UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
EDUCATIONAL POLICY COMMITTEE
October 19, 2001
EDUCATIONAL POLICY COMMITTEE

Friday, October 19, 2001
10:00 – 10:45 a.m.
Board Room, The Rotunda

Committee Members:
T. Keister Greer, Chair     Sasha L. Wilson
Elsie Goodwyn Holland      Joseph E. Wolfe
Elizabeth A. Twohy         John P. Ackerly, III, Ex Officio

AGENDA

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      (Mr. Block to introduce Mr. Carl P. Zeithaml; Mr. Zeithaml to report)

III. FACULTY PERSONNEL ACTIONS*
     * For consideration in Executive Session
BACKGROUND: At the January 18, 2001 meeting, the Board of Visitors approved a conflict of interest exemption for three faculty members in the School of Engineering and Applied Science. This exemption will permit the School of Engineering and Applied Science to enter into a contract with Direct Vapor Technologies International, Incorporated (DVTI, Inc.), a Delaware technology company created on June 1, 2000. Key technology developed at the University of Virginia has been licensed to DVTI, Inc., and this contract will facilitate DVTI efforts to commercialize this technology, which will, in turn, result in patent royalty payments to the University. The Dean of the School of Engineering and Applied Science has appointed a committee to manage this conflict.

DISCUSSION: Recently another School of Engineering and Applied Science faculty member, Haydn Wadley, has become an equity participant in DVTI, Inc. Under the Virginia Conflict of Interests Act, the University’s contract with DVTI, Inc., will place Mr. Wadley in violation of the Act unless the Board of Visitors approves a waiver of the conflict created by his equity interest. State law grants such approval authority to the Board in the case of commercialization of intellectual property furthering the public interest.

Virginia law and University of Virginia policy will require Mr. Wadley to file annual disclosure statements of his economic interests in the company. Mr. Wadley will not be involved in the University’s negotiation, approval, or procurement of contract terms with DVTI, Inc.

ACTION REQUIRED: Approval by the Educational Policy Committee and the Board of Visitors
CONFLICT OF INTEREST EXEMPTION (DVTI, Inc.)

WHEREAS, the School of Engineering and Applied Science wishes to enter into a service agreement with Direct Vapor Technologies International, Inc., to further commercialization efforts in direct vapor deposition; and

WHEREAS, Mr. Haydn Wadley has recently acquired an equity interest in DVTI, Inc.; and

WHEREAS, the School of Engineering and Applied Science service agreement with DVTI, Inc., would thereby expose Mr. Wadley to violation of the Virginia Conflict of Interests Act unless approved by the Board as permitted by §2.1-639.6(c) (7) of the Code of Virginia;

RESOLVED that the waiver of the conflict of interest of Mr. Haydn Wadley is approved by the Board of Visitors in order to permit the University to enter into a service agreement with DVTI, Inc. to pursue commercialization of University intellectual property in vapor deposition; provided, as required by the law, Mr. Wadley files the required annual disclosure statement of personal interests in DVTI, Inc., the University files the required annual report concerning the contracts with the Secretary of the Commonwealth, and the dean and department chair, in consultation with the committee established to oversee this relationship, vigilantly oversee application of University resources in the best interests of the University and in accordance with policy.
PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve a conflict of interest exemption for Direct Vapor Technologies International, Inc.

DESCRIPTION: Direct Vapor Technologies International, Inc. (DVTI, Inc.) seeks to add a new equity participant (Mr. Haydn Wadley, a faculty member in the School of Engineering and Applied Science) to an existing agreement that received a conflict of interest exemption from the Board of Visitors in January 2001. Mr. Wadley's equity interest will exceed 3%. By law, proceeding with the proposed venture would place this individual in a conflict because of his personal interests in the contract, unless the Board of Visitors chooses to approve an exemption as the law permits in the case of sponsored research agreements. The University administration will provide appropriate oversight over the allocation of resources.

FISCAL IMPACT: The University has the potential to realize income from successful commercialization of this technology through patent royalties, as well as contributing to the advancement of knowledge in the science consistent with the University's mission. As this venture is speculative in nature, a future value of these earnings is difficult to forecast and may, in fact, be nonexistent; however, the University enjoys minimal exposure to unforeseen costs.

CONCLUSION: It is recommended that the Board approve the proposed conflict of interest exemption for DVTI.

RECOMMEND APPROVAL OF BOARD ACTION:

Leonard W. Sandridge
October 19, 2001
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BACKGROUND: The School of Medicine is negotiating sponsored research contracts with ContraVac, Inc., a Virginia biotechnology company created in 1992 for the development and commercialization of diagnostics and therapeutics in reproductive health. Technology developed at the University of Virginia has been licensed to ContraVac, Inc., by the University of Virginia Patent Foundation.

