



**OUTLINE OF GUIDANCE PRINCIPLES FOR FACULTY
ON CONFLICTS OF INTEREST**

By

**Tom Chmura, Vice President for Economic Development
And Chair, University Conflicts of Interest Committee**

And

**Paul Stern, Associate General Counsel, General Counsel's Office
And, Counsel for the University Conflicts of Interest Committee**

BACKGROUND

- Prior to 1996-97 when the University adopted its own conflict of interest policies and procedures, all faculty were subject to the state ethics law called 268A and the oversight of the state ethics commission for all possible conflicts of interest matters (including those related to technology commercialization).
- Under previous arrangements, faculty were prohibited from developing University relationships (e.g., start-up companies, licensing of technology, sponsored industrial R&D) with companies with whom they had a financial interest.

NEW UNIVERSITY POLICIES AND PROCEDURES

- In 1996-97, the University (as permitted by the five-campus merger legislation) developed its own policies and procedures for governing financial conflicts of interests in matters specifically related to intellectual property development.
- The policies and procedures (including the creating of a system-wide conflicts of interest committee) were developed by a system-wide task force – with the assistance of outside counsel and with the extensive review of the practices of leading universities.
- The new University policies and procedures were approved by the Board of Trustees and successfully negotiated with collective bargaining units at each of the campuses (except for Worcester, where they were reviewed and adopted by the Scientific Council).

- With the adoption of these new policies and procedures, the University became the primary entity in the Commonwealth to have control over conflicts of interest regarding intellectual property and commercial ventures at the University.
- The University's Conflicts Committee reviews conflict situations on a case-by-case basis and has broad discretion to approve, deny, or approve with conditions proposed relationships.

PERSPECTIVES AND INTERESTS OF THE UNIVERSITY

- University policy states that it is assumed that all faculty members conduct themselves according to the highest standards of ethical conduct.
- Moreover, University policy and priorities are supportive of patenting and licensing of inventions that are based on University research, participating in industry partnerships designed to commercialize technology, and making other contributions to the economic development of the Commonwealth.
- Such activities can enable the translation of research results into practical applications for society, the receipt of licensing income for the University and faculty, the provision of additional sources of research funding for the University, economic development benefits for the Commonwealth, and important learning experiences for students.
- However, the involvement of faculty with private companies carries with it the potential for inappropriately diverting the University and its faculty from their primary University missions of education, research and service. Such conflicts are not necessarily prohibited, but they do need to be disclosed, reviewed, and formally considered by the University. Where permitted, they need to be managed appropriately so as to preserve the values and interests of the University and the Commonwealth.
- In its review of any proposed faculty arrangement with private companies with a potential for conflict of interest, the University is concerned that the faculty maintain their primary commitment and allegiance to the University, the University's educational/research/service mission, and the University's financial interests. The Conflicts Committee has responsibility for ruling on different kinds of conflicts, and, where it allows a conflict, for developing strategies for managing the conflict to preserve the values and interests of the University.

TYPES OF CONFLICTS AND APPROACHES TO DEALING WITH THEM

- Since its creation in 1995, the University's Conflicts Committee has considered more than 70 cases involving faculty from across the system (all campuses except Boston), and it has developed experience with a variety of conflicts and means of handling them.

Conflicts of Financial Interest

- As employees of the University, faculty are expected to place the financial well-being of the University above that of any commercial entity. According to the policy, faculty have a conflict of interest when they have a financial stake in the well-being of a company engaged in commercialization activities with the University.
- In simple cases (e.g., faculty owns a small amount of stock or has a consulting arrangement with a company sponsoring research at the University), the Conflicts Committee may require public disclosure of the conflict at the University, notification of the conflict in published documents (e.g., research papers), and oversight of the research by a special review committee (with regular written reports from the faculty member to the review committee).
- Financial conflicts have been deemed much more serious by the Conflicts Committee when the faculty member assumes personal responsibility for the financial well-being of a commercial entity by taking on a role as a member of the board or as chief executive or officer of the company. In general, the Committee has required faculty to relinquish board and executive/officer positions to resolve such conflicts, and urged adoption of a scientific consultant/advisor role instead.

Conflict of Commitment

- Each campus is responsible for its own conflict of commitment policy, but such issues are often entangled with conflict of financial interest cases. All campus policies require that faculty give their primary commitment and allegiance to the University, not to a commercial entity in which they have a financial stake. The amount of time a faculty needs to spend on certain commercial ventures could result in a serious conflict of commitment.
- Frequently, the Conflicts Committee has urged a campus to establish special review mechanisms (e.g., department heads, deans) that would oversee both the conflicts of financial interest and commitment. In extreme cases, the Committee has urged a faculty to consider an unpaid leave of absence (e.g., during the start-up period of a new company) as an appropriate means of managing this conflict.

Research Integrity

- Faculty are required to maintain the highest level of scientific integrity in the conduct of their research and to adhere to academic standards of dissemination of research findings. A faculty member's financial interests in a commercial entity should never be allowed or appear to allow influence over the integrity of University research.

- In cases where this issue has arisen, the Conflicts Committee has typically required full public disclosure of the faculty's financial interest in any research (including in presentations and publications), appointed an independent oversight committee for the research program, and required independent review of research results before publication.
- In more serious cases where the level of financial interest is especially high, the Committee has also required the appointment of independent principal investigators or co-principal investigators on research grants from commercial entities in which a faculty has a financial interest.
- The Committee may also seek assurance that any federal agency sponsoring research in a faculty's laboratory is aware of and comfortable with the commercialization arrangements.

Educational Mission

- Faculty have a responsibility to provide their students and advisees with educationally appropriate experiences. The educational process must not be compromised by the commercial goals of a commercial entity in which a faculty member has an interest.
- In cases where this issue has arisen, the Conflicts Committee has generally insisted that no students who are students or advisees of a faculty member involved with a commercial entity have any link to that commercial entity or work on research supported by funding from the commercial entity.
- On the other hand, students who are not the responsibility of a faculty with the commercial entity may find useful educational and/or employment opportunities with such companies.

ASSISTANCE FOR FACULTY

- In sum, the Conflicts Committee seeks to help faculty in developing and approving arrangements that effectively commercialize University technology and put it into public use, while adequately protecting the University's institutional interests and appropriately managing the personal conflict of interest issues in each case.
- Faculty with questions about the Conflicts Policy and workings of the Committee should contact their department head, dean and/or provost or VC; for research at the campus level, or the General Counsel's Office at the President's Office.