AUTHENTICATED,
OHIO LEGISLATIVE SERVICE
COMMISSION
DOCUMENT #526010

Ohio Administrative Code
Rule 3341-7-06 Commercialization.
Effective: July 16, 2026

(A) Policy statement and purpose

University faculty, staff or students may produce commercial opportunities based on their research work. The university is obligated by state of Ohio law to protect resulting intellectual property and to promote its full development and public use. In doing so, it also has an obligation to the faculty member, staff or student and to the public interest, to provide the flexibility needed to advance the research, attract investors and to achieve commercialization of the product. That flexibility is defined by this policy.

(B) Policy

(1) Pursuant to section 3345.14 of the Revised Code, this policy constitutes the authorization of Bowling Green state university's (BGSU) board of trustees to permit that employees of the institution to hold ownership, management, or other personal financial interests in companies engaged in the licensing and commercialization of university-owned technology developed in conjunction with their BGSU research and development activities when the board has transferred an interest in that technology to those companies. The board recognizes that participation by employees of BGSU in the ownership of, or involvement with companies commercializing technology and other intellectual property generated at BGSU may increase the transfer of discoveries and knowledge to the private marketplace by providing incentives for faculty who develop inventions with commercial applications.

The procedures and guidelines set forth in this policy are intended to enable the university to realize the benefits of these entrepreneurial activities while protecting the integrity of its research and educational mission and to comply with BGSU policies and applicable federal and state laws. These rules serve as an exception to the Ohio ethics law and related statutes [Chapter 102. and sections 2921.42 and 2921.43 of the Revised Code], which might otherwise apply. Matters outside the scope of these rules will be subject to such laws to the extent applicable.

(2) Procedure:

(a) Definitions

(i) A commercialization company is a private, commercial entity that is owned in whole or in part by a university employee and that has as its purpose, the development and commercialization of university owned intellectual property created by that employee.

(ii) BGSU's ownership of intellectual property rights in technology created by its faculty, staff or students is determined in accordance with section 3345.14 of the Revised Code and the BGSU policy on patents and copyrights. As more fully explained in the policy on patents and copyrights, university owned technology generally does not include textbooks and other scholarly or artistic works created with minimal use of BGSU resources.

(iii) A BGSU employee is any member of the faculty or staff, including, but not limited to full-time and part-time faculty, adjunct faculty, non-tenure track research faculty, postdoctoral fellows, classified and administrative employees, graduate assistants/ students, work-study students, employed undergraduate assistants, and technicians.

(iv) The patent advisory and technology commercialization oversight committee (PAC) is a university body responsible for making recommendations to the vice president for research and economic engagement regarding commercialization companies and is appointed under the academic charter, which provides for a committee consisting of three or more faculty members and two or more administrative staff members to support review of commercialization activities and related conflicts of interest..

(v) The vice president for research and economic engagement is the university official who is responsible for overseeing research integrity in assisting employees of BGSU in identifying, managing and eliminating conflicts of interest, and in developing conflict of interest management plans for employees of BGSU involved in the development of commercialization companies.

(vi) Research technology transfer is the unit of the institution charged with providing leadership facilitating and overseeing technology transfer.

(b) Applicability

(i) This policy shall apply to all BGSU employees.

(ii) This policy shall apply to students who

(a) Engage in research and development activities

(b) Create intellectual property owned by BGSU; and

(c) Desire to hold an ownership interest in a commercialization company.

(c) Responsibilities of department chairs, school directors, research center directors, and staff supervisors

(i) Department chairs, school directors, research center directors, and staff supervisors are responsible for ensuring that faculty and staff who participate in commercialization companies comply with applicable university policies governing the terms and conditions of employment, academic and research activities. They are also responsible for ensuring compliance with the policies on consulting, conflict of commitment, conflict of interest, and working outside the university, as applicable, and for reviewing and making recommendations as to the propriety of private business activities as reported by their faculty in disclosure forms required by those policies.

(d) Approval process

(i) Faculty and staff members or students who wish to participate in a commercialization company must first obtain approval from their department chairs, school or research center directors, and deans or other appropriate supervisors. The vice president for research (or designee) will be responsible for negotiating the business terms of the transaction between the company and BGSU, and will facilitate the development of a conflict-of-interest management plan, in consultation with the PAC. All commercialization agreements shall comply with applicable university policies governing contract review, legal sufficiency, and financial obligations. Agreements that involve significant financial obligations, contingent liabilities, or material financial risk to the university must be reviewed by the chief financial officer or designee prior to execution.

