

CONFLICTS OF INTEREST

Guiding principles for handling
conflicts of interest

A Guide for Researchers at the University of Copenhagen

INTRODUCTION – CONFLICTS OF INTEREST

The University of Copenhagen wishes to strengthen research collaboration with private and public organisations.

The University of Copenhagen is a renowned, international research institution, and one of its foremost goals is to engage in and collaborate with the surrounding society. Members of staff at the University participate in a variety of external activities. This may, for example, involve public advisory bodies and councils, expert assistance in various contexts, participation in public debate, consultancy, spin-out creation, collaboration with the private sector via collaborative research, and commercialisation of research results.

The University considers such activities to be important and in the public interest, as well as being a valuable contribution both to the activities of the University and to the University's members of staff.

As the collaboration intensifies, so does the risk of potential, real or perceived conflicts of interest. A researcher's primary interest is to acquire and publish new knowledge, and to attract funding so that the research can continue. A conflict of interest may, for example, arise when:

- researchers get a second job (such as a consultant or advisor);
- researchers become owners, co-owners or founders/co-founders of a company;
- researchers' inventions are licensed to a company; or
- researchers have another connection to a company, thereby creating a situation whereby the individuals concerned have an interest in that company gaining priority and impetus.

The University of Copenhagen wishes to support the external activities of its employees as much as possible, while at the same time recognising and dealing with conflicts of interest (potential, real or perceived).



INTRODUCTION – CONFLICTS OF INTEREST

– Specifically related to spin-outs

The University of Copenhagen also wishes to support the creation of spin-out companies based on the University's research results in order to create growth and jobs.

The creators of the research results are themselves usually involved in such a spin-out company. If the company is able to take advantage of a collaboration with the University, for example as part of a research project, or it is more convenient to have some measurements made that only the University can perform, a University researcher may be faced with a situation where the role of researcher is in conflict with the role as owner or co-owner of a company.



SCOPE

– What this guide deals with

This guide on conflicts of interest covers all research staff (full-time and part-time) and administrative staff. However, only the term “researcher” is used below.

This guide deals with the conflicts of interest that may affect the University’s collaboration with an external partner:

- because a researcher involved has a second job in the company;
- because an invention of a researcher involved has been licensed to the company;
- because a researcher involved – or a close relative – is the owner or co-owner of the company that wants to enter into a collaborative project with the University; or
- because there is another connection to the company that creates a conflict of interest.

Based on inter alia the Danish Public Administration Act, the University of Copenhagen Practice Committee’s rules for good scientific practice and the “Danish Code of Conduct for Research Integrity” this guide presents examples of of such conflicts of interest, how they may arise and how they should be dealt with.

The guide describes those situations where researchers want to enter into a collaboration with a company in which they have a direct financial or personal interest (for example, either via outside professional activities in or co-ownership of the company), and where the conflict of interest concerns decisions regarding the use of the University’s equipment and other facilities as well as negotiation of the University’s collaborative and licensing agreements.

If a close relative of the researcher (e.g. spouse/partner or child) has a direct financial or personal interest in a company, the situations mentioned above will also pose a conflict of interest.



– What this guide does not deal with

External activities: Outside professional activities of researchers – which may come to constitute a conflict of interest for the researcher – and the obligation of researchers to declare sideline occupations are not the subject of this guide, but can be found in the Employee Guide on KUNet. Find a link on page 14.

Good scientific practice: This guide does not describe good scientific practice and the integrity of researchers in relation to collaboration with third parties (e.g. that a person could be inclined to interpret results positively in the hope of attracting further research funding from a financing third party).

Publishing: Research results should be published in accordance with the University of Copenhagen's guidelines. Agreements regarding any short-term postponement of publication should be handled by the University's Tech Transfer Office. The collaboration of researchers with companies is regulated by collaboration agreements, where rights and obligations – also in relation to publication – are negotiated by the University's Tech Transfer Office.