DISCUSSION: Two University faculty members, John C. Herr, Ph.D., and Mary Jo Herriman, M.S., who are married to each other, own in excess of three percent of the equity in the company. Under the Virginia Conflict of Interests Act, the University's contracting with ContraVac, Inc., would place Mr. Herr and Ms. Herriman in violation of the Act, unless the Board of Visitors approves the conflict created by their equity interest. State law grants such approval authority to the Board in the case of sponsored research, in order to allow research furthering the public interest.

Virginia law and University of Virginia policy will require Mr. Herr and Ms. Herriman to file annual disclosure statements of their economic interests in the company. Mr. Herr and Ms. Herriman will not be involved in the University's negotiation, approval, or procurement of contract terms with ContraVac, Inc. The Chair of the Department of Cell Biology has appointed a committee to be responsible for managing and overseeing the research, including independently supervising, evaluating, and making personnel decisions to ensure that the continuing best interests of the University are served. As an additional precaution, the Chair of the Department of Cell Biology will report at least each quarter to the Dean of the School of Medicine on the progress of sponsored research activity and the utilization of University resources.

ACTION REQUIRED: Approval by the Educational Policy Committee and the Board of Visitors
CONFLICT OF INTEREST EXEMPTION (ContraVac, Inc.)

WHEREAS, the School of Medicine wishes to enter into sponsored research contracts with ContraVac, Inc., for developing immunodiagnostic devices for detecting and quantifying human sperm (the Home Sperm Test, SpermCheck); and

WHEREAS, John C. Herr, Ph.D., and Mary Jo Herriman, who are married to each other, have disclosed in advance their combined equity interest of 100 percent in ContraVac, Inc.; and

WHEREAS, the University’s entry into research agreements with ContraVac, Inc., would thereby expose Mr. Herr and Ms. Herriman to violation of the Virginia Conflict of Interests Act unless approved by the Board as permitted by §2.1-639.6(c)(7) of the Code of Virginia;

RESOLVED that the conflict of interest of John C. Herr, Ph.D., and Mary Jo Herriman, is approved by the Board of Visitors in order to permit the University to enter into agreements with ContraVac, Inc., for research funding for the development of a recombinant monoclonal antibody for use as a new type of spermicide; provided, as required by the law, Mr. Herr and Ms. Herriman file the required annual disclosure statement of personal interests in ContraVac, Inc., the University files the required annual report concerning the contracts with the Secretary of the Commonwealth, and the relevant department chair vigilantly oversees application of University resources in the best interests of the University and in accordance with policy.
PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approval to enter into sponsored research contracts with ContraVac, Inc.

DESCRIPTION: The School of Medicine is negotiating sponsored research contracts with ContraVac, Inc., a Virginia biotechnology start-up company created in 1992. The founding members of ContraVac, Inc., include two University of Virginia faculty members. Two faculty members, John C. Herr, Ph.D., and Mary Jo Herriman, who are married to each other, have a combined equity ownership of 100 percent in the company. Under the Virginia Conflict of Interests Act, the University may enter into research contracts with ContraVac, Inc., without placing these faculty members in violation of the Act, if the Board of Visitors approves the conflict created by their ownership in excess of three percent.

The research contracts would help fund research into the development of a recombinant monoclonal antibody for use as a new type of spermicide, which has great potential for contraception.

FISCAL IMPACT: The University has the potential to realize income from successful commercialization of this technology through patent royalties, as well as contributing to the advancement of knowledge in the science consistent with the University’s mission. As this venture is speculative in nature, a future value of these earnings is difficult to forecast and may, in fact, be nonexistent; however, the University enjoys minimal exposure to unforeseen costs.

CONCLUSION: It is recommended that the Board of Visitors permit the University to negotiate and enter into the proposed contracts with ContraVac, Inc., for developing a recombinant monoclonal antibody for use as a new type of spermicide.

RECOMMEND APPROVAL OF BOARD ACTION:

Leonard W. Sandridge
October 19, 2001
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 19, 2001

COMMITTEE: Educational Policy

AGENDA ITEM: I.C. Conflict of Interest Exemption (Biophile, Inc.)

BACKGROUND: The School of Medicine is negotiating sponsored research contracts with Biophile, Inc., a Virginia biotechnology company created in 2001 for the development and commercialization of an automated robotic storage and retrieval system for sample management at -80°C. Technology developed at the University of Virginia has been licensed to Biophile, Inc., by the University of Virginia Patent Foundation.

DISCUSSION: A University faculty member, Robin A. Felder, Ph.D., will own in excess of three percent of the equity in the company. Under the Virginia Conflict of Interests Act, the University’s contracting with Biophile, Inc., would place Mr. Felder in violation of the Act, unless the Board of Visitors approves a waiver of the conflict created by his equity interest. State law grants such approval authority to the Board in the case of sponsored research, in order to allow research furthering the public interest.

