

June 28, 2022

DIANE LALLEMAND  
Director, Administrative Policy and Records

**RE: Request for Review: Patent Royalty Research Share Income Disposition**

Dear Diane,

The Academic Senate has undertaken review of the proposed new policy on Patent Royalty Research Share Income Disposition. The Committees on Research (COR) and Planning and Budget (CPB) have responded. The committees found the proposed policy to be reasonable and were pleased with the idea of distributing a greater share of the patent royalties to researchers. However, there were some questions left unanswered due in part to the lack of background information with which to contextualize the proposed changes.

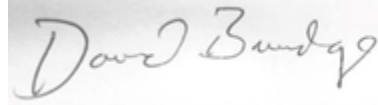
COR observed that making any recommendations was hampered by the lack of understanding of just how much revenue the campus receives from the 15% Research Royalty Share. If the amount is considerable, the members proposed that 5% be reserved to support departments that do not ordinarily obtain Patent Royalties.

This lack of transparency in just how much the campus receives in Patent Royalties was also observed by CPB, which suggests that the following questions should be considered prior to the policy being finalized:

1. What is the total incoming royalty per year, over the last 5 years on all UCSC-connected patents? This information might be a useful indicator of the importance of research activities leading to royalties at UCSC.
2. The disbursement plan refers only to 50% of the entirety of the royalty. How is the remaining 50% accounted for? For example, is it retained in the form of campus charges, such as the indirect costs?
3. What is the rationale for the campus charges amounting to 50% of the royalty?
4. Does the 35% of the royalty earmarked for the faculty member continue upon the faculty's separation from the campus?

On behalf of the Academic Senate, I thank you for the opportunity to provide comment on this policy proposal.

Sincerely,

A handwritten signature in cursive script that reads "David Brundage". The signature is written in black ink on a light-colored background.

David Brundage, Chair  
Academic Senate

CC: Nick Davidenko, Chair, Committee on Research  
Dard Neuman, Chair, Committee on Planning and Budget  
Matthew Mednick, Executive Director, Academic Senate