BOARD OF REGENTS
September 17, 2020

1. **ADOPTION OF REGENTS POLICY PROHIBITING USE OF QUOTAS AND CAPS IN UNIVERSITY CONTRACTING, EMPLOYMENT AND ADMISSIONS**

The President of the University recommends that the Board of Regents adopt Regents Policy Prohibiting Use of Quotas and Caps in University Contracting, Employment and Admissions as shown in Attachment 1.

Board vote: Regents Anguiano, Butler, Cohen, Drake, Estolano, Guber, Kieffer, Lansing, Leib, Makarechian, Mart, Muwwakkil, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, Sures, and Zettel voting “aye.”

2. **AUTHORIZATION TO JOIN MULTI-UNIVERSITY MEMBER LLC TO FACILITATE LICENSING OF UNIVERSITY PATENT ASSETS**

The President of the University recommends that the Board of Regents approve the following:

A. Approve the University of California’s participation as a member, on behalf of each of its Berkeley and Los Angeles campuses which will be separate and unique members, in a new limited liability company (LLC), which will:

   1. Consist of a membership comprised of a number (currently approximately fifteen in total, including each of UC Berkeley and UCLA as unique voting members) of nonprofit and/or governmental entities, each of which will contribute self-selected patent assets, as well as potentially non-patentable subject matter, (collectively, “Contributed IP Assets”) to the LLC through a license agreement;

   2. Offer industry access, via a single sublicense, to a vast array of exciting and potentially transformative intellectual property (IP) assets, including Contributed IP Assets from each of UC Berkeley and UCLA, with the goal of accelerating innovation and facilitating commercialization by attracting commercial investment in technologies that have not otherwise been successfully licensed via a bilateral “one patent, one license” transaction by either of UC Berkeley or UCLA;

   3. Take a variety of steps to ensure its licensing practices with respect to the Contributed IP Assets remain consistent with the mission and policies of UC, as well as the principles established by the Federal Bayh-Dole Act, such as translating research into useful products and services for societal benefit, encouraging adoption via startups and small businesses, utilizing

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1 Board of Regents approval is contingent on the positive outcome of the business review by the Department of Justice’s Antitrust Division, as described in further detail in this Action Item.
an “added-value” licensing strategy, and facilitating ongoing research and consulting collaborations with faculty;

4. Be represented primarily by a law firm retained by the LLC to handle the licensing agreements of the Contributed IP Assets as well as any litigation that may arise, provided each member of the LLC retains sole discretion over whether any of its contributed assets are included in litigation;

5. Work with a litigation finance firm (via a contractual relationship with the LLC) to provide capital and advisory services related to evaluating the expected economic benefits or costs of pursuing licensing, disputes, litigation and arbitration, and the strength and weaknesses of claims, in relation to Contributed IP Assets; and

6. Unless otherwise approved by requisite vote of the LLC members (as described in detail at the end of this Action Item), be prohibited from, among other things, admitting new members, incurring debt in excess of $1,000,000, using LLC funds to extend credit or make loans (other than any intercompany loans), or transferring or selling the Contributed IP Assets to third parties, thus providing the members with certain control over the Contributed IP Assets to enable them to which can be an additional guard against “patent trolling” activity.

B. Authorize the President of the University to approve the subsequent participation of other UC campuses in the LLC, subject to UC campus interest and acceptance of any such campus by requisite approval of the members of the LLC.

C. Authorize the President, which authority (subject to the terms hereof) may be further delegated to the Chancellors of UCLA, UC Berkeley and any other UC campuses that subsequently participate in the LLC, after consultation with the Office of the General Counsel and the Office of Research and Innovation, to approve and execute: (i) any documents reasonably required to accomplish the above; and (ii) any modifications, addenda, or amendments (collectively, “amendments”) thereto; provided such amendments or other documents are materially consistent with the terms and conditions set forth above; provided, further, that the President is solely authorized to make any appointments on behalf of the UC and any of its campuses to the board of the LLC; and, provided further, UC Berkeley, and UCLA and any other UC campuses that subsequently participate in the LLC are not authorized to directly contribute any UC Berkeley, UCLA or any other UC campus funds towards the operations of LLC (other than those generated by the LLC and applied towards operations in accordance with the LLC Agreement).

Any initial participation in the LLC will be solely through UC Berkeley and UCLA. As such, this Regents Action Item is drafted from the perspective of participation by those two campuses, even though delegation of authority to the President to allow other UC campuses to potentially participate in the LLC in the future is being sought from The Regents. Acceptance of other campuses as participating members of the LLC would require support of the Chancellor.
Board vote: Regents Anguiano, Butler, Cohen, Drake, Elliott, Estolano, Guber, Kieffer, Lansing, Leib, Makarechian, Mart, Muwwakkil, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, Sures, and Zettel voting “aye.”