Introduction
This document provides guidance to faculty and administrators for faculty involved in Entrepreneurial Activities. However, deans, chairs, directors and supervisors must ultimately determine how their units’ resources are utilized consistent with existing State, University and College of Medicine (COM) policy and whether available resources, such as staff time, can support these activities without infringing on their units’ primary missions. Additionally, faculty involvement in business ventures must be disclosed, reviewed, and approved by the Department Chair or Division Director and College Dean. All cross-college collaborations must be cognizant of and follow all other college rules and regulations regarding entrepreneurial activities.

The MUSC Research Conflict of Interest Committee will review the conditions and articles of the venture for compliance with MUSC Conflict of Interest Policies and Practices.

Personal Use Associated with “Entrepreneurial Activities”

Personal Use Definition:
One goal within the COM is to support the economic development of the State of South Carolina, and entrepreneurial activities of COM faculty can be considered part of their duties. Faculty use of COM resources in support of appropriate entrepreneurial activities may be allowed provided these activities do not conflict with applicable policies regarding use of public facilities for private gain.

Permissible use of COM resources for outside or entrepreneurial activities is limited to (1) resources that are freely available to the public or (2) minimal use of such college resources. In the latter case, the minimal use is defined by the following:

- The cost must be negligible.
- The use must not interfere with the employee’s obligation to carry out COM duties in a timely and effective manner.
- The use must in no way undermine use of resources and services for official purposes.
- The use may not express or imply sponsorship or endorsement by the COM or University.
- The use must be consistent with state and federal laws regarding obscenity, libel, or the like; and State and federal laws and COM policies, including policies regulating political activity, the marketing of products or services, or other inappropriate activities.
In most situations, State and University policy regulate the use of COM resources for personal reasons by COM employees. The incidental or minimal use of an office, library, cores, personal desktop workstations, storage servers, communication devices, or clerical staff is permitted.

In analyzing whether proposed use of COM resources is appropriate under the Policy, one must determine that the activity meets the policy definition of “entrepreneurial activity.” First, the proposed use can only be made by members of the faculty. Second, such activities must contribute to the COM’s economic development, technology transfer, or other public service goals. Thus, a proposed use that advances only the interests of a faculty or staff member, or of a non-COM entity with which he or she is associated without any concurrent benefit to the COM, would not qualify as a COM entrepreneurial activity. In such cases, the Policy prohibits use of COM resources in support of such activities. Finally, the proposed use should be generally consistent with and similar in nature to activities including:

- early stage activities associated with forming a nonprofit organization focused on health care;
- environmental or educational issues;
- with a startup company in which the COM expects to acquire an equity position through licensing intellectual property;
- activities in support of the development of a licensing agreement with an established company; or
- early stage activities associated with forming a company to which the COM expects to license intellectual property without acquiring equity in the company.

**Frequently Asked Questions**

The following questions and answers are intended to provide general guidance to faculty and administrators. Applying the Policy to specific situations will at times require the exercise of discretion by the faculty member and his or her supervisor. Advice and counsel should be sought from the University Conflicts of Interest Officer or the University General Counsel when questions arise.

**Question**: What COM resources may a faculty member use in connection with company activities that faculty helped create as a COM employee?

**Answer**: If the business is a start-up company in which the COM expects to acquire an equity position or negotiate another form of licensing relationship, the faculty member’s activities constitute recognized entrepreneurial activities. COM resources may be used as follows:

**Communications**: Use of office telephones, cell phones or PDAs, fax machines and personal computers is appropriate under this policy. However, faculty members storing email and files related to entrepreneurial activities on COM computers and servers should bear in mind that such records could be subject to disclosure.

**Library services**: May be used for research, but costs of article retrieval should not be charged to a COM account.

**Other services**: COM cores may be used to develop preliminary data or fabricate prototypes of inventions under consideration for licensure provided. Such use is not inconsistent with funding restrictions. Following execution of a license, COM cores and other recharge centers
should not be used in conjunction with company activities except as provided by contract between the COM and the company.

Web sites: It is appropriate for faculty to list their entrepreneurial activities on their campus web profiles, and to include links to the associated company web sites if they wish. Web content describing company products, services or events may be accessible through these links, but may not be posted on COM pages.

Office and meeting spaces: Faculty may use their campus offices and conference rooms that are not reserved for other COM activities for occasional meetings with other scientific founders and members of the company’s management or scientific teams.

Administrative staff: Faculty may engage support staff in scheduling the faculty member’s time, reserving meeting rooms, and processing fax, post and express mail correspondence. Support staff should not be asked to make arrangements or handle reimbursements for company travel or hospitality. COM staff may not provide administrative support to company employees or non-COM members of the management team.

Travel: Faculty travel on behalf of the company should be arranged and paid for by the faculty member or the company. However, where the faculty member is traveling on COM business and participates in company activities on the same trip, he or she is responsible only for those additional arrangements and expenses specifically related to company activities.

Question: What use of COM resources may a faculty member make in connection with the activities of a start-up company after the COM has completed licensure of COM intellectual property to the company?

