



Guidelines, Policies and Forms

<http://www.techtransfer.harvard.edu/80/resources/policies/royalty/>

Information on **Royalty Sharing** is contained in Section V of the Harvard University [Statement of Policy on Research to Intellectual Property](#) ("Intellectual Property Policy"), which is reproduced below for your convenience.

A. Distributable Royalties. Harvard employs a single uniform structure for distribution of royalties to *Inventors, Authors and Contributors* (for the purposes of this Section V, collectively, "*Creators*" and each a "*Creator*"). Harvard will distribute *Net Royalties* received by Harvard from the licensing or other distribution of its intellectual property or technology covered by this policy, as and to the extent provided in this policy. *Net Royalties* are calculated based on gross receipts consisting of cash and securities or other equity shares in an enterprise received by Harvard in return for use of its intellectual property, but do not include other non-cash benefits, sponsored research funding, or other financial benefits such as gifts. *Net Royalties* equal those gross receipts that Harvard is entitled to retain, less: (i) Harvard's out-of-pocket costs and fees associated with securing, maintaining and enforcing intellectual property protection such as patenting and litigation expenses, (ii) out-of-pocket costs incurred by Harvard in the licensing of the intellectual property and (iii) any out-of-pocket expenses in making, shipping or otherwise distributing biological or other materials (including, without limitation, *Unpatented Materials*). As used herein, the term "*Creation*" shall mean any *Invention, Computer Software, copyright or Unpatented Material* as to which *Net Royalties* are to be distributed in accordance with this policy.

B. Standard Distribution Method. Except as otherwise provided in this policy, the following formula will apply to the distribution of *Net Royalties* among *Creators*, their respective research laboratories, Departments/Centers and Schools and the University, based on amounts received by Harvard on or after October 4, 2010:

1. with respect to *Net Royalties* received on *Creations* reported to OTD prior to October 4, 2011:

Creator personal share – 35%
 Administrative fee – 9.75% (15% of total, net of *Creator* personal share)
Creator research share – 12.75%
Creator Department/Center share (except that if within FAS, or if no Department or Center, to be allocated by Dean of the *Creator's* School for research purposes) – 12.75%
Creator School share – 17%
 President's share – 12.75%

2. with respect to *Net Royalties* received on *Creations* reported to OTD on or after October 4, 2011:

Administrative fee – 15%
 Of the remainder:
Creator personal share – 35%
Creator research share – 15%
Creator Department/Center share (except that if within FAS, or if no Department or Center, to be allocated by Dean of the *Creator's* School for research purposes) – 15%
Creator School share – 20%
 President's share – 15%

C. Technology Development Accelerator Fund Distribution Method. Except as otherwise provided in this policy, *Net Royalties* based on amounts received by Harvard on or after October 4, 2010 and derived from licensing or other distribution of intellectual property developed with financial support from the Technology Development Accelerator Fund will be distributed as follows:

Creator personal share – 35%
Creator research share – 15%
Creator Department/Center share (except that if within FAS, or if no Department or Center, to be allocated by Dean of the *Creator's* School for research purposes) – 10%
Creator School share – 10%
 President's share – 10%
 The Technology Development Accelerator Fund share – 20%

D. Distribution of Amounts Received before October 4, 2010. *Net Royalties* based on amounts received by Harvard before October 4, 2010 will be distributed according to the version of this policy in effect as of the date the amounts were received.

E. Alternative Distribution Methods. *Net Royalties* earned from licensing of *Creations* with multiple *Creators* will be distributed as follows:

1. *Among multiple Inventors and/or Authors for a single patented invention or copyright:* Personal shares will be allocated among *Inventors and/or Authors* according to a written agreement among them or, if there is no agreement, in equal shares. Research shares, department/center shares and school shares will be allocated equally where *Inventors or Authors* come from different laboratories, departments/centers or schools, regardless of the number of *Inventors/Authors* from each laboratory, department/center or school, unless otherwise agreed among all *Inventors/Authors*.
2. *Among multiple Contributors to a single Unpatented Material:* Personal shares will be apportioned among *Contributors* as they mutually agree in writing or, if no agreement is reached among the *Contributors*, according to an administrative determination of apportionment that shall be made by the head of the laboratory in which the *Unpatented Material* has been made. Research shares, department/center shares and school shares will be allocated as in paragraph E.1 for patented inventions and copyrights.
3. *For multiple Creations licensed as a package:* First, *Net Royalties* will be allocated among the licensed *Creations* as agreed in writing among all *Creators* or, if no agreement, in equal shares among such *Creations*. In the alternative, upon request of any of the *Creators*, OTD will determine the relative value to the package of each of the *Creations*. The foregoing notwithstanding, where an executed license agreement assigns different values to different *Creations* licensed as a package, that value shall be the value assigned for purposes of allocating *Net Royalties* among such *Creation*. Second, the *Creator* personal share and the research, department/center and school shares of *Net Royalties* so allocated to each of the *Creations* in the package will be allocated in accordance with paragraph E.1 or E.2, as applicable.

F. Rights of Appeal. Administrative decisions made under paragraphs E.2 and E.3 above may be appealed by the persons affected to the Committee on Intellectual Property for final determination provided the appeal is made in writing to OTD within 45 days of such persons receiving written notification of the administrative decision.

G. Portability of Royalty Shares. Personal royalty shares will be payable to *Creators* regardless of their employment status at Harvard or elsewhere. Research shares will not follow individuals leaving Harvard, but will be payable to the individual's Harvard laboratory or, if no such laboratory remains, the individual's Harvard department. Where an individual leaves one department and/or laboratory for another at Harvard, the departmental and/or research share will move with him or her.