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EDUCATION CODE

[CHAPTER\[0\]](#) [153\[0\]](#). CENTERS FOR TECHNOLOGY DEVELOPMENT AND TRANSFER

§ 153.001. DEFINITIONS. In this [chapter\[0\]](#):

(1) "Center" means an office, department, or other organizational unit established under this [chapter\[0\]](#).

(2) "Governing board" has the meaning assigned by Section 61.003.

(3) "Institution of higher education" has the meaning assigned by Section 61.003.

(4) "Organization" has the meaning assigned by Section 1.201, Business & Commerce Code.

(5) "Person" has the meaning assigned by Section 1.201, Business & Commerce Code.

(6) "Technology" means the application of scientific knowledge for practical purposes and includes inventions, discoveries, trade secrets, copyrighted materials, tools, machines, materials, processes to do work, processes to produce goods, processes to perform services, processes to carry out other useful activities, trademarks, and computer software.

Added by Acts 2001, 77th Leg., ch. 749, § 1, eff. Sept. 1, 2001.

§ 153.002. FINDINGS. The legislature finds that:

(1) it is essential to the continued economic growth and diversification of this state that technology development and transfer be promoted and expanded;

(2) the students, scientists, researchers, faculty, and staff of the institutions of higher education of this state have developed and, in all likelihood, will continue to develop technology that will contribute to the continued growth and diversification of the state's economy;

(3) the electorate of this state authorized the legislature to allow for the programs created by this [chapter\[0\]](#) by adopting Section 52-a, Article III, Texas Constitution; and

(4) an institution of higher education is authorized to engage in technology development and transfer activities under the authority provided to its governing board and other state and federal law.

Added by Acts 2001, 77th Leg., ch. 749, § 1, eff. Sept. 1, 2001.

§ 153.003. CREATION OF CENTERS. (a) An institution of higher education, subject to approval by its governing board, is authorized to establish centers to manage, transfer, market, or otherwise commercialize technology owned by it or in which it owns an interest.

(b) Each center shall be administered within an institution of higher education.

(c) Centers may provide services to multiple institutions of higher education. An institution of higher education may contract with a center under the control of a governing board other than its own.

Added by Acts 2001, 77th Leg., ch. 749, § 1, eff. Sept. 1, 2001.

§ 153.004. OPERATION OF CENTERS. (a) To the extent authorized by its governing board, an institution of higher education, through a center established under this [chapter\[0\]](#), may:

(1) accept and administer funds, including state appropriations, gifts, grants, contracts, and donations, to aid in the establishment, maintenance, and operation of the center or to aid in the discovery, development, protection, or commercialization of technology;

(2) solicit and enter into agreements to fund the discovery, development, protection, and commercialization of technology;

(3) make technology owned or controlled by it available to persons for commercial applications through license agreements, assignments, or other forms of transfer;

(4) acquire interests in and ownership of technology;

(5) provide business, scientific, and engineering services and technical assistance to persons engaged in the development, manufacture, or marketing of technology in which it owns an interest;

(6) acquire insurance and pay premiums on insurance of any kind and in amounts considered necessary and advisable to accomplish the purposes of this [chapter\[0\]](#);

(7) establish and operate corporations, either for profit or not for profit, and limited liability companies for the development and commercialization of technology and convey equity interests in such entities; and

(8) engage in other related activities required to achieve the purposes of this [chapter\[0\]](#).

(b) Property and services of institutions of higher education may be used to achieve the purposes of this [chapter\[0\]](#).

Added by Acts 2001, 77th Leg., ch. 749, § 1, eff. Sept. 1, 2001.

§ 153.005. PROGRAMS. (a) To the extent authorized by its governing board, an institution of higher education, through a center, may operate programs to provide assistance to persons in commercializing technology owned by it or in which it has an interest. Assistance may include providing monetary support or nonmonetary support, including the use of premises, computers, computer software, telecommunications terminal equipment, office equipment and supplies, machinery, custodial services, utilities, or other services that are customarily treated as overhead expenses by institutions of higher education.

(b) The policies and procedures to be used by an institution of higher education to assess the qualifications of persons participating in a center's programs, including objective criteria for admission and for the measurement of progress and standards for continuance or termination of participation, shall be approved by the institution's governing board.

Added by Acts 2001, 77th Leg., ch. 749, § 1, eff. Sept. 1, 2001.

§ 153.006. SUPPORT OF CENTERS. (a) In order to carry out the purposes of this [chapter\[0\]](#) and to support the activities of centers described in this [chapter\[0\]](#), to the extent authorized by its governing board, an institution of higher education may:

- (1) enter into agreements establishing royalties, fees, and other consideration for technology developed in whole or part by it;
- (2) accept equity interests in organizations that license, manage, or otherwise administer rights to technology belonging to it or under its control in exchange for such rights, in whole or in part;
- (3) accept equity interests in organizations that license or otherwise have rights in its technology as consideration for its providing monetary, business, scientific, or engineering services or technical assistance;
- (4) use income from the commercialization of technology to fund the activities of the center;
- (5) solicit, accept, and administer gifts, grants, and donations;
- (6) enter into contracts for legal services with a competent lawyer or law firm to:
  - (A) prepare, file, pursue, and maintain patent applications in the United States or foreign jurisdictions;
  - (B) secure copyright protection for computer software;
  - (C) prepare, file, and pursue trademark and service mark applications;
  - (D) pursue litigation to prevent or stop infringement of any intellectual property rights of the institution; or

(E) handle any other legal matter related to the operation and activities of the center; and

(7) enter into such other business arrangements as may be appropriate for achieving the purposes of this [chapter\[0\]](#).

(b) The fees or other compensation paid in connection with a legal services contract authorized by Subsection (a) may be paid on a contingency fee basis, at an hourly rate, or on another basis the governing board of the institution considers appropriate.

Added by Acts 2001, 77th Leg., ch. 749, § 1, eff. Sept. 1, 2001.  
Amended by Acts 2003, 78th Leg., ch. 1266, § 1.12, eff. June 20, 2003.

§ 153.007. NO FIDUCIARY DUTY. Except as otherwise provided by law, a governing board, an institution of higher education, a university system, a center, or any employee or member of those entities does not owe a fiduciary duty to any person claiming an interest in consideration received by a university system or an institution of higher education in exchange for technology.

Added by Acts 2001, 77th Leg., ch. 749, § 1, eff. Sept. 1, 2001.

§ 153.008. BIENNIAL REPORT. Not later than December 1 of each even-numbered year, the Texas Higher Education Coordinating Board shall report to the governor and to the legislature regarding activities conducted at institutions of higher education under this [chapter\[0\]](#). The form of the report shall be developed by the Texas Higher Education Coordinating Board in consultation with institutions of higher education and shall include the following measures for each institution of higher education:

(1) revenues received from licenses, royalties, fees, cashed-in equity, and other forms of income permitted by this [chapter\[0\]](#);

(2) the number of shares of stock or other equity interest held under agreements created pursuant to this [chapter\[0\]](#);

(3) the fair market value of stock or other equity interests held in publicly-traded enterprises created pursuant to this [chapter\[0\]](#);

(4) new invention disclosures received;

(5) the number of new patent applications filed and new patents granted;

(6) the number of new license agreements executed;

(7) the number of new corporations, partnerships, or other business entities established to commercialize intellectual property owned by the institution of higher education; and

(8) direct expenditures for all activities conducted under this [chapter\[0\]](#).

Added by Acts 2001, 77th Leg., ch. 749, § 1, eff. Sept. 1, 2001.

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