

Authority: Approved by the President

## **Chapter 22 Avoiding Conflicts of Interest and Commitment**

### **22.1 Policy.**

In addition to their duties as faculty, academic and administrative staff, and the University Officers and other Senior Level Executives (collectively referred to as “employees” in this chapter) of OIST Graduate University (hereinafter “the University”) often serve on external committees, commissions, panels, and boards of directors. The more entrepreneurial among them engage in private consulting or other business activity. University employees also support a variety of social, community, and political causes. Moreover, in the course of their official duties, employees develop relationships with vendors, research sponsors, donors, and others who contribute to or support the University.

It is the policy of the University to encourage all of these endeavors and relationships. However, care must be taken to ensure that none gives rise to conflicts of commitment or interest. The matters covered in this policy are of great importance to the University. Each member of the University community has a responsibility to avoid and prevent conflicts of interest and to take steps to avoid even the appearance of impropriety.

Responsibility for review and ultimate resolution of conflict of interest matters is vested in the office of the President; a four-person panel, comprised of University General Counsel, the Vice President for Administrative Compliance, and two faculty members appointed by the President (known as the “Conflict of Interest Review Panel”) will assess the facts and report their findings and recommendation to the President for decision. As a general rule, conflicts of interest determinations are based on what potential outcomes are made possible by the situation, rather than on the character, intent, or actions of the employee. However, a finding that an employee willfully ignored or intentionally violated the policies and rules of Chapter 22 requires that the employee be subjected to disciplinary action including significant sanction or possible termination of employment. See also Misconduct & Whistleblower Protection [\[link: 23\]](#).

The following policies (and related **rules** [\[link: 22.3\]](#) and **procedures** [\[link: 22.5\]](#)) should guide all University employees as they carry out their work at the University.

### **22.1.1 Conflict of Commitment**

Because faculty and other University employees owe a duty of primary commitment to the University and its missions, it is the policy of the University that the external activities and engagements of employees may not demand so much of their time, effort, or attention that their ability to satisfy their obligations to the University is adversely affected. (Chapter 22.8.1[\[link: 22.8.1\]](#))

### **22.1.2 Institutional Conflict of Interest**

University research, teaching, outreach, and other activities must not be compromised or be perceived as biased by institutional relationships with external entities. The existence (or appearance) of such conflicts can lead to actual bias, or suspicion about possible bias, in the review or conduct of the University's business activities. It is the policy of the University that situations that may give rise to such conflicts be disclosed, evaluated, and discontinued if a conflict interest or commitment is present. This is necessary to prevent decisions, choices or actions that are incongruent with the missions, obligations, or values of the University. (Chapter 22.8.5[\[link: 22.8.5\]](#))

### **22.1.3 Individual Conflict of Interest**

When there is a divergence between an individual's private interests and his or her professional obligations to the University, such that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise, an Individual Conflict of Interest arises. It is the policy of the University that situations that might create conflicts be disclosed to and evaluated by the appropriate office as soon as they are known. If an actual or perceived conflict of interest or commitment is found, the relationship or activity must be discontinued. (Chapter 22.8.4[\[link: 22.8.4\]](#))

#### **22.1.3.1 Employing Related Parties**

It is the policy of the University to seek for its faculty the best possible teachers and scholars who are judged to be so in an international search preceding each appointment (Chapter 3 [\[link: 3\]](#)). Similarly, it is the policy of the University for its academic and administrative staff the best qualified persons for the position through competitive selection process (Chapter 31.3.2 [\[link: 31.3.2\]](#)). There are no bars to the appointment of "related parties" [\[link: 22.8.6\]](#), such as immediate family members, business partners, and close personal friends, to any University position, so long as each meets the relevant standard

for appointment. However, no faculty member, or any other University employee shall vote, make recommendations, or in any other way participate in the decision of any matter which may directly affect the appointment, reappointment, tenure (for a faculty member), promotion, salary, or other status or interest of a related party, nor shall he or she supervise a related party.

