



Guidelines, Policies and Forms

<http://www.techtransfer.harvard.edu/80/resources/policies/royalty/>
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Information on **Royalty Sharing** is contained in Section V of the Harvard University [Statement of Policy on Royalty 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 and Authors*. 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 Harvard's out-of-pocket costs and fees associated with securing, maintaining and enforcing intellectual property protection such as patenting and litigation expenses, and less out-of-pocket costs incurred by the Harvard in the licensing of the intellectual property.

B. Standard Distribution Method. Except as otherwise provided in this policy, the following distribution formula will apply to *Net Royalties* based on amounts received by Harvard on or after January 1, 2008:

- Investor/Author personal share – 35%
- Investor/Author research share – 15%
- Investor/Author's Department/Center-directed share (if no department or center to be allocated by Dean of the School for research purposes) – 15%
- Investor/Author School share – 20%
- President's share – 15%

C. Technology Development Accelerator Fund Distribution Method. *Net Royalties* based on amounts received by Harvard on or after January 1, 2008 and derived from licensing or other distribution of intellectual property developed with financial support from the Technology Development Accelerator Fund will be distributed in accordance with Section B above except as follows:

- Investor/Author's Department/Center-directed share (if no department or center to be allocated by Dean of the School for research purposes) – 10%
- Investor/Author School share – 10%
- President's share – 10%
- The Technology Development Accelerator Fund share – 20%

D. Distribution of Amounts Received before January 1, 2008. *Net Royalties* based on amounts received by Harvard before January 1, 2008 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 patents, copyrights, computer software or unpatented materials with multiple *Inventors, Authors or Contributors* will be distributed as follows:

1. **Among multiple Inventors and/or Authors for a single patented invention or copyright:** Personal and research shares (subject to section G below) will be allocated among *Inventors and/or Authors* according to a written agreement among them or, if there is no agreement, in equal shares. Departmental or laboratory and school shares will be allocated equally where *Inventors or Authors* come from different departments, laboratories or schools regardless of the number of *Inventors/Authors* from each department, laboratory or school, unless otherwise agreed among all *Inventors/Authors*.
2. **Among Contributors of Unpatented Materials:** For purposes of this subsection and applicable to *Unpatented Materials*, *Net Royalties* shall be the gross receipts as defined under subsection A received by Harvard that it is entitled to retain less the out-of-pocket laboratory expenses in making and shipping samples and less other documented out-of-pocket licensing and distribution expenses. *Contributors'* shares will be apportioned according to a written agreement among the *Contributors* or, if no agreement is reached, an administrative determination of apportionment shall be made by the head of the laboratory where the *Unpatented Materials* are made.
3. **For multiple patents licensed as a package:** As agreed in writing among all *Inventors* or, if no agreement, in equal shares among *Inventors*. In the alternative, upon request of any of the *Inventors*, OTD will determine the relative value of each patent to the package with the *Inventor(s)* of each patent sharing equally in the value assigned by OTD. The foregoing notwithstanding, where an executed license agreement assigns different values to different patents licensed as a package, that value shall be the value assigned for purposes of royalty sharing among *Inventors*.

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 the Committee 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 *Inventors, Authors and Contributors* regardless of their employment status at Harvard or elsewhere. Research shares will not follow individuals leaving Harvard but will be transferred and payable to the individual's Harvard laboratory or department as determined by the Dean of his/her school. Where an individual leaves one department and/or laboratory for another at Harvard, the departmental and/or laboratory share will move with him or her.