(ii) The PAC will review the sufficiency of business terms and conflict of interest management plans relating to technology commercialization companies. Written approval from this committee must be obtained before any business agreements relating to a commercialization company are finalized.

(iii) Faculty, staff or students who wish to participate in a commercialization company may discuss initial company formation with research technology transfer; however, they should not, as a general rule, participate in the ongoing negotiation of option and licensing terms between the company and BGSU. As soon as possible, third parties, such as company management and/or legal counsel should perform this function.

(iv) As a prerequisite to the granting of an exclusive license to BGSU technology, a commercialization company must provide the vice president for research (or designee) with a due diligence review as evidenced by the following:

(a) A capitalization plan demonstrating access to funds necessary for company growth;

(b) A proposed management team;

(c) Milestones for product development and commercial sale

(d) A periodic review of progress within a timeframe identified at the time of negotiation; and

(e) Reversionary rights for the institution when company fails due-diligence after a mutually agreed-upon period of time.

(v) In recognition of the university's ownership of the technology or invention, a commercialization company in early stage may grant the university an equity interest in the company as negotiated by research technology transfer and approved by the vice president for research, to be held by centennial falcon properties, inc., or any of its subsidiaries upon approval of the board of centennial falcon properties, inc.

(vi) The faculty member's department chair, school director, research center director, dean or staff supervisor shall be active participants in discussions with research integrity and in the development of conflict of interest management plans relating to a commercialization company.

(vii) A chair, school director, research center director, or staff supervisor who has a financial interest or is a co-participant with a faculty, staff member or student in a commercialization company is not in a position to provide effective oversight of that activity. In these situations, another disinterested administrator must be appointed to perform the responsibilities of the chair, research center director or staff supervisor.

(viii) If the PAC members determine that, for any reason, it is not possible for the chair, school director, research center director, the staff supervisor or another disinterested administrator to provide effective oversight of a transaction involving a commercialization company, the transaction should not be approved.

(e) Responsibility for university duties

(i) Faculty members are encouraged to develop discoveries and inventions with commercial potential within the broader teaching and research mission of BGSU. Care must be taken that faculty not allow their interest in a financial opportunity arising out of their research efforts to result in a potential for either a conflict of interest or a conflict of commitment to the institution, or the misuse of students, employees or resources of the university for benefit of the company.

(ii) While faculty members are permitted to serve as consultants to commercialization companies and other private enterprises, they continue to be responsible for all of their university teaching, research, and service obligations. Authorized consulting activities with a commercialization company must be undertaken in accordance with the BGSU policy on consulting and pursuant to formal consulting and conflict of interest management plans signed by the faculty, the commercialization company and the university, and approved by the department chair, the research center director, the vice president for research and economic engagement, research integrity and the general counsel.

(iii) Staff members may take approved leave in order to engage in activities relating to a commercialization company during regularly assigned working hours. When performed outside regularly assigned working hours, these activities must be undertaken in accordance with university policies and pursuant to a formal conflict of interest and conflict of commitment agreement between the staff member, the commercialization company, and the university. The department chair, the school or research center director, the dean and/or supervisor, and research integrity must approve such an agreement.

(iv) Staff members may pursue research projects as authorized by their supervisors. Supervisors shall authorize only those staff research projects that will advance the mission of the university without regard to the financial interests of the individual employees.

(f) Conflict-of-interest management standards

(i) BGSU facilities, equipment and other resources may not be used for research benefiting a commercialization company except when such use is pursuant to a sponsored research agreement, facilities use agreement or other appropriate contractual arrangement.

(ii) As a general rule, faculty, staff or students shall not hold management positions in commercialization companies. While they may initially find it necessary to play a management role in a newly formed company, it is expected that their management responsibilities will decrease as the company develops. Professional management should be brought in at the earliest opportunity. In order to ensure the application of this principle, agreements between BGSU and a commercialization company should contain enforceable milestones for the reduction of these management responsibilities. Failure to comply with these agreed-upon milestones will result in the company's inability to engage in sponsored research with BGSU, utilize BGSU faculty, staff or student employees and the other commercialization agreements and/or activities permitted under these guidelines.

(iii) Faculty members engaged in approved consulting activities with the commercialization company who find they are unable to perform all of their regular university responsibilities shall request a reduction of appointment or other approved leave subject to the restrictions found in section 3345.28 of the Revised Code.