#### 22.1.3.2 Doing Business with Related Parties

University employees must not conduct University business with related parties [\[link: 22.8.6\]](#) such as immediate family members, business partners, and close personal friends. University employees must not conduct University business with an entity in which a related party has a significant interest. University employees must not lease or purchase, on behalf of the University, real property in which a related party holds an ownership interest.

#### 22.1.3.3 Individual Conflict of Interest Concerning Student Admission

Faculty members who involve in student admission may have a conflict of interest. The policy, rules and procedures for such cases are provided by the Chapter 5, Graduate School Handbook (Chapter 5.13.1.6 [\[link: 5.13.1\]](#) ).

### 22.1.4 Consulting and Other Business, Commercial or Financial Relationships

The University believes that it is good and useful for faculty and other professional employees to deploy their expertise through entrepreneurial activity, such as providing consulting or other services to individuals, business entities, other universities, and the community. However, employees must be alert to the fact that implicit in activities of a commercial nature are conflicts of interest arising from access to confidential information (the University's and the commercial entity's) and the possible ability to influence pertinent decisions of either entity. It is the policy of the University that such situations be disclosed to and evaluated by the appropriate office as soon as they are known. If an actual or perceived conflict of interest or commitment is found, the relationship or activity must be discontinued.

22.1.4.1 Employees may not engage in any outside business if it interferes with their responsibilities to the University. Faculty are generally granted leave to pursue such outside work (Chapter 3 [\[link: 3\]](#) ). Other employees are required to pursue such work outside their normal working hours or by using

accrued leave/vacation (Chapter 33 [\[link: 33\]](#)) with prior approval in accordance with OIST Rules for External Professional Activities [\[link: \]](#).

#### **22.1.5 External Professional Activities**

It is the policy of the University to encourage its employees to contribute to society at large by serving on committees, commissions, advisory boards, boards of directors, task forces and other similar associations. It is also the policy of the University to require disclosure of, and to review, all such external engagements in order to detect and avoid potential conflicts of commitment or interest and other similar concerns, including the involvement of University resources[\[link: 21\]](#) in otherwise personal activities.

#### **22.1.6 Political Activity**

Although the University encourages its employees at all levels to participate in the full spectrum of permissible political activities, both locally and nationally, it is University policy that no University endorsement may be implied or asserted by its employees when so doing (Chapter 15 [\[link: 15\]](#) ). Similarly, it is the policy of the University to forbid use of University resources, including their paid work time or the paid work time of other University employees, to support personal political activity (Chapter 21 [\[link: 21\]](#) ). Attention must be given also to the Policy on Conflict of Commitment [\[link: 22.1.1\]](#) to ensure that outside political activity does not demand so much of an employee's time, effort, or attention that their ability to satisfy their obligations to the University is adversely affected.

##### **22.1.6.1 Permissible Political Activities**

**Campaigning for Public Office.** Although prior approval is not required, it is the policy of the University that its employees contemplating candidacy for elective political office or appointment to public office should contact their responsible administrator/supervisor to discuss potential conflicts and work impact.

##### **22.1.6.2 Prohibited & Restricted Political Activities**

It is the policy of the University that its University Officers, Senior Level Executives and other employees do not influence inappropriately any decisions by national and local government officials, and that its University Officers, Senior Level Executives and other employees refrain from conduct creating even an appearance of trying to influence inappropriately any decisions by national and local government officials.

## **22.2 Examples of Conflicts of Interest**

It is essential that all University employees recognize, disclose, and avoid all conflicts of interest and commitment. Although the variations are endless, here are examples of how conflicts of interest may arise:

### **22.2.1 Major Gifts from Commercial Sponsors.**

Significant gifts [\[link: 22.8.3\]](#) to the University from a commercial sponsor of research may raise questions about the influence of the company on the University's research programs and how they are managed. Other similar concerns arise when individual companies sponsor research or provide significant consulting income to a significant number of faculty members.

22.2.1.1 Gifts, or promise of gifts, in exchange for favorable terms on a technology license, or first look at IP create a conflict of interest.