- For a more detailed explanation, please refer to “Collaborating with the University of Copenhagen – The University's Overall Principles”, which can be found on pages concerning cooperation on the Researcher Portal on KUNet. Find a link on page 14.
- In addition, detailed guidelines for good scientific practice in connection with publications (among other aspects) are also available on the Researcher Portal on KUNet. Find a link on page 14.

Disqualification: Finally, the guide does not concern disqualification regarding, for example, supervision of students or PhD students.

WHAT IS A CONFLICT OF INTEREST?

Researchers employed at the University of Copenhagen are obliged to act in the University's best interest and to pursue its goals, and should not allow other interests or activities to influence this obligation.

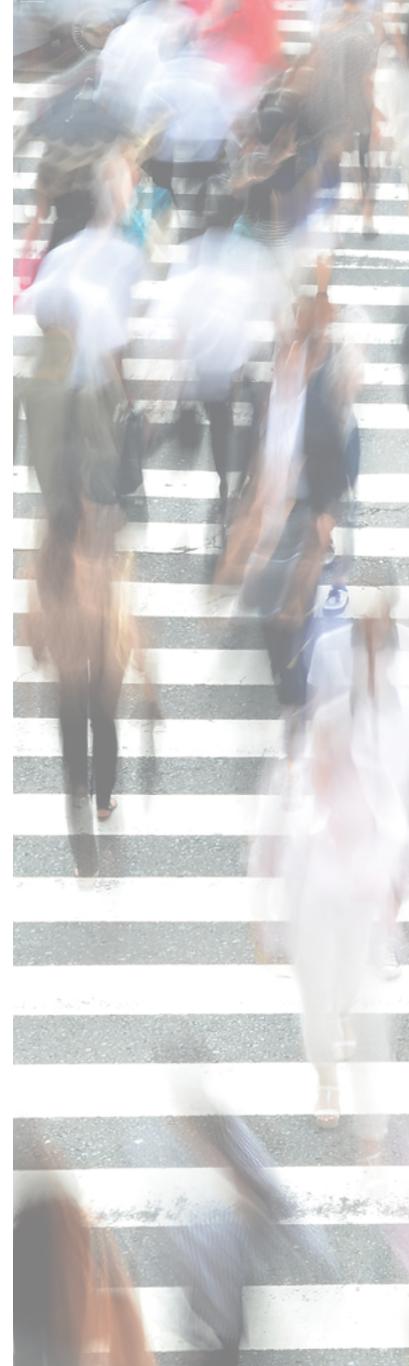
Conflicts of interest arise when a researcher has financial or personal interests that could inappropriately affect the researcher's judgment. Generally, this can happen when an external interest entails an incentive for researchers to affect the discharge of their university activities, and at the same time the researchers have the opportunity to influence the University's decisions and actions (for example in the case of a decision-maker or principal investigator). Such financial interests can, for example, result from the researcher's second job (e.g. as an employee or consultant), or the researcher's private ownership interests (e.g. shares or patent rights).

A conflict of interest of a financial nature exists when there is a possibility of personal financial gain for oneself or for one's family or friends – or where a third party can reasonably believe that a possible financial gain influences a person's overall actions.

Financial interests may be:

- Payment for provision of services;
- Shares, stakes or other ownership values;
- Intellectual property rights
(patents, copyrights and royalties/income from such rights).

Personal interests may be in relation to a career path, a training course or a benefit for family or friends.





Conflicts of interest are multi-faceted and it is not possible to account for every situation that may constitute a conflict of interest. Outside professional activities in a researcher's professional field of work will often give rise to a conflict of interest if the company in which the researcher is employed wants to collaborate with the University. It can be difficult in such cases to determine whether the researcher is acting as a company employee or as a University-employed researcher in the collaboration.

If a close relative of the researcher (e.g. spouse/partner, child) owns or is employed by a company, this may also constitute a conflict of interest for the researcher if the researcher embarks on a form of collaboration with the company.

In addition to this, a researcher may – even without being a co-owner or employee of a company – have a financial interest in a company's progress. This could be the case for example if the company has licensed the researcher's invention and is commercialising it, thereby providing an income to the researcher.

