

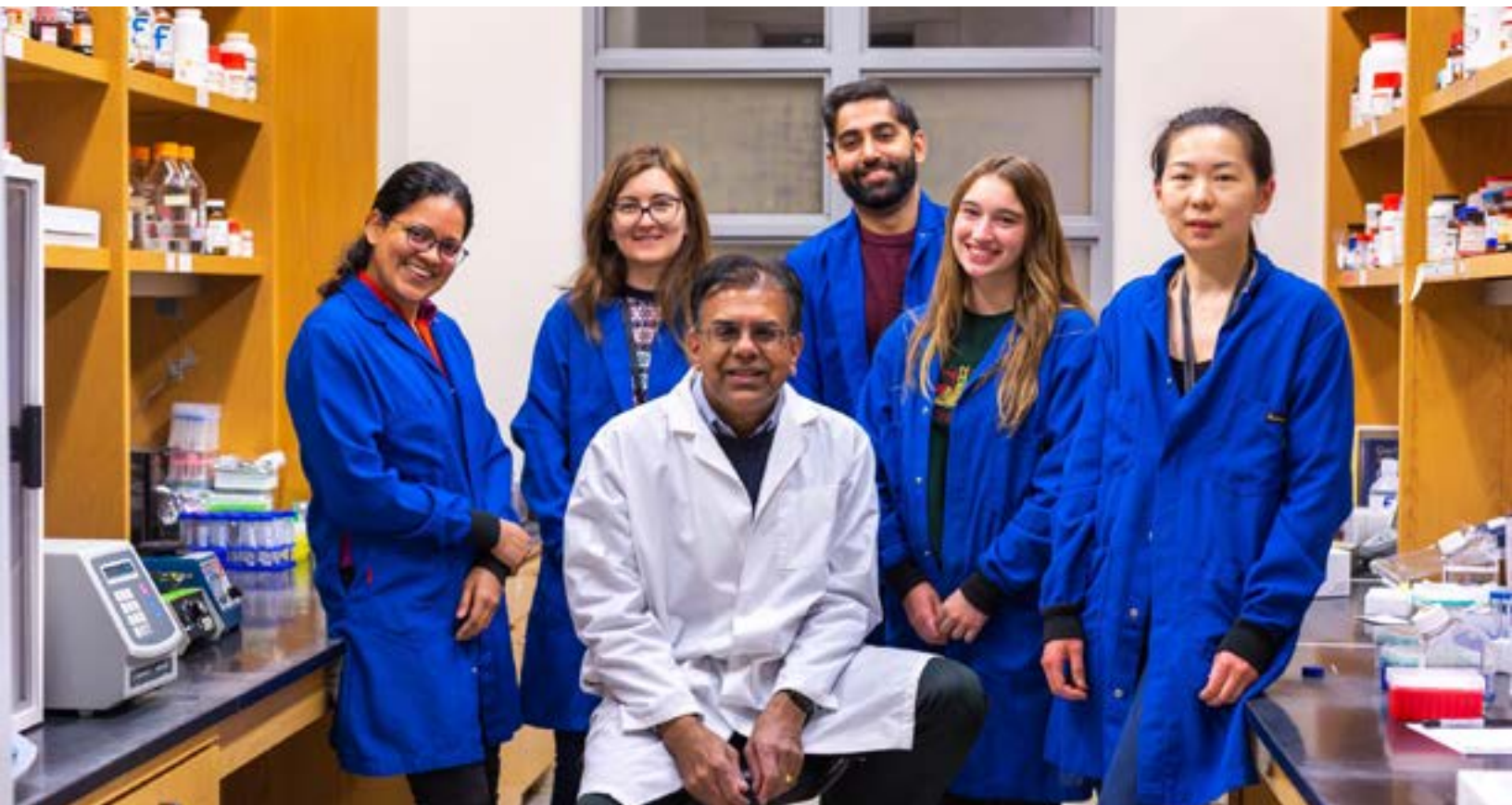


# Northeastern University Resources for Start-Ups and Spinouts

FOR US BASED UNIVERSITY FACULTY AND STAFF INTERESTED  
IN PARTICIPATING IN FACULTY-ASSOCIATED START-UPS

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## **Purpose**

This document serves as a reference for faculty and staff working with faculty-associated start-up companies and outlines university policies and procedures on (i) Financial Conflicts of Interest in Research, (ii) Conflict of Interest and Commitment, (iii) Faculty Outside Professional Activities, and (iv) University Patent and Copyright Policy in the Faculty Handbook. While this guide is intended to be informative, it is not a substitute for professional legal advice. University policies are accessible at <https://policies.northeastern.edu>.