22.2.1.2 Alumni venture funds that provide for a portion of revenue to be "contributed" to the University must be carefully scrutinized for creating conflict of interest conditions – whether real or perceived.

### **22.2.2 Procurement of Goods and Services from Entities in which the University has a Financial Interest.**

Purchasing goods and services from entities that sponsor research at the University, or who are licensees of University technology, or who make significant contributions to University activities and endeavors, can sometimes give rise to a conflict of interest situation; these should be carefully scrutinized and evaluated; if it is determined to proceed, a written justification should be obtained.

### **22.2.3 Acceptance of Gifts & Favors from Others**

Those doing business with the University, or wishing to do business with the University, may offer gifts [\[link: 22.8.3\]](#) (any item of personal benefit to the recipient) to University employees. These may range from the offer of a box of candy to paying for the employee's dinner to an all-expenses-paid trip to a resort (to give a "talk"). Exorbitant honoraria, extremely generous speaker's fees, luxury travel and accommodations, gifts of expensive equipment, or other lavish treatment may be offered by research sponsors and by vendors, and the items offered are often characterized as "in support of" the employee's University activities. All such favors create impermissible conflicts of interest.

However, we may accept "promotional goods or commemoratives to be widely distributed" such as pocket tissues, calendar, memo-booklet,

ballpoint pen free sample of research materials which are deemed reasonable under normal social conventions.

22.2.3.1 You may accept gifts & favors of not more than 5,000 yen from universities or institutions which you do not have any conflict of interests with, without filing a report; however, if you accept gifts & favors from universities or institutions that exceed 5,000 yen, you must submit a Report of Gifts & Favors [\[link:\]](#) to VPAC.

#### **22.2.4 Financial Interests Related to Licensing of University Technology.**

The University has an active program to license its inventions to commercial entities (Chapter 14 [\[link: 14\]](#) ). Under these licenses the University typically acquires a Financial Interest in successfully developed products and, sometimes, in the developing entity itself. These Financial Interests can be of concern when they may appear to influence decisions about the conduct of research, teaching or other activities. For example, even where individual investigators do not have a personal stake, knowledge that the University stands to gain financially from successful development of a licensed technology can influence the direction of related research, the objectivity of research, the dissemination of results and the allocation of University resources among competing projects. The potential for conflict increases where the licensee sponsors research at the University. In such situations, the University's Financial Interests under the license may appear to affect decisions concerning the terms or conduct of the sponsored research.

22.2.4.1 Equity Interests in Start-up Companies. In licenses to start-up companies the University may accept equity in lieu of licensing fees or in exchange for reduced royalties. From a financial viewpoint, the potential gain from holding equity may far exceed the potential return from a royalty-only license. The potential for significant gain, and the possibility that it may be realized long before any product comes to market, increases the possibility that such an equity interest may influence or may appear to influence University decisions about research that could affect the value of the University's equity position. Such arrangements must be fully disclosed and must be carefully scrutinized to ensure that research decisions are not influenced by the University's potential for realizing financial gain.

22.2.4.2 University employees hired specifically to encourage faculty start-ups (for example, to seek broker financial

relationships with fledgling enterprises) create special exposure for universities and the perception of Institutional Conflicts of Interest. It is critical that these activities be reported and assiduously monitored to prevent conflicts of interest.

#### **22.2.5 Master Agreements with a Commercial Sponsor.**

Based on known research strengths, private sector entities may offer long-term funding support for research conducted within specific disciplines. This type of support, often governed by a master agreement, may attempt to give special preferences to the sponsoring entity. Such agreements must be carefully reviewed by those not involved in the carrying out of the agreement in order to prevent any inappropriate preference or other conflict of interest.

#### **22.2.6 Advisory Committees and Collaborative Arrangements with Commercial Entities.**

Participation in collaborative agreements, advisory committees, research review panels and similar associations often provides special access to research results. These arrangements, and the contracts or agreements that support them, must be scrutinized to ensure that they do not include provisions that will give rise to, or create the appearance of, conflicts.