It is neither immoral nor prohibited to have a conflict of interest. It is simply important that the conflict of interest is recognised, clarified and dealt with, both by the researcher and the University. The activities are often able to continue as normal if these situations are dealt with properly. This allows both researchers' obligations to the University and their own integrity to be safeguarded, and for public confidence in the University of Copenhagen and its external credibility to be maintained.

On the other hand, conflicts of interest that are not dealt with can potentially harm the reputation of both the member of staff and the University.



CONFLICTS OF INTEREST

– *Particularly with regard to spin-outs*

University-based spin-out companies are typically:

- relatively small and recently formed;
- based on research results created and owned by the University and licensed by the inventor, who is often also a founder of the company.

In the last few years, various incentive structures have been implemented at the University with the intention of creating more spin-out companies (Copenhagen Spin-outs, proof-of-concept funding, etc.).

These spin-out companies present opportunities for development and commercialisation of the University's research, but are at the same time dependent on the close interaction between inventor, University and company. This interaction often creates conflicts of interest for entrepreneurial researchers who wish to maintain both their position at the University and their commitment to company creation. Companies established by one or more University researchers, who wish to participate actively in its further development, possibly during a transitional period, will often benefit from being located at the University and having access to laboratories and research colleagues. However, the presence of the spin-out company at the University requires attention to be paid to any possible conflict of interest, and "Chinese walls" must be placed between those research activities concerning the University and the company, respectively.



EXAMPLES OF CONFLICTS OF INTEREST

The following examples serve to illustrate the multi-faceted nature of conflicts of interest:

- a Head of Department's spouse is a co-owner of a newly established company that lacks laboratory space. The company would therefore like to rent space at the spouse's department that has all the facilities that the company needs. As the Head of Department is responsible for allocating space in the department, he or she has a conflict of interest in negotiating with the company;
- a researcher has started a company based on an invention that the researcher created at the University. The researcher sees a potential for both the University and the company to participate in an Innovation Fund Project. The researcher has a conflict of interest in negotiations concerning project tasks, the use of funds and the company's options to inventions from the project;
- a researcher's invention is licensed to a company that the researcher has an ongoing collaboration with. The licence agreement gives the researcher an annual revenue from the company's sale of products based on the invention (in accordance with the University's rules on remuneration). In a subsequent collaborative project with the company, the researcher identifies an opportunity to increase the company's earnings on the invention (and thereby also the researcher's own earnings) although no great research achievements will result from the collaboration. In this example, the researcher has a conflict of interest without being employed by or being a co-owner of the company.

RULES FOR CONFLICTS OF INTEREST

The following applies to conflicts of interest:

- Researchers must not carry out research activities under conditions where there is a conflict of interest that has not been clarified and dealt with.
- Researchers/members of staff may not participate directly in the negotiation of collaborative agreements, licensing agreements or other similar relationships between the University of Copenhagen and a company in which the researcher/member of staff concerned has a financial interest.
- Researchers have an obligation to report outside professional activities; cf. the rules regarding outside professional activities, which can be read in the Employee Guide on KUnet. Find a link on page 14.

This creates transparency. However, researchers must take further steps to ensure adequate disclosure and transparency at the University; for example, if a collaborative agreement is being prepared, the researcher with an outside professional activity should inform the Tech Transfer Office about the conflict of interest and its nature so that appropriate measures can be taken. The same applies where the conflict of interest has not arisen by virtue of an outside professional activity, but because of other factors, such as e.g. co-ownership.

Collaborative research and the use of University premises and facilities must be regulated in agreements negotiated and approved by Campus Services and/or the Tech Transfer Office.

The above also applies in cases where the conflict of interest exists due to other conditions, for example family circumstances.

You can read more about collaboration agreements on the Researcher Portal on KUnet, where you can also find a section regarding use of premises.

Find links to both sections on page 14.



WHAT ACTION SHOULD BE TAKEN WHEN THERE IS A CONFLICT OF INTEREST?

