

Distribution of Invention Revenues

In general, the inventor(s) will receive from any product of University research a portion of the net revenue resulting from royalties, license fees, or other income which accrues. This provision will continue as long as income is received from the project, and it will be continued according to law in the event of the death of the inventor(s). Such revenues will be shared in accordance with the below distribution, effective on revenues earned on or after July 1, 2011.

Sums transferred to the University will be divided among laboratory support for the research of the inventor(s), for research in the department(s) in which the inventor(s) have primary faculty appointment(s), for research in the school(s) in which the inventor(s) have primary faculty appointment(s), and for innovative and scholarly activities. The distribution formula (amended July 1, 2011) is as follows:

Innovation Revenue Distribution Formula

University of Virginia

35%¹ Inventors²

10%³ Inventors' Research Support⁴

10%⁵ Inventors' Departments

10%⁶ Inventors' School

35% U.Va. Innovation & Scholarly Activities Fund

Equity Proceeds Distribution Formula <i>University of Virginia</i>		
	Without Founder's Equity ⁷	With Founder's Equity ⁷
Inventors ²	35% ¹	0%
Inventors' Research Support ⁴	10% ³	10% ³
Inventors' Departments	10% ⁵	15% ⁵
Inventors' School	10% ⁵	15% ⁵
U.Va. Innovation & Scholarly Activities Fund	35%	60%

Should an inventor leave the University, his or her share of the sums transferred to the University will be divided equally between the appropriate department(s), school(s) and the Innovation & Scholarly Activities Fund used to support innovative and scholarly work in all fields at the University.

¹ Percentages of net income, defined as gross income less unrecovered, direct patent costs per invention.

² Includes authors of copyrighted works.

³ Annual maximum of \$1 million per year per income-generating agreement, with excess funds distributed to the Innovation & Scholarly Activities Fund

⁴ Funds to be deposited in department account(s) for use by the inventor(s) while employed at UVa.

⁵ Annual maximum of \$6 million per year to any one department, regardless of the number of income-generating agreements involving that department, with excess funds distributed to the Innovation & Scholarly Activities Fund

⁶ Annual maximum of \$20 million per year to any one school, regardless of the number of income-generating agreements involving that school, with excess funds distributed to the Innovation & Scholarly Activities Fund

⁷ When equity is included as consideration in a license agreement and one or more inventors are able to receive "founder's equity" in the company, such inventor(s) will have the choice of receiving either such founder's equity or an inventor's share of net proceeds from equity received by U.Va., but not both; such inventors will be asked to execute a waiver of equity proceeds under the U.Va. Patent Policy when electing to receive founder's equity.