#### **22.2.7 Research Involving the Use of Human Subjects.**

The University has special responsibilities to participants in human subjects research and must ensure that its financial relationships do not compromise its primary obligations to them. For this reason, the research must be subjected to close scrutiny to prevent even the appearance of a conflict of interest. Please refer to Chapter 13 [\[link: 13.3.12\]](#) for other matters concerning research involving the use of human subjects.

#### **22.2.8 Access to Closely-Held Information.**

University Senior Level Executives and University Officers, members of the Boards of Councilors and Governors, and other University employees, in the course of meeting their obligations and duties to the University, may get early knowledge of new technologies and other significant developments. Some of these same members may hold a management role or board seat on companies' Board of Directors that are looking to contribute to major developments, to license technology, or to sponsor research at the University. Use of such information for private inurement gives rise to ethical questions and a conflict of interest. Use for personal purposes of information received as an employee of the University is forbidden.



## **22.3 Rules**

All those working for, or on behalf of, the University must conduct their affairs so as to avoid conflicts of commitment and interest, or even the appearance of such conflicts.

### **22.3.1 Annual Disclosure**

To facilitate evaluation of situations that may give rise to conflicts of interest, formal written disclosure [\[link: 22.5.1\]](#) of external activities and commitments is required of all full-time University employees each year. All full-time University employees must timely complete and submit an annual “Conflicts of Interest Disclosure Form for External Activities” [\[link: 22.6\]](#) to the Vice President for Administrative Compliance.

**22.3.2 Immediate Disclosure Requirement.** If a situation raising questions of conflict of commitment or interest arises after submission of the annual disclosure, those involved must immediately bring the situation to the attention of designated personnel in the office of the President (University Officers and Senior Level Executives), the Faculty Affairs Office (faculty and academic staff), or Compliance Section (other employees).

### **22.3.3 Additional Special Disclosures Required of Faculty and Academic Staff**

22.3.3.1 Faculty and Academic Staff must foster the open and timely exchange of results of scholarly activities, informing students and colleagues about outside obligations that might influence the free exchange of scholarly information.

22.3.3.2 Faculty and Academic Staff must disclose on a timely basis the creation or discovery of all potentially patentable inventions created or discovered in the course of their University activities or with more than incidental use of University resources. Ownership of such inventions must be assigned to the University regardless of the source of funding. The inventor must share in royalties earned.

22.3.3.3 In addition to disclosure to the Faculty Affairs Office, Faculty and Academic Staff must disclose in writing to their supervisor, or to the principal investigator on their research, whether they (or Related Parties [\[link: 22.8.6\]](#)) have consulting arrangements, significant Financial Interests, or employment in an outside entity which provides funding to the University or is



involved in procurement or technology licensing relationships with the University.

22.3.3.4 In any situations in which the objectivity of an Academic Staff or faculty member could reasonably be questioned as subject to a Conflict of Interest, the affected employee must contact the Faculty Affairs Office for review and determination of appropriate actions.

#### **22.3.4 Political Activity**

University employees may not use the University's names or marks (Chapter 15 [\[link: 15\]](#)), must not imply University endorsement, and may not use any University resources in political activity or in individual campaigns for office or in political literature. Employees campaigning or fundraising for or holding public office must comply with University policies regarding use of University resources [\[link: 21.1\]](#) (equipment, services, facilities, property, and their or other employees' paid work time).

22.3.4.1 Campaigning for Public Office. Discussion with a supervisor is required if the duties of a campaign or the holding of an office would seriously interfere or conflict with the fulfillment of the employee's University responsibilities, including hours of work. The discussion should focus on (1) the degree to which the individual would be absent from work and/or the activities related to the employee's candidacy would interfere with the performance of his or their regular duties; (2) whether temporary suspension of some portion of the employee's responsibilities can be reasonably accommodated without imposing a significant resource burden on the employee's division/office or research unit; and (3) how the absence might be most effectively accommodated.

