

University of Hawai'i System

Annual Ethics Disclosure of
Technology Transfer Activities and Conflict of Interest Management

Reporting Calendar Year: 2025

Submission Date: March 2026

Entity: University of Hawai'i System

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I. INSTITUTIONAL CONFLICT OF INTEREST MANAGEMENT PLAN

A. Overview of Conflict-of-Interest Management

The University of Hawai'i (UH) is responsible for ensuring the ethical use of its resources in technology transfer activities that it sponsors or supports. This responsibility extends to situations in which University personnel, facilities, funds, or other resources are used alongside private resources to commercialize UH-generated intellectual property and may give rise to financial or organizational conflicts of interest, conflicts of time or commitment, or tensions between public purposes and private benefits.

The University of Hawai'i's management of conflicts of interest in technology transfer activities is grounded in the ethical principles of the State Ethics Code (HRS Chapter 84) and the compliance framework first developed under Act 38, Session Laws of Hawai'i 2017, amended under Act 8, Session Laws of Hawai'i 2021, and Act 115, Session Laws of Hawai'i 2024 regarding the ethical use of UH resources in technology transfer. UH applies these principles to circumstances where university personnel, resources, and private entities collaborate to commercialize UH-generated intellectual property, with explicit attention to conflicts of financial interest, organizational conflicts, and conflicts of time or commitment.

The University of Hawai'i's objective is to ensure that the use of University resources in technology transfer produces sufficient benefit to the State and UH, and that any new value created is allocated through arms-length arrangements, free of unmanaged conflicts of loyalty or financial interest. Where conflicts cannot be fully avoided, they are addressed through written management plans that specify conditions, oversight mechanisms, and monitoring responsibilities.

The University's approach recognizes three core management priorities:

- **Identification** of potential conflicts at the disclosure stage
- **Structured review and approval** of technology transfer activities by designated officials with expertise in research compliance, ethics, and technology transfer oversight
- **Active mitigation and monitoring** through written management plans that specify conditions, responsibilities, and periodic review mechanisms throughout the life of the activity

B. Compliance Framework

The University of Hawai'i's compliance framework for technology transfer activities draws on three primary sources: the State Ethics Code, federal regulations on financial and organizational conflicts of interest, and UH's existing research compliance programs and policies. Together, these sources provide the standards and procedures that govern how UH evaluates proposed activities, approves or conditions participation by UH personnel, and monitors ongoing arrangements involving UH-generated intellectual property and employee financial interests.

State Ethics Code Principles (HRS Chapter 84)

From the State Ethics Code, UH incorporates core principles designed to protect the State's interests when public resources are engaged in activities that generate private gain:

- **Public benefit standard:** To justify the use of University resources—such as faculty time, laboratory facilities, administrative support, and funds—the proposed technology transfer activity must potentially generate sufficient benefit to the State or to UH. University resources may not be used where the sole beneficiary is a for-profit entity with no corresponding public benefit and no advancement of UH's mission as Hawai'i's premier public research institution.
- **Arms-length allocation:** Any new value created by a technology transfer activity must be allocated among the participating interests—the inventor, UH, the general public, and any third-party participants—through arms-length negotiations free from conflicts of financial interest and divided loyalties.
- **Active conflict management:** Where conflicts of financial interest, time commitment, or fiduciary loyalty cannot be completely avoided because of the nature or structure of the underlying business undertaking, the conflicts must be actively managed through written mitigation plans with clear conditions, oversight mechanisms, and monitoring responsibilities.
- **Elimination of conflict:** When a conflict of interest cannot be managed, the University will require elimination of the outside interest through a divestment process.

Federal Conflict of Interest Regulations

The University of Hawai'i also relies on federal financial conflict of interest regulations, including the Public Health Service (PHS) and National Institutes of Health (NIH) Financial Conflict of Interest (FCOI) rules, which require the identification, disclosure, and management of significant financial interests that could directly and significantly affect the design, conduct, or reporting of research. These federal requirements are implemented at UH through:

- Executive Policy 12.214 on Conflicts of Interests and Commitment
- Administrative Procedure 12.304 Procedures for Disclosing and Addressing Conflicts of Interest Related with Extramurally-Activities

These policies are administered by the Office of Research Compliance and related research administration units within the Office of the Vice President for Research and Innovation.

The University of Hawai'i's framework blends State Ethics Code principles with federal financial conflict of interest regulations such as PHS/NIH financial conflict of interest rules and federal organizational conflict of interest concepts (e.g., Federal Acquisition Regulation guidance), adapting them to the university technology transfer context.

Organizational Conflict of Interest Standards

For organizational conflicts of interest, UH draws guidance from federal acquisition regulations, including FAR 9.505 covering biased ground rules, impaired objectivity and unequal access to information.

The University of Hawai'i adopts similar concepts to identify and address circumstances in which UH, a UH-controlled entity, or UH personnel may have institutional or fiduciary roles on both