


Royalty Sharing under NCSU's Patent Policy And Procedures**REG 10.00.3****Research**[Print-friendly version](#) 

Authority: Issued by the Chancellor. Changes or exceptions to administrative regulations issued by the Chancellor may only be made by the Chancellor.

History: Endorsed by the University Council, April 14, 2003. First Issued: December 18, 2002. Last Revised: June 3, 2008.

[Additional History Information.](#)

Related Policies:

[NCSU POL10.00.1 - Patent Policy and Procedures](#)

[UNC Patent and Copyright Policies](#)

Contact Info: Director, Office of Technology Transfer or Vice-Chancellor for Research and Graduate Studies.

1. Introduction

NC State University encourages innovation by its faculty, staff and students. When those innovations are licensed and generate income for the university, that income is shared with those who made the innovation according to the following Administrative Regulation.

2. Revenue Sharing Formula and Regulations

2.1 Gross Revenue means all income actually received by the University as consideration for the licensing, optioning, or other transfer of rights to inventions that are subject to the University's Patent Policy and Procedures, less any amount required to be paid from gross receipts without deduction to another entity pursuant to a sponsored research agreement, interinstitutional agreement or other legally binding agreement. Gross Revenue includes, but is not limited to, option fees, royalties, license issue fees (whether cash or equity when liquidated), and milestone payments.

2.2 Net Revenue means Gross Revenue minus all direct out-of-pocket costs associated with NC State's ownership and/or administration of inventions, including but not limited to costs of (1) evaluating invention disclosures, (2) patentability or trademark searches, (3) drafting and prosecuting intellectual property applications (4) preparing and recording assignments, (5) maintaining patents or other intellectual property, (6) marketing and licensing of inventions, and (7) litigation for the enforcement or protection of intellectual property, for royalty collection, or for any other claim filed by or for against NC State and related to NC State's administration of intellectual property, including prosecution or defense of same, attorneys' fees, court costs, compromise, settlement, and judgment satisfaction.

2.3 Any income from licensing activity that is received in the form of support (in cash or in kind or otherwise) for research or any other form of sponsored research is not part of the Gross or Net Revenue.

2.4 Net Revenue shall be distributed as follows:

40% to the Inventor/s

5% to the College (to be used for research)

5% to the Department/Unit (to be used for research)

50% to the Patent Trust Fund

2.5 Where there are two or more co-inventors associated with an invention, the applicable percentage of Net Revenue is divided equally among all co-inventors, unless all co-inventors, prior to the distribution of shared revenue, establish in writing a signed agreement by which all inventors agree to an alternative share of royalties.

2.6 In the event that an inventor declines or is unable for any reason to accept the inventor's share of a royalty distribution, that share shall be distributed equally among any other inventors.

2.7 In no event may the amount payable by the University to the inventor or inventors in the aggregate be less than 15% of Gross Revenue received for an invention.

2.8 The Office of Technology Transfer will distribute Net Revenue on a quarterly basis (January 31, April 30, July 31, October 31). The Director of the Office of Technology Transfer will inform inventors of any exceptional circumstances that may cause a delay of distribution.

3. EFFECTIVE DATE

This amendment will be effective upon signature by the Chancellor and will apply to royalties attributed to all invention disclosures filed on or after the Effective Date.