#### **22.3.5 Related Parties**

22.3.5.1 University employees may not vote, make recommendations, or in any other way participate in the decision of any matter which may directly affect the appointment, reappointment, tenure (for a faculty member), promotion, salary, or other status or interest of related parties [\[link: 22.8.6\]](#) and may not supervise related parties.

22.3.5.2 University employees may not conduct University business with vendors owned or operated by a related party [\[link: 22.8.6\]](#) .

22.3.5.3 University employees may not conduct University business with an entity in which a significant interest is held or owned by a related party [\[link: 22.8.6\]](#) .

22.3.5.4 The University may not lease or purchase real property owned by a University employee or by a member of that employee's related party [\[link: 22.8.6\]](#) .

#### **22.3.6 Gratuities and Favors**

University employees may not accept gifts, trips, meals, or other similar blandishments and inducements from those doing business, or wishing to do business, with the University at any level and to any degree. This prohibition affects sponsors of research as well as vendors.

#### **22.3.7 Purchases from Entities in which the University has a Financial Interest**

Review by and advance approval from the Vice President for Financial Management is required for procurement of goods and services from entities that sponsor research at the University, that are licensees of University technology, or who are major contributors to University activities.

#### **22.3.8 I.P. Licensing, Master Agreements for Sponsored Research, Research Collaboration with Commercial Entities**

Review for conflicts of interest by University General Counsel is required before entering into I.P. licensing agreements, master agreements with commercial sponsors, or any other agreements providing special access to research (advisory panels, collaboration agreements, review by external committees, and similar research-related arrangements).

#### **22.3.9 Confidential, Business-Confidential & Closely-held (Inside) Information**

It is forbidden to use confidential, business-confidential and closely-held or similar inside information received as an employee of the University for personal purposes.

### **22.4 Responsibilities**

#### **22.4.1 All employees**

All employees must observe the policies set out at 22.1[\[link: 22.1\]](#) and comply with all the rules set out at 22.3[\[link: 22.3\]](#);

22.4.1.1 All full-time University employees must complete and submit a Conflict of Interest Disclosure Form for External Activities annually; and

22.4.1.2 All full-time University employees with a new conflict must immediately disclose and discuss with a supervisor as well as contacting the office of the President (University Officers and Senior Level Executives), the Faculty Affairs Office (faculty and academic staff), or Compliance Section (other employees).

#### **22.4.2 All supervisors**

All supervisors must instruct employees regarding the content of this chapter.

22.4.2.1 All supervisors must monitor employee activities with regard to receipt of gifts/favors from vendors and sponsors, employment of and transactions involving related parties, use of inside information, purchases of goods and services from research sponsors, and employment of and purchases from “related parties [\[link: 22.8.6\]](#)”.

#### **22.4.3 Employees at any level campaigning for public office**

Employees at any level campaigning for public office must advise his or her supervisor.

#### **22.4.4 Academic Staff and Faculty**

Academic Staff and Faculty must make additional disclosures set out at 22.3.3[\[link: 22.3.3\]](#).

#### **22.4.5 The Dean for Faculty Affairs and the Vice President for Administrative Compliance**

The Dean for Faculty Affairs, for faculty and academic staff, and the Vice President for Administrative Compliance, for all other employees except for University Officers and Senior Level Executives, must establish procedures to assure compliance with annual disclosure and other Conflict of Interest reporting requirements, provide initial review of disclosed situation, and report to the President for its final review when it finds the situation that might create conflict of interests or commitments.

#### **22.4.6 The President**

The President must establish and staff a “Conflict of Interest Review Panel” comprised of the General Counsel, the Vice President for Administrative Compliance, and two faculty members. The President is responsible for making determination of appropriate actions regarding conflict of interests or commitments, hearing report and recommendation by the panel. In addition, the President, for University Officers and executives, must establish procedures to assure compliance with annual disclosure and other Conflict of Interest reporting requirements, provide review of disclosed situation, and report to the Board of Governors when it deems necessary.