## SECTION 1:

# Entrepreneur Information

## Invention Disclosure

### DISCLOSE INVENTION TO THE CENTER FOR RESEARCH INNOVATION (CRI)

Consistent with the [Faculty Handbook's University Patent and Copyright Policy](#), Faculty must make a *timely disclosure* of an invention that:

1. involves significant use of funds, space, facilities, equipment, materials, or other resources of, or administered by, the university, including sponsored research projects; or
2. where the invention arises out of the sponsored research project or is relevant to the subject matter of an agreement between the university and another party with which the inventors have been associated; or
3. where charges relating to the invention were made to a sponsored research project or other activity involving agreement between the university and another party; or

4. where, although not falling within any of the foregoing categories, the inventor desires to make a disclosure of the invention to the university in order either to request a release as provided below or to interest the university in taking steps to commercialize the invention.

The purpose of this disclosure is to protect the faculty member's valuable discovery, leverage CRI's corporate network, receive support and guidance for the start-up, and more. For the purposes of this guide, Intellectual Property ("IP") refers to patents and software. There are other forms of IP such as trademarks and trade secrets which are out of the scope of this document.

## HOW TO SUBMIT A DISCLOSURE

Submitting a [disclosure](#) for the first time is the same process for both Technology Disclosures and Software Disclosures. The steps are:

1. Request an account for [Inventor Portal](#)
2. Claim account via email
3. Create an Account
4. Select to submit either a Technology Disclosure or a Software Disclosure



### INVENTOR PORTAL

A disclosure must be submitted when a faculty member has conceived a novel idea or solution in their capacity as Northeastern faculty and this disclosure *must be prior to public disclosure*. A disclosure must be submitted through the [Inventor Portal](#). The Inventor Portal can be used to track disclosure and patent status.

### DISCLOSURE REVIEW

The disclosure review is a review based on information provided during the invention disclosure (e.g., affiliations of inventors, funding information, a sufficient and enabling description of the invention, etc.). If this assessment yields any deficiencies, notice will be sent to the inventor to review and resubmit prior to a potential filing of a provisional patent application.

### INITIAL IP ASSESSMENT

Once the technology disclosure is accepted, it will be given an INV-XXXXX case number (for software it will be SW-XXXXX) and assigned to a commercialization manager. The commercialization manager will conduct an initial assessment of the invention. This may include discussing the disclosure with the inventors to determine the commercial licensing potential either to industry or to a spin-out company. For a technology case, CRI may also conduct a preliminary patentability assessment. If there are inventors/authors from other institutions, CRI will also contact these joint owners to coordinate cooperation on patent prosecution and licensing. CRI will also review any sponsor obligations and notify them as appropriate.

### COMMERCIAL & VENTURE ASSESSMENTS

In the period between the filing of the provisional and the conversion deadline, CRI may take a number of actions to further assess the commercial potential of an invention. If the inventors have indicated an interest in commercializing their invention by forming a startup company, a venture assessment will also be performed. The purpose of the Commercial Assessment is to identify key markets for the technology and identify companies that could be potential licensees or partners to use the invention/technology in a commercial product or service. The purpose of the Venture Assessment is to meet with the inventors considering forming the startup company to assess their plans and capabilities to commercialize the technology.

Additionally, these assessments provide an opportunity to receive industry feedback. It is critical for the university and inventor(s) to understand the market landscape and potential of the related IP in order to make an informed decision regarding converting a provisional patent to a full application.

Among the things that the Commercial & Venture Assessments take into consideration: (1) the technology readiness level of what has been developed (2) the requirements to develop the technology into a salable product or service (3) size of the commercial market and presence of competing products/services, (4) unique value proposition, (5) evidence of licensing interest and (6) plans to advance the technology.

### **FULL FILING (NON-PROVISIONAL) DECISION**

If the decision is made to convert the provisional application to a full filing, the case will be assigned to an outside patent counsel representing Northeastern. The outside patent counsel will contact the inventors to discuss the invention for them to be able to draft the patent application. This generally includes an initial meeting/phone call with outside counsel, updating research results, data, and technical information, and reviewing the specification and claims once they are drafted. CRI may file a non-provisional application in the US only (known as a Utility Patent Application) or a Patent Cooperation Treaty (PCT) application, which preserves rights to pursue patent protection in all participating PCT member countries. CRI's practice is to file in the US only, unless there is a license agreement in place (in which instance the CRI will file in the jurisdictions requested by the licensee, as the licensee is responsible for the costs). Once the full application is filed, it is considered to be a "pending" application – and can be referenced "patent pending". A copy of the full application will be published by the US Patent and Trademark Office for public access 18 month after the priority date. The first action in the review by the patent office (also called patent prosecution) can take several years. Inventors will be notified of granted patents.