The responsibility to recognise and shed light on a conflict of interest lies with researchers/individual members of staff. One should therefore constantly consider how, on an objective basis, a given situation could be viewed from the outside. Hence, being open about the conflict of interest with your immediate superior and others who need such information is an important component of the proper handling of conflicts of interest. Notification of outside professional activities where there is a conflict of interest is mandatory. This is, however, not enough since a conflict of interest can also be caused by other circumstances.

When researchers/members of staff realise – or reasonably should be able to realise – that they have a conflict of interest, the researchers/members of staff should report to their immediate superior/Head of Department (Heads of Department should report to the Dean, or alternatively the Rector). In collaboration with the immediate superior, the member of staff/researcher should discuss all aspects of the conflict of interest, including how the conflict of interest can be reduced and/or managed.

In addition, please note that:

- Outside professional activities must be reported in accordance with the University regulations. Find out more in the Employee Guide on KUnet.
- Conflicts of interest in this connection should appear on CURIS. Find guides for CURIS on KUnet.

Links for both sections can be found on page 14.



WHAT CAN BE INCLUDED WHEN ASSESSING THE EXTENT OF THE CONFLICT OF INTEREST?

Where the conflict of interest is created by a outside professional activities, the degree and nature of the sideline occupation should be considered:

- How many hours does the researcher/member of staff work for the company, and what is he/she engaged in? Is it within the researcher's core area of expertise or is it peripheral compared to his/her university activities?
- If the conflict of interest is caused by co-ownership of a company, the researcher's share of ownership should be considered. Is it 10% or 100%? Does the researcher have controlling influence on the company's decision-making? Is the researcher/member of staff also employed by the company at the same time?

However, the size of the financial interest should not be included as an independent parameter in the assessment of a conflict of interest. Something that is of negligible interest to one person can be very significant to another. Every financial interest should be discussed, regardless of how insignificant it may seem.

Where the conflict of interest is of a more indirect nature – for example because a company has licensed and commercialised the researcher's invention – it is necessary to consider the level of remuneration that the researcher receives (and may receive in the future) in licence fees for exploitation of the invention.

Conversely, the importance of the researcher's participation in a project may also be considered. Perhaps the project can be implemented but without the researcher/member of staff affected by the conflict of interest?



MANAGING THE CONFLICT OF INTEREST

It is the responsibility of the Head of Department (or, if the Head of Department is the person in question, the responsibility of the Dean or Rector) to come to a decision on how to deal with a conflict of interest.

There are a number of possible solutions. The University's activities can be modified, decisions affecting the University's activities can be entrusted to another member of staff who is not subject to the researcher's supervision (or, alternatively, to the Head of Department), or the activities can be monitored, for example by the Head of Department. In any given situation, it may be necessary for researchers to reduce their level of employment in the second job, or their stake in a company. The member of staff is responsible for complying with the joint decision reached regarding the conflict of interest.

It is recommended that the joint decision is written down and placed on the researcher's/the member of staff's personal file. It is the responsibility of the researcher/member of staff to inform other bodies at the University if the decision affects them too.

- You can find further information about conflicts on interest, external activities etc. on the Researcher Portal and in the Employee Guide on KUnet.

Find links for both on page 14.



READ MORE ON KUnet:

You can find further relevant information concerning rules and practices at the University of Copenhagen on the following KUnet-pages:

- Responsible Conduct of Research – Researcher Portal on KUnet
intranet.ku.dk/research/rcr/
- Rules and principals for cooperation agreements – Researcher Portal on KUnet
intranet.ku.dk/research/innovation_and_business/Cooperation_Agreements/
- Help for registering conflicts of interest in CURIS – Rules for external activities
intranet.ku.dk/research/publishing/curis_registration/registerinformation/
- Rules for external activities – Employee Guide on KUnet
[intranet.ku.dk/employeeguide/HR/Conditions of employment/external activities](https://intranet.ku.dk/employeeguide/HR/Conditions_of_employment/external_activities)
- Use of facilities – Campus Økonomi on KUnet (in Danish)
intranet.ku.dk/cas/oekonomi/

Potential partners can find information about possibilities for collaboration with the University of Copenhagen on the University's business portal:

business.ku.dk

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