(iv) Staff members who are unable to perform all of their university duties because of activities in connection with commercialization companies must reduce those activities or request a reduction of appointment or other approved leave subject to the restrictions found in the section 3345.28 of the Revised Code.

(v) Graduate and undergraduate students may use university facilities, equipment, and other resources to perform research benefiting a commercialization company only pursuant to a sponsored research agreement or other formal agreement made with BGSU. Research leading to thesis or dissertation may not be unreasonably restricted from publication or public disclosure, as determined by the PAC. Students should be informed in writing of any restrictions that their involvement in research related to the company may impose upon them (e.g. confidentiality requirements that may negatively impact public disclosure of their research results) prior to the start of their research. Faculty investigators should exercise care in involving students in research that may impede completion of their academic program.

(vi) Students may be employed by a commercialization company subject to limitations set forth in paragraph (G)(7) of this policy. Prior to such employment, the student, the faculty or staff member, the chair of the student's department and/or school or research center director, the chair of the graduate studies committee and a company representative must sign an agreement disclosing the student's rights and obligations. Such students may perform research benefiting a commercialization company only pursuant to a sponsored research or other formal internship agreement through the university.

(vii) A student may not be employed by a commercialization company in which a faculty member has an ownership interest if:

(a) The student is enrolled in a course taught by the faculty member;

(b) The faculty member is a member of the student's thesis or dissertation committee; or

(c) The faculty member is the student's advisor or the director of his or her thesis or dissertation research.

(viii) Commercialization companies may not enter into any agreements with the university for the purchase, sale or rental of equipment, supplies or services other than those for which prior conflict of interest approval has been obtained from the vice president for research (or designee) on the advice of the PAC.

(ix) As a general rule, faculty and staff members who are not directly involved with research and development of technology licensed to a commercialization company may hold equity interests in that company. Equity ownership in these situations is permissible only to the extent allowed by sections 2921.42 and 2921.43 of the Revised Code.

(x) As a general rule, an individual faculty or staff member or their immediate family should not retain, directly or indirectly, more than twenty-five per cent of the aggregate economic interest or any level of voting or governance rights that confer control (including board control, veto rights, or supermajority voting rights) in a commercialization company on an ongoing basis. Under circumstances where family ownership or control exceeds this limitation but does not interfere with the employee's obligation to BGSU and does not create an additional conflict-of-interest, this ownership provision limit may be considered and amended by the vice president for research and economic development. While significant faculty or staff equity ownership or control may be inherent in a newly formed company, it is expected that their ownership interests, as a percentage of the total outstanding shares or membership interests of the company, and any voting or governance rights that confer control will decrease as the company develops and attracts additional equity. In order to ensure the observance of this principle, agreements between the university and commercialization companies should contain enforceable milestones for the dilution of these equity interests. Failure to comply with these agreed-upon milestones will result in the company's inability to engage in sponsored research with BGSU, utilize BGSU faculty, staff or students, and the other commercialization agreements and/or activities allowed for under this policy.The vice president for research, with input for research technology transfer, shall review compliance with these ownership, control, and related contractual provisions based on required reports at the intervals specified in applicable agreements and no less frequently than annually.

(xi) Faculty or staff members may not assume the role of principal investigator/project director in sponsored research projects awarded to BGSU and funded by commercialization companies in which they have an interest if the projects involved the use of human subjects. Faculty or staff members may assume the role of principal investigator/project director for sponsored research projects funded by commercialization companies in which they have an interest if a formal research integrity, conflict of interest management plan approved by the PAC and the vice president for research is in place.

(xii) Agreements for sponsored research projects funded by companies must include, at a minimum, a requirement for full BGSU publication rights, BGSU rights to own or use data, and payment of fully negotiated facilities and administrative fees at the on-campus research rate assigned by the U.S. department of health and human services. The division research must approve any exceptions to these conditions.

(xiii) Faculty, staff and students participating in commercialization companies approved pursuant to this chapter continue to be bound by all BGSU policies regarding the development and ownership of intellectual property. New inventions and/or discoveries made as a result of research efforts of BGSU faculty, staff and students for the company, including those made under formal consulting agreements through the institution, will be owned by BGSU. The company will be offered an exclusive option to license the technology. New inventions and/or discoveries developed by the faculty, staff or student for the company must be disclosed to and research technology transfer as required by the university patent policy.