### **COMMERCIALIZATION PATHS TO IMPACT – LICENSING**

Once the intellectual property is on the path to be protected, it is time to think about the path to impact where the invention/technology is further developed for use in commercial products or services for the benefit of society. This can be achieved in two primary ways – either licensing the IP to a third-party company or to a startup company founded by the inventors and spun-out of the university.

In most cases, university-born technologies are licensed on an exclusive basis (can be limited to a field of use or territory) so that the licensee is able to justify their investment in development and commercialization. There are cases, especially with software, where a non-exclusive licensing approach may be the preferred path to impact. Through a license, the university (licensor) grants its rights (i.e., the ability to make, use and sell products, sub-license, and pursue patent infringers) in the defined technology to a third party (licensee) for a period of time.

#### **Industry Licensing**

Many companies, both large and small, choose to work with university labs for innovations to enhance existing product or services or pursue new markets. This is done by in-licensing technology from a university. For technologies where industry licensing is the preferred path to impact, CRI will work with inventors to promote and market to prospects. It is also beneficial for the commercialization effort when the inventors are pursuing publications or conference presentations.

#### **Start-up Licensing**

In many cases, the best path to achieve the commercialization of university technology is for the PI and/or inventors can found a start-up company and obtain a license to university-owned IP. University lab research often needs both the expertise of the inventors and the ability to obtain external funding for development. In the case of life-sciences, obtaining required regulatory approval can be resource intensive and requires capital that can be best raised through the sale of equity in a start-up.

## **FILING A PROVISIONAL PATENT APPLICATION (TECHNOLOGY DISCLOSURE)**

If the initial IP assessment for an invention yields a positive determination of commercial and patentability potential, CRI will file a provisional patent application.

The purpose of filing a provisional patent application is to preserve the priority date of the invention, but the patent does not undergo substantive examination by the Patent Office. A provisional patent application needs to be converted to a formal utility patent application before the 12-month anniversary of the provisional filing date or within 10 months if the invention was developed with Federal funding.



## REQUIREMENTS FOR EXCLUSIVE LICENSES

In order to obtain an exclusive license, the licensee must be able to prove that they have a plan to fully exploit the licensed IP/technology. In the case of a start-up emerging from a Northeastern lab, the founders will provide to CRI a business plan for how the technology will be developed into a product or service for commercial sale as well as details on how a team will be built and sufficient financial capital will be obtained to fund the business plan.



### Licensee Obligations

The Bayh-Dole Act requires that licensees shall use diligent efforts to develop and commercialize (offer for sale) products and services making use of the licensed technologies/IP for the benefit of the public. It is CRI's responsibility to grant licenses to parties that are able to provide evidence that they have a business plan, team and funding to meet this requirement. This may include milestones and other commitments outlined in a license agreement.

### CONFLICT MANAGEMENT AND ASSESSMENT PLAN (CMAP)

Prior to beginning formal negotiations with CRI for one of the agreements below, faculty must complete and submit a Conflict Management and Assessment Plan (CMAP) to the University Compliance Department.

\*[See more information in Section 2\\*](#)

### Agreements Exclusive Option

An option agreement is a time-limited period of exclusivity during which Northeastern will negotiate only with the optionee for a license, generally 6 to 12 months. In consideration for this exclusive period, the optionee may pay an option fee and ongoing patent expenses. An option agreement is a logical steppingstone to an exclusive license for an emerging startup. The option reserves the ability of the optionee to exclusively negotiate with CRI for an exclusive license without the threat of a competitor being able to secure the IP. The option does not provide commercial use rights. It is intended to allow an emerging startup to begin discussions with potential customers, team members and investors.

### Faculty Express License

A license is required for a startup to be able to make use of the Northeastern-owned IP in commercial products or services. The [faculty express license](#) streamlines the contract process by minimizing time consuming negotiations, allowing Northeastern entrepreneurs to quickly secure a license and move forward with their venture. Through predefined

license terms and a shared success model, the express license empowers entrepreneurs to focus resources on accelerating growth. A few advantages that come with express licenses are:

- Deferral of upfront fees for Northeastern faculty, staff, students, alumni.
- Exclusive license with right to sub-license within a field or territory.
- Maintenance fees and patent reimbursement costs for past expenses are deferred.
- Reasonable royalty rates and equity participation.

