

1 Adopt 17 Cal. Code of Regs. section 100308 to read:

2 **§ 100308. Revenue Sharing.**

3 (a) Grantee organizations shall share a fraction of any net revenues with the inventor(s) in
4 accordance with their established policies. Net revenues are defined as gross revenues minus the
5 direct costs incurred in the generation and protection of the patents from which the revenues are
6 received.

7 (b) The grantee organization may retain a threshold amount of its share (after payments
8 to inventors) of any net revenues received under a license agreement or agreements of any
9 CIRM-funded patented invention(s). Thereafter, the grantee organization shall pay 25% of its
10 share after payments to inventors of such net revenues to the State of California for deposit into
11 the State's General Fund unless such action violates any federal law. The threshold amount is
12 \$500,000 (in the aggregate) multiplied by a fraction, the denominator of which is the Consumer
13 Price Index, All Urban Consumers, All Items (San Francisco-Oakland-San Jose; 1982-84=100)
14 as prepared by the Bureau of Labor Statistics of the United States Department of Labor and
15 published for the month of February, 2006, and the numerator of which is such Index published
16 for the month in which the grant award is accepted by the grantee.

17 (c) If funding sources in addition to CIRM were used in the creation of a CIRM-funded
18 patented invention, the return to the State of California of any resultant revenues shall be
19 proportionate to the support provided by CIRM for the discovery of the invention.

20 (d) Grantees shall apply the grantee organization's share of any revenues earned as a
21 result of CIRM-funded patented inventions to the support of scientific research or education.

22 Note: Authority cited: Article XXXV, California Constitution; Section 125290.40(j), Health and
23 Safety Code. Reference: Section 125290.30, Health and Safety Code.