



April 21, 2015

To: Jose Wudka, Chair
Riverside Division

Fr: Richard Luben, Chair 
Committee on Physical Resources Planning

Re: Draft guidelines for pilot program to accept equity for access to university facilities or services

The Committee on Physical Resources planning has reviewed the draft guidelines on accepting and managing equity in return for access to university facilities and/or services.

In general the acceptance of equity in return for access is a potentially attractive method of building productive relationships between technologically-based companies and the University's research efforts. On-campus incubators, joint labs, research parks, and other such close collaborations with industry, have been of considerable impact on some campuses. The document recognizes that there may be conflicts of interest between the "pure research" mission of the University and the financial and/or intellectual property interests of the outside companies. Broad suggestions are made for ameliorating these potential conflicts and a trial period of three years is proposed for testing the real-life workability of the proposed guidelines before final commitments are instituted. Our committee supports these proposed guidelines and the three-year trial period.

Some general comments: First of all, the document is wide-ranging and requires more legal knowledge than most University faculty members can bring to the discussion. Nevertheless, committee members observed that the University of California is one of a few rare resources in our culture that is a generator for pure science. We believe that in our society this is an essential role. The University, at least partly because of its independence from the profit motive, does science that cannot be done by business "research and development" departments, which often strive mainly for guaranteed profit in the relatively short term. On the other hand, if the University is to also be an economic engine for society, we certainly need to be part of a continuum from pure science to some point where there are useful applications. Defining the range of intellectual investment "belonging" to the university in this continuum, and determining where business then takes over, is not so easy.

It isn't entirely clear in this document whether the proposed guidelines are directed at forming a very limited type of collaboration, or a more intimate and widespread partnership that might

threaten a University drift away from pure science. Increased emphasis on a product-generating role could be so financially attractive to a campus (and especially one under constant financial pressure) that an end result could be to diminish our commitment to pure science. What is profitable in the short term, if at the expense of pure science, might have negative long-term consequences for what the university could otherwise provide for society. There seems to be a minefield of “conflict of interest” and it appears that the document (rightfully!) strains to cover the bases on this difficult issue.

We applaud the effort to address these issues, and encourage the University to move forward to a comprehensive (and comprehensible!) set of guidelines that would allow campuses to determine whether it is in the long-term interest of the University (and of its potential partners) to establish permanent long-term relationships of this type.