Distribution of Revenue from Licensing of Intellectual Property

New Policy Details

In alignment with The University of Texas System Rules and Regulations of the Board of Regents Rule 90101, The University of Texas at Austin established a new policy regarding distribution of net income resulting from licensing of Intellectual Property (IP) as follows:

- 45% to the inventor(s)/creator(s) associated with the IP;
- 45% to the University Share; and
- 10% to the College(s)/School(s) associated with the IP.

As outlined in Rule 90101, this policy is intended to serve the public good, promote partnerships with the private sector, encourage innovation, promote the engagement of faculty, staff, and students in research, and foster economic development.

Effective Date: This change in revenue distribution applies to all IP disclosures received by Discovery to Impact on or after October 1, 2023. Any revenue received resulting from IP disclosures received by Discovery to Impact prior to October 1, 2023, will be distributed under the previous distribution policy (50% to inventor(s)/creator(s) and 50% to the University Share). Date of receipt is the date Discovery to Impact electronically receives the disclosure.

Distributions: Distributions will be made to the College(s)/School(s) that the inventor(s)/creator(s) list on the invention disclosure form as the relevant College(s)/School(s) for the discovery. For distribution of licensing revenue for innovations with inventor(s)/creator(s) from multiple College(s)/School(s), percent distributions to College(s)/School(s) will follow the same distribution contribution percentages as the inventor(s)/creator(s) in the Inventor Distribution Allocation Plan.

Use of Proceeds: The University expects the Deans to use funds distributed to the College(s)/School(s) under this policy to advance commercialization of existing research or generate additional research that could lead to commercialization opportunities. College(s)/School(s) are authorized to distribute a portion of the proceeds to the Department/Unit that was the source of the IP. College(s)/School(s) are encouraged to work with Discovery to Impact to develop new programs or expand existing programs to benefit commercialization efforts.

Reporting: In years when total distributions to the College/School exceed $500,000 in a fiscal year under this policy, the College/School will provide a report on the use of proceeds within ninety days of the end of the fiscal year to the President, Provost, Senior Vice President/Chief Operating Officer, and Associate Vice President for Discovery to Impact. The annual report will consist of a summary and financial reporting of how the funds were expended.