#### **22.4.7 The Conflict of Interest Review Panel**

The “Conflict of Interest Review Panel” (the General Counsel, the Vice President for Administrative Compliance, and two faculty members appointed by the President) in the office of the President will assess the facts and report their findings and recommendation to the President for decision.

#### **22.4.8 The General Counsel**

In addition to serving on the President’s “Conflict of Interest Review Panel,” the General Counsel must review research-related agreements and arrangements for impermissible special provisions and other potential conflicts of interest.

### **22.5 Procedures**

#### **22.5.1 annual disclosure process**

22.5.1.1 faculty, administrative staff, other employees

22.5.1.2 University Officers, other Senior Level Executives

#### **22.5.2 immediate disclosure process - new conflict**

#### **22.5.3 special academic staff disclosures**

### **22.6 Forms**

Conflict of Interest Disclosure Form for External Activities

Special faculty academic staff disclosures

Application/Approval for External Professional Activities

### **22.7 Contacts**

#### **22.7.1 Policy Owner**

The President and the Dean for Faculty Affairs

### **22.7.2 Other Contacts**

The office of President:

The Faculty Affairs Office:

Compliance Section:

## **22.8 Definitions**

### **22.8.1 Conflict of Commitment**

If the external activities and engagements of employees demand or consume so much of their time, effort, or attention that their ability to satisfy their obligations to the University is adversely affected, a Conflict of Commitment exists.

### **22.8.2 Financial Interest**

Financial Interest is an actual or foreseeable nontrivial financial benefit resulting from a decision.

### **22.8.3 Gift**

For purposes of this chapter, a “gift” is any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, service, training, transportation, lodging, meals, or other item that constitutes a personal benefit to the recipient, which is offered/given by anyone doing business with the University or desiring to do business with the University, including sponsors of research. A gift to a family member of a University official or a gift to any other individual based on that individual's relationship with a University official, may be considered a “gift” for purposes of this chapter if it is given with the knowledge and acquiescence of the University employee and if the University employee has reason to believe the gift was given because of the recipient's University status. The word “gift” as used in this Chapter does not include any gift (contribution, donation, bequest) made to the University as described in Chapter 7, Fundraising [\[link: 7.8\]](#).

### **22.8.4 Individual Conflict of Interest**

When there is a divergence between an individual's private interests and his or her professional obligations to the University, such that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise, there is an Individual Conflict of Interest. An individual conflict of interest depends on the situation, and not on the character or actions of the individual.

### **22.8.5 Institutional Conflicts of Interest**

An Institutional Conflict of Interest may occur when the University, any of its University Officers, Senior Level Executives, members of the Board of Governors, or a graduate school, division, or other sub-unit, or an affiliated foundation or organization, has an external relationship with or Financial Interest in an entity that itself has a Financial Interest in University projects, research, or business transactions. University Officers, Senior Level Executives or members of the Boards of Governors may also have conflicts when they serve on the boards of (or otherwise have an official relationship with) organizations that have significant commercial transactions with the University. The existence (or appearance) of such conflicts can lead to actual bias, or suspicion about possible bias, in the review or conduct of research at the University. If they are not evaluated or managed, they may result in choices or actions that are incongruent with the missions, obligations, or the values of the University.

### **22.8.6 Related Parties**

For the purpose of this policy and chapter, “related parties” include, but are not limited to, an employee’s immediate family members (parents, siblings, spouses, children, other relatives within third degree of kinship), persons living in the same the home/residence as the employee, persons with whom the employee has a close personal friendship, and persons with whom the employee has a business partnership or association.

### **22.8.7 University Officers**

University Officers for purposes of this chapter are persons performing in the following capacities:

- President/CEO,
- Vice CEO, and
- Auditors.

### **22.8.8 Senior Level Executives**

University Senior Level Executives are defined in Chapter 30.2.2.1.1 of the PRP.

### **22.8.9 Academic Staff**

Academic Staff for purposes of this chapter are persons performing in the following capacities:

- Postdoctoral Scholars,
- Research Scientists,
- Technical Staff working in a research unit, and

- Any other position for academic and/or scientific activities of the University.