A current version of the express license can be found at the [express license link to: cri.northeastern.edu/express-license](#) page or contact the assigned Commercialization Manager.

Per University Policy and Conflict of Interest ([see Section 2](#)), a faculty member who founds a start-up may not negotiate directly with Northeastern on behalf of the company. When entering into a formal option or license agreement on behalf of their start-up, the faculty member must obtain qualified independent legal representation or business/transaction advice. This is for the protection of both the university and the faculty member. CRI requires evidence that a current and approved CMAP is in place prior to entering into any option or license agreement where there is a faculty founder participating in the start-up in any capacity that will provide equity or financial remuneration to the faculty member.

### Royalty Income and Incentive Awards

As outlined in the [Patent and Copyright Policy](#) in the faculty handbook, any royalty derived from University-sponsored inventions and paid to the university shall be distributed with 30% to the inventor or apportioned among multiple inventors, 30% (but not in excess of \$100,000) divided equally between direct support to the inventor for the inventor's research and the inventor's unit to foster research in the unit, and 40% to the Provost's Office and the University General Funds.



## SECTION 2:

# University Policies and Conflicts of Interest

### Policies

The role of faculty, staff, and students in start-up companies invokes many university policies, including the policies on Conflict of Interest and Commitment, Financial Conflict of Interests Related to Research, Faculty Outside Professional Services, and Patent and Copyright in Faculty Handbook. The following section includes an overview of the relevant policies and general practice. This section is intended to provide an overview of applicable policies. University policies supersede any guidance enumerated in this document in instances of conflicting information between the two. University policies can be found at <https://policies.northeastern.edu>.

### CONFLICT OF INTEREST AND COMMITMENT

All full-time employees are required to disclose any outside activities and financial interests that are related to their role at the university. Employees are required to promptly complete a conflict-of-interest disclosure form when the employee or a member of the employee's family:

- Has an existing or potential significant financial interest or other material interest that impairs or might appear to an independent observer to impair the employee's independence and objectivity in the discharge of the employee's responsibilities to the university.



- The employee or a member of the employee's family may receive a financial or other material benefit from information confidential to the university.
- The employee or a member of the employee's family involved in a business venture as owner, operator, consultant or major investor seeks to or is conducting business with the university.
- The employee or a member of the employee's family receives, within a calendar year, a single gift or multiple gifts with a cumulative value in excess of \$100 from a current or prospective vendor or service provider or student.

The online Conflict of Interest and Commitment Disclosure Statement must be submitted by all full-time employees annually and may be required at the time of hire. If circumstances arise between reporting

periods regarding potential or actual conflicts, or that affect previously disclosed situations, employees should consult with a supervisor and the Compliance Department. An updated disclosure may be required.

Disclosures can be completed through the Electronic Conflict of Interest Disclosure (eCD) application, accessible here: <https://epaws.northeastern.edu/ecd>.

Please refer to Policy 400: Policy on Conflict of Interest and Commitment, accessible at <https://policies.northeastern.edu/policy400/> for current information on applicable reporting requirements.

Please visit <https://research.northeastern.edu/nu-res/ecd-eclaws-epaws/> for more information or assistance with the eCD application.

## Faculty Outside Professional Activities

The university encourages faculty members to participate in outside professional activities that add value to both the faculty members themselves and the university. However, **full-time employees have a primary work commitment to Northeastern University**. Activities that interfere with that primary commitment must not be undertaken. Since full-time employees primary work commitment is to the university, the amount of time spent on compensated outside professional activities must not exceed the equivalent of one day (e.g., two half days) during the usual five-day week of the full-time faculty member's contract period.

Judgments concerning faculty performance, whether they be related to over- or under-involvement in outside professional activities, or to any other cause, are part of the usual merit evaluation system. Outside activities are reviewed for compliance with university policies, including:

- Time commitment
- Conflict of commitment with duties at Northeastern University
- Use of the Northeastern name, seal, personnel, or confidential/proprietary information by and/or in connection with an outside activity
- Use of Northeastern facilities, equipment and/or resources

More detailed information regarding disclosure and faculty outside professional activities is available at <https://faculty.northeastern.edu/handbook/personnel-policies/faculty-outside-professional-activities/>.

### PRIVATE CONSULTING OR ADVISING AGREEMENTS

Generally, Northeastern faculty may provide expert advice to companies under private consulting or advising agreements. Northeastern does not review these agreements between the faculty member and the company, but the faculty member should inform their college dean or designated associate dean about such agreements and consult with NU-RES if research work is involved. Under these agreements, a faculty member may advise the company, but may not perform or direct research at or on behalf of a company. The agreement should clearly set forth the distinctions between the faculty member's work at the university and the work to be performed under the agreement. This separation is of importance when a faculty member is a founder of a start-up.