Answer: Faculty inventors can meet in their offices with licensee company management or scientific personnel. Where the COM has licensed technology to a company and owns a prototype of the licensed technology, with departmental approval faculty may allow demonstrations of the technology in a COM facility to current or prospective company personnel, or potential company investors or customers. Such meetings or demonstrations are considered part of the process of the transfer of technology to a licensee company. Any such meetings or demonstrations that may involve interpretation or potential revision of the business terms of the COM’s license with the company should be vetted in advance with the Office of Research Development.

Following execution of a license, once the company has hired independent management and acquired office or laboratory space, faculty use of COM resources other than their offices in connection with company activities should be limited to those activities allowed. As those companies mature and establish independent operations, reliance on COM resources should be curtailed.

Question: How much time may a faculty member devote to the activities of a start-up company?

Answer: A conflict of commitment exists when outside activities interfere with an individual’s ability to fulfill their institutional responsibilities. Faculty should seek the approval of their supervisor as to the commitment of time that will be required to engage in the activity. Travel related to these activities must be consistent with department, college and university policies. Finally faculty are required to complete the necessary disclosures on the MUSC “Request for Approval of Outside Professional Activity Related to Faculty Start Up Venture.”
Question: May a faculty member involve non-clerical supervisees, students or trainees in supporting his or her entrepreneurial activities?

Answer: Generally no. The Policy only allows use of clerical employees to support entrepreneurial activities, and such use should be limited to scheduling calls and appointments, processing correspondence, and the like. Involvement by a faculty member of supervised research faculty, technical, administrative or research staff, or trainees at any level in support of faculty entrepreneurial activities is inappropriate, unless such persons are co-inventors of the COM technology to be licensed, or are co-founders of the company.

Technical staff, research faculty and trainees may participate in research activities sponsored by the company or studying the company’s technology as part of a research support agreement executed by the Office of Sponsored Research, subject to approval and management by the Conflict of Interest Committee.

Question: How may research faculty, staff and trainees work with the company directly?

Answer: Employment of COM research faculty, technical, administrative or research staff, or trainees at any level by companies in which the faculty member to whom they report have a personal interest complicates the COM reporting relationship and is highly susceptible to appearance of conflict of interest or even coercion. Such employment relationships should be avoided. Where an employee has unique relevant expertise, employment with the company may be allowed if employment is approved by an official higher in the reporting line than the conflicted faculty member. Employment for trainees may be allowed only if approved by both the student’s Program Director and the appropriate Dean responsible for student welfare.

Question: May a faculty member allow a company to which the COM proposes to license intellectual property or has licensed intellectual property to use COM office or laboratory space assigned to the faculty member?

Answer: No. The COM does not permit other entities to occupy or use COM resources or facilities. Time-limited use of COM facilities and resources by a non-COM entity may be allowed under some circumstances, including but not limited to approval by department and College leadership and the COM Space Use Committee, fair market consideration for use of the space, and with a contract negotiated by the University General Counsel. Persons wishing to propose such an arrangement should contact the University General Counsel for assistance.

Question: How does the Policy apply to federal SBIR or STTR awards where the company will subcontract part of the award to the COM for the faculty member to conduct research here?

Answer: These grants call for especially close collaboration between the COM and the company; however, the same policies apply. As explained above, COM policy does not permit other entities to occupy COM facilities except through an approved agreement. Otherwise, only the activities defined and funded by the subcontract may be performed using COM resources.
Appendix

References and Resources

• **South Carolina Launch**, an SCRA Collaboration: Commercialization Services for Entrepreneurial startup companies: [http://sclaunch.org](http://sclaunch.org)

• **SCBIO** association dedicated to growing the life science industry in South Carolina. [http://scbio.org](http://scbio.org)

• **SCTR** South Carolina Clinical and Translational Research Institute  [http://sctr.musc.edu](http://sctr.musc.edu)

• **Chair MUSC Research Conflict of Interest Committee**:  [http://academicdepartments.musc.edu/provost/committees/conflict](http://academicdepartments.musc.edu/provost/committees/conflict)

• **South Carolina Ethics Commission Rules of Conduct**: [http://sc.gov/rulesofconduct](http://sc.gov/rulesofconduct)

• **University of Wisconsin-Madison**: [http://grad.wisc.edu/research/policyrp](http://grad.wisc.edu/research/policyrp)

MUSC/MUHA policies that relate to industry, IP and faculty start-up ventures


• Faculty start-up ventures forms on Foundation for Research site:  [http://academicdepartments.musc.edu/frd/entrepreneur/startup](http://academicdepartments.musc.edu/frd/entrepreneur/startup) (there are forms on the web page you will have to download)

• **MUSC Faculty Handbook**:  [http://academicdepartments.musc.edu/provost/committees/appendix_9_08_C.pdf](http://academicdepartments.musc.edu/provost/committees/appendix_9_08_C.pdf)

• **MUHA Industry relations policy and other Conflict Of Interest policies**:  [http://policies.library.musc.edu/page.php?id=1766](http://policies.library.musc.edu/page.php?id=1766)