Startup COI Committee.
   1. The Committee typically meets on the third Wednesday of each month, at 33 Knightsbridge Road, Piscataway, NJ.
   2. To schedule a meeting, please contact the Director of Research Integrity (Glenn Krell: gk434@ored.rutgers.edu) or the New Ventures team (Luis Ahn: luis.ahn@rutgers.edu).
   3. The relevant licensing manager is encouraged to attend.
3. At the meeting, the Committee members may have additional questions in order to carry out the review.
4. In certain circumstances, the Committee may request periodic reviews following the initial review.