### FINANCIAL CONFLICTS OF INTEREST IN RESEARCH (FCOI)

The FCOI policy is designed to promote objectivity in research, to assist in the identification of potential and actual conflicts of interest, and to support compliance with government regulations applicable to financial conflicts of interest. As part of the US Government's FCOI analyses, pursuant to National Security Presidential Memorandum (NSPM - 33), Faculty members applying for grants, contracts or cooperative agreements with the US Government may have to disclose the financial contributors/venture funders of their outside startup companies, as part of their applications for government funding of their NU laboratories.

Full and prompt disclosure is critical to Northeastern University's ability to identify, manage, and eliminate FCOIs. There are three types of disclosures:

- Annual Disclosures
- Proposal-related Disclosures
- Ad hoc Disclosures

Please refer to Policy 501: Policy on Financial Conflicts of Interest, accessible at <https://policies.northeastern.edu/policy501/> and the subsequent section for more details on this policy.

### FACULTY INVOLVEMENT IN START-UPS

Unless otherwise approved by the Dean, a faculty member who founds a start-up may not negotiate directly with Northeastern on behalf of the company. When entering into a formal Option or License agreement on behalf of their start-up, the faculty member must obtain qualified independent legal representation or business/transaction counsel. This is for the protection of both the university and

the faculty member. CRI requires evidence that a current and approved Conflict Management and Assessment Plan (CMAP) is in place prior to entering into any Option or License Agreement where there is a faculty founder participating in the start-up in any capacity that will provide equity or financial remuneration to the faculty member.

### FACULTY ROLES IN START-UPS

As a start-up is being formed by faculty/inventor founders to commercialize the disclosed intellectual property, it is important that there be separation between their continuing roles at the university. It is expected that any start-up company where the faculty member has participated as a founder, will be on a path to operate independently with a professional management team. Faculty founders wanting to participate in the start-up as an officer or in an operating role, must take a leave/sabbatical (see below). Otherwise, they should work with Compliance Department to adhere to the guidelines in the table below.

FACULTY ROLES IN START-UP		
Company	Institutional Concern	Institutional Approach
<b>Founder</b>	Conflict of commitment, conflict of interest	Generally allowed. Requires an approved CMAP.
<b>C-Level Executive (CEO, COO, CMO, CSO, etc.)</b>	Conflict of commitment, conflict of interest	Generally, not allowed unless special permission is given in CMAP for a limited time period.
<b>Chief Scientific Advisor</b>	Conflict of commitment, conflict of interest	Generally allowed. Requires an approved CMAP.
<b>Research Director, Researcher</b>	Conflict of commitment, conflict, of interest, intellectual property	Generally, not allowed unless through a subaward/subcontract to the university.
<b>Consultant</b>	Conflict of commitment, conflict of interest, intellectual property	Generally allowed. Requires an approved CMAP.

### CONFLICT MANAGEMENT AND ASSESSMENT PLAN (CMAP)

CMAP is an agreement between an employee and their college dean/administrative head in accordance with the University's Faculty Handbook and University policies regarding conflicts of interest. In cases where a faculty member may have an actual, potential, or perceived conflict of interest, Northeastern frequently uses a CMAP to manage, mitigate, or eliminate the conflict.

### Benefits for faculty to have a CMAP in place include:

- Making expectations clear between the faculty and college/university to comply with COI policy and faculty handbook.
- Protecting faculty research from bias or the perception of bias.
- Supporting research grant process because many sponsoring agencies require a management plan in place before grant funding can be used.
- Protecting faculty and University IP rights.
- Protecting faculty advisor and student relationship when engaging in outside activities, etc.

To facilitate development of a CMAP, the employee is provided a CMAP intake sheet to gather the following information:

- Status of the company or other activity
- Status of any licensing arrangements with the university
- Business aims of the company or goals of other activity
- Current and expected time commitment
- Existing and anticipated involvement of students or other university employees
- Existing and anticipated desire to use university resources, possible technical testing or facilities use agreement
- Existing and anticipated sponsored activity between the university and the company
- Relationship between the employee's university responsibilities and the outside activity

Employees will work with the Compliance Department and their dean/administrative head to develop CMAPs tailored to their circumstance(s).

Deans/administrative heads will be responsible for approving and monitoring compliance with approved CMAPs.

