



HARVARD UNIVERSITY  
ROYALTY SHARING POLICY FOR INTELLECTUAL PROPERTY

Effective February 9, 1998, the table set forth below shall govern the division all Net Income (gross royalties and other income minus administrative, licensing, legal and other related expenses) resulting from Inventions or copyrightable works to which the University has elected to take title under the Statement of Policy in Regard to Inventions, Patents and Copyrights:

	<u>Cumulative Amounts Received</u>	
	First \$50,000	Above \$50,000
Creator(s)	35%	25%
Creator(s)' Department	30%	40%
<small>(The creator(s) may direct the use of half of the department's share so long as he/she/they remain at Harvard.)</small>		
School (Dean's Office or Vice President)	20%	20%
President and Fellows of Harvard College	15%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Explanatory notes:**

1. **Definition of "Creator."** As used in this appendix, "Creator" means (a) for a patentable work, the legal inventor(s) of the work under the patent laws; and (b) for a copyrightable work or an unpatentable Invention, the person(s) who have made substantial creative or authorship contributions. Persons whose work product is owned by the University as work-for-hire under the Copyright Law generally are not entitled to royalties under this policy, but may be given a share of royalties if the Dean (in the case of Schools) or administrative director (in the case of independent units) determines that they have made an unusually significant creative contribution to the work.
2. **Recovery of Institutional Development Costs.** Where it is anticipated that application of the formula set forth above would not result in the recovery of development costs advanced by the University, a School, or an independent unit, the Creator(s)' share may be reduced, and the University's, School's, or independent unit's share may be increased, to assure reimbursement of such costs.
3. **Use of School's Share: Capitalization of Income.** The School's share will be used to support the School's technology transfer efforts, research (including construction or renovation of laboratories or other research facilities), and/or innovative teaching programs. In cases of large sums of income, Schools and Departments are encouraged to consider capitalizing their shares to create an endowment fund for support of the School or Department.
4. **Use of President and Fellows' Share.** The President and Fellows' share will be used to support the University's technology transfer program and/or to establish a fund which will provide support for research and innovative teaching programs at the University. Before distributions for research and teaching programs are made from this fund, the criteria for allocation will be made public.
5. **Allocation and Distribution of Income.**
  - (a) **Distribution of Departmental Share.** Upon approval of the Dean (or Vice President) and the Committee on Patents and Copyrights, the distribution of the Departmental share may be altered to fit the particular organizational structure of a School (e.g., where the School does not have departments) or Central Administration department, or a particular Invention/creation situation (e.g., when two or more schools are involved).
  - (b) **Allocation Among Creator(s).** For Inventions, the creator(s)' share will normally be divided equally among all creators unless they agree otherwise. For copyrightable works, the Dean or administrative director shall allocate the creators' share among creators, having due regard for the value and substantiality of their respective contributions.
  - (c) **Retention of Creator(s) Share by University.** Creator(s) may always arrange for his/her/their personal share(s) to be retained by the University, e.g., to support his/her/their research.
  - (d) **Payments After Creator(s) Leave University.** The creator(s)' share will continue even though the individual(s) may have left the University.
  - (e) **Disposition of Share Allocated to Creator(s) Laboratory If Creator(s) Relocate.** If a portion of the Department's share under the creator(s)' control is allocated to the creator(s)' laboratory or similar facility, that portion will normally follow the creator if he/she transfers to another part of the University. However, it will not follow the creator if he/she leaves the University.
  - (f) **Disposition of Department's Share if Creator(s) Relocate.** The Department's share not allocated to the creator(s)' laboratory or similar facility will ordinarily continue to be paid to the Department where the creation was made even if the creator has moved to another Department or to another institution. However, the Dean may recommend alternate treatment if it is warranted.
  - (g) **Allocation of Central Administration Income.** In Central Administration, the appropriate Vice President shall determine how the Departmental and "School" shares will be allocated.