Virginia law and University of Virginia policy will require Mr. Felder to file annual disclosure statements of his economic interests in the company. Mr. Felder will not be involved in the University’s negotiation, approval, or procurement of contract terms with Biophile, Inc. The Chair of the Department of Pathology has appointed a committee to be responsible for managing and overseeing the research, including independently supervising, evaluating, and making personnel decisions to ensure that the continuing best interests of the University are served. As an additional precaution, the Chair of the Department of Pathology will report at least each quarter to the Dean of the School of Medicine on the progress of sponsored research activity and the utilization of University resources.

ACTION REQUIRED: Approval by the Educational Policy Committee and the Board of Visitors
CONFLICT OF INTEREST EXEMPTION (Biophile, Inc.)

WHEREAS, the School of Medicine wishes to enter into sponsored research contracts with Biophile, Inc., for developing automated robotic storage and retrieval management systems; and

WHEREAS, Robin A. Felder, Ph.D., has disclosed in advance his equity interests in excess of three percent, in Biophile, Inc.; and

WHEREAS, the University’s entry into research agreements with Biophile, Inc., would thereby expose Mr. Felder to violation of the Virginia Conflict of Interests Act unless approved by the Board as permitted by §2.1-639.6(c) (7) of the Code of Virginia;

RESOLVED that a waiver of the conflict of interest of Robin A. Felder, Ph.D., is approved by the Board of Visitors in order to permit the University to enter into agreements with Biophile, Inc., for research funding for the development of automated robotic storage and retrieval management systems; provided, as required by the law, Mr. Felder files the required annual disclosure statement of personal interests in Biophile, Inc., the University files the required annual report concerning the contracts with the Secretary of the Commonwealth, and the relevant department chair vigilantly oversees application of University resources in the best interests of the University and in accordance with policy.
UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approval to enter into sponsored research contracts with Biophile, Inc.

DESCRIPTION: The School of Medicine is negotiating sponsored research contracts with Biophile, Inc., a Virginia biotechnology start-up company created in 2001. The founding members of Biophile, Inc., include a University of Virginia faculty member.

A faculty member, Robin A. Felder, Ph.D., will have in excess of three percent equity ownership in the company. Under the Virginia Conflict of Interests Act, the University may enter into research contracts with Biophile, Inc., without placing the faculty member in violation of the Act, if the Board of Visitors approves a waiver of the conflict created by his ownership in excess of three percent.

The research contracts would help fund research into the development of automated robotic storage and retrieval management systems, which have great potential for the biopharmaceutical and clinical laboratory environments.

FISCAL IMPACT: The University has the potential to realize income from successful commercialization of this technology through patent royalties. Moreover, the Patent Foundation is an equity participant in BioPhile, Inc., and the success of this company could provide a substantial indirect revenue source for the University. As this venture is speculative in nature, a future value of these earnings is difficult to forecast and may, in fact, be nonexistent; however, the University enjoys minimal exposure to unforeseen costs or investment risk.

This arrangement also promotes additional research and development efforts as well as hoped for advances in the science consistent with the University’s mission.

CONCLUSION: It is recommended that the Board of Visitors permit the University to negotiate and enter into the proposed contracts with Biophile, Inc., for developing automated robotic storage and retrieval management systems.
RECOMMEND APPROVAL OF BOARD ACTION:

Leonard W. Sandridge
October 19, 2001
BOARD MEETING: October 19, 2001

COMMITTEE: Educational Policy

AGENDA ITEM: II.A. Vice President’s Remarks

DISCUSSION: The Vice President and Provost will use this portion of the Educational Policy Committee to inform the Board of Visitors of recent events of which the Board should be made aware.

ACTION REQUIRED: None
DISCUSSION: The Vice President and Provost will introduce the Artistic Director of the Virginia Film Festival, Mr. Richard Herskowitz, who will give an overview to the Board on the Festival.

ACTION REQUIRED: None
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 19, 2001

COMMITTEE: Educational Policy

AGENDA ITEM: II.C. Faculty Senate

DISCUSSION: The Vice President and Provost will introduce the Chair of the Faculty Senate, Mr. Robert M. Grainger, Professor of Biology, who will give a report to the Board on the Senate’s plans for the coming academic year.

ACTION REQUIRED: None
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 19, 2001

COMMITTEE: Educational Policy

AGENDA ITEM: II.D. McIntire School of Commerce

DISCUSSION: The Vice President and Provost will introduce the Dean of the McIntire School of Commerce, Mr. Carl P. Zeithaml, who will give a report to the Board on the School's activities and accomplishments.

ACTION REQUIRED: None