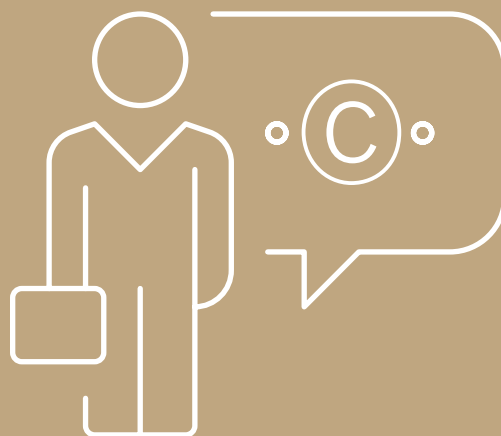
## SABBATICAL AND LEAVE OF ABSENCE

A faculty member may apply to take sabbatical or leave of absence to work for their own start-up company. Faculty members are eligible to apply for sabbatical leave if at the proposed start of the leave they will have tenure, are in good standing, will hold the rank of Associate Professor or above, and, will have served at least six years as a full-time Northeastern University faculty member. Each college will have a sabbatical leave committee that evaluates all proposals for leave in the college and provides leave recommendations to the dean. The dean of the college will forward their recommendation, along with the committee's recommendation, to the Provost who will then submit their recommendation to the President for final action. Applicants whose sabbatical application is denied, postponed, or deferred may appeal to the Provost within two weeks of notification.

A faculty member may also apply to take a professional leave of absence to engage in career-related activities or study for a period of one year or more. The college dean and the Provost may approve the leave if it will contribute to the professional growth of the faculty member or will promote the faculty member's academic contribution to the university. Unless otherwise specified in the letter granting leave, a faculty member on professional leave must return to the university for at least one academic year after completion of the leave.

## PATENT AND COPYRIGHT

Faculty members creating start-up companies will be subject to the university policy on Patent and Copyright found in the Faculty Handbook. University-sponsored inventions are owned by the university. These inventions will be promptly evaluated by Center for Research Innovation or outside organization designated by the university, and will either be accepted for patenting and commercialization, or, if not accepted, may be released to the inventor upon written request.





### **SECTION 3:**

## Faculty Start-Up Engaged in NU Research

### **SBIR/STTR**

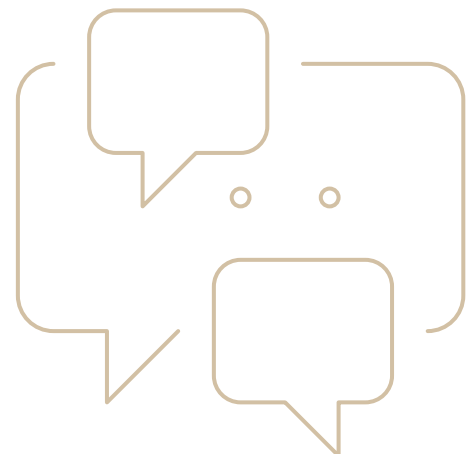
Federally funded [SBIR and STTR programs](#) stimulate innovations that encourage domestic Small Business Concerns (SBC) to engage in research and development that has the potential for commercialization. SBIRs and STTRs are awarded directly to an SBC, which may issue a subcontract to Northeastern. Currently, eleven separate federal agencies participate in the SBIR program, and five in the STTR program, and the standards can differ from program to program.

Generally, the key differences between the two programs are as follows:

PROGRAM DIFFERENCES		
	SBIR	STTR
<b>Program Objective</b>	Facilitate R&D by small businesses	Focused on tech transfer from non-profit research institution partner to the SBC
<b>Lead PI</b>	<ul style="list-style-type: none"> <li>• Lead PI must be primarily employed by the SBC (e.g., 51% of full-time effort) at the time of award and for the duration of the award</li> <li>• Thus, faculty are not eligible to be lead PI on a SBIR</li> </ul>	<ul style="list-style-type: none"> <li>• Primary employment of lead PI is not stipulated (can be Northeastern faculty/employee)</li> <li>• Northeastern faculty or employee must have at least 10% effort on the award</li> <li>• Effort by the faculty must be limited to either Northeastern or the SBC (NOT BOTH)</li> </ul>
<b>Term</b>	Phase I: up to 6 months Phase II: up to 2 years	Phase I: up to 1 year Phase II: up to 2 years
<b>Collaboration Requirements</b>	Allowed, but not required	Requires collaboration with a non-profit research institution
<b>Subcontract Distribution Limits</b>	<ul style="list-style-type: none"> <li>• Phase I - a maximum of 33% of the work may be subcontracted to third party</li> <li>• Phase II, a maximum of 50% of the work may be subcontracted to a third party</li> </ul>	<ul style="list-style-type: none"> <li>• Phase I &amp; Phase II– requires a formal collaboration</li> <li>• A minimum of 30% of the work (maximum of 60%) must be subcontracted to a non-profit research institution</li> </ul>
<b>IP Allocation Agreements</b>	Not required	Required

*\*Per SBIR/STTR program guidelines, a faculty member may participate through either the SBC or the university, but cannot participate on both sides, even if the effort is unpaid on one side. Please contact NU-RES Research Compliance if there are any questions about this requirement.*

Please see the SBIR/STTR Guidance on the [NU-RES website](#) for specific details on how NU-RES supports SBIR/STTR collaborations.



## UNIVERSITY SUBCONTRACTING TO AND FROM FACULTY START-UP COMPANIES

The university routinely accepts research subcontracts from faculty start-up companies through various funding and award mechanisms, such as SBIR and STTR awards (see preceding section for more details). Award specific conflict management plans may need to be documented prior to finalizing the award account.

**The university may also issue subawards or subcontracts to faculty start-up companies.** When the proposed arrangement is not taking place under an SBIR/STTR mechanism, the University's relevant policies and practices around subrecipient selection apply (e.g., the ability of the subrecipient to adequately perform the programmatic goals of the research project). Northeastern must demonstrate consistent due diligence in all subrecipient and vendor selections, particularly when an investigator has significant financial interests in a proposed subrecipient entity. Sufficient documentation to support decisions around sole source justifications and/or selection of one company rather than a comparative company is required. When applicable, justifications should stress scientific or technical specialization or superiority in addition to cost considerations (e.g., fair market value for services and or products to be provided).

**In situations where an investigator has significant financial interests in a company engaged in research with the university,** consideration is given on a case-by-case basis as to whether or not the investigator may be involved in the university research activity involving the company in which they have significant financial interests.

**When a company in which investigators (or other faculty or staff members) have significant financial interests has been selected as a subrecipient or vendor,** the university reviews whether the conflicted individual is involved – on behalf of the company or on behalf of the university – in contract, financial, or other transactions between the company and the university.

Additionally, any proposed company use of university space, equipment, or other resources must be approved by the university under documented agreements that include the terms around the purpose, duration, cost, and other relevant specifics of such use.

In general, unless the sponsor specifically indicates otherwise or as specified below, an investigator may engage in university research involving an entity in which he or she has significant financial interests subject to under management strategies that may include some or all of the following:

- Disclosure of the related financial interests to study team and collaborators
- Disclosure of the related financial interests in presentations and publications arising from the research
- Independent data analysis/independent compliance monitoring

Decisions relative to the involvement of conflicted investigators in university research involving a company in which they have significant financial interests involve consideration of the nature and extent of the significant financial interest, the nature of the research, and the extent to which objectivity in research design, conduct, or reporting, as well as human research participant welfare (if applicable) can be protected by COI management strategies.

**In general, an investigator may not serve as PI on a university research project involving human research participants** sponsored by a start-up company or involving intellectual property licensed to start-up company in which he or she has significant financial interests absent compelling circumstances. The conflicted investigator may be involved in the research in certain capacities and under COI management strategies. Considerations as to whether or not compelling circumstances exist include the extent to which the investigator is (by virtue of specialized expertise) best positioned to carry out the research safely.

Considerations as to whether or not research objectivity and human participant safety can be adequately protected by COI management strategies despite involvement of a conflicted investigator in the research primarily include review of the individual's role in the study in conjunction with study structure and design. For example, a multi-site, randomized study with an external data safety monitoring board, where the conflicted investigator is not involved in data analysis, presents a situation in which there is little opportunity for bias or lack of objectivity in research design, conduct, or reporting, despite the existence of a conflict of interest.

*Please note that specific sponsor policies or requirements, if more restrictive, take precedence over university policies and this guidance.*

## GUIDELINES FOR FACULTY/NON-FACULTY RESEARCH-RELATED EXTERNAL RELATIONSHIPS

### Purpose:

Northeastern University is committed to maintaining a collaborative, productive environment for faculty and staff so that they may carry out the University's mission of advancing knowledge, including accelerating the translation of novel research ideas into practice. This includes the extension of research activities through outside activities and relationships between third parties and Northeastern faculty. While these relationships are encouraged, they also give rise to the possibility of conflicts of interests and commitment. This is particularly true when Northeastern faculty engage non-faculty individuals (i.e., staff,

undergraduate and graduate students, doctoral candidates and postdoctoral appointees), to whom the faculty member may have managerial or educational responsibilities, in outside activities.

These relationships provide incalculable benefits but must be balanced against the University's mission and the faculty member's educational or managerial obligations.



### Guidelines:

**1.** Quite often, financial relationships between faculty members and students take place within the context of a start-up company founded by the faculty member, although other types of relationships are possible (e.g., where the faculty member and the student consult for another entity). In general, although the institution does not actively monitor these relationships, the assumption is that faculty will conduct themselves in accordance with both the University Policy on Conflict of Interest and Commitment, as well as the Faculty Handbook's Conflict of Interest and Commitment policy, including seeking approval through the College for any outside activities involving students, post docs or other non-faculty individuals.

**2.** A faculty member may not supervise or directly employ (i.e., hire) any non-faculty individual for an outside professional activity if that Northeastern faculty member is also in a supervisory role for the individual as part of their primary commitment to Northeastern. Supervisory roles include, but are not limited to, student advisor, faculty mentor, member of dissertation committee, principal investigator, program/center/institutional director, and/or departmental/divisional leader.

Faculty members should work with their department chairs and colleges to identify other supervisory reporting lines, including assigning advisory responsibilities to another faculty member or co-advising. Separated reporting lines are designed to manage both Northeastern and outside activities.

**3.** All outside professional activities that may involve a non-faculty member of the Northeastern community working with and/or reporting to the Northeastern faculty member as part of their primary commitment requires review and approval by the appropriate college dean(s) and the department chair.

An independent ombudsperson will be made available to the non-faculty member if the circumstances necessitate, or if the dean/department chair or the non-faculty individual makes such a request.

**4.** No faculty member should engage in behavior that would appear to require, coerce, or otherwise pressure a non-faculty individual to work with them in any outside professional activity, including undertaking work for the company using Northeastern resources, including research time paid by an externally funded research grant; this restriction applies to individuals even if there is no direct reporting relationship to the faculty member in question.

**5.** All understandings, including reporting lines and division of roles and responsibilities should be documented in written form and signed by the faculty member, non-faculty member and college dean/department chair. The document should be reviewed annually, at a minimum. It is advisable that if the faculty member is acting in an advisory capacity to the start-up, that they negotiate and sign a consulting agreement, even if they are a founder and/or hold any interest in the company.

NU-RES Research Compliance is available to discuss any potential or actual research-related outside activities with faculty and non-faculty members at any juncture. Please email: [researchcompliance@northeastern.edu](mailto:researchcompliance@northeastern.edu) to arrange a consultation. University compliance is available for consultation of any non-research related outside activities by emailing: [compliance@northeastern.edu](mailto:compliance@northeastern.edu).



## SECTION 4:

# University Investments in Start-Up Companies Involving Faculty

Northeastern may hold equity interest and further invest in start-ups in which the extent of its faculty involvement is limited to equity holdings (or rights to equity) and/or advisory roles under the following conditions:

- Northeastern will not act as a lead investor or syndicating agent. All investments will be as a “passive investor.”
- No Northeastern officer is to be a member of the board, or be an officer of the company, or have a personal equity position in the company at the time of Northeastern’s investment in any of the equity rounds before the company goes public.
- University investments in start-up companies in which Northeastern faculty have equity interests are subject to the case-by-case approval of the Provost or the provost designees. If the involved faculty member(s) subsequently creates university-owned data or inventions for which the start-up company seeks a license for commercial use or development, the licensing request will be subject to the review and approval of the relevant department chair and dean, in consultation with the Provost or the provost designees.
- University investments in start-up companies involving faculty is subject to Research Compliance’s review for potential organizational conflicts of interest related to research.



# 5

## SECTION 5:

# Contact Information

### CRI

[cri.northeastern.edu](http://cri.northeastern.edu)

All Inquiries: [criventures@northeastern.edu](mailto:criventures@northeastern.edu)

Spark Fund Inquiries: [sparkfund@northeastern.edu](mailto:sparkfund@northeastern.edu)

### LEGAL RESOURCES

CRI does not directly support legal needs for new companies created to spin technology out of labs. CRI can present inventors with a list of some local law firms with start-up friendly practices.

### UNIVERSITY COMPLIANCE

All Inquiries: [compliance@northeastern.edu](mailto:compliance@northeastern.edu)

### RESEARCH COMPLIANCE

All Inquiries: [researchcompliance@northeastern.edu](mailto:researchcompliance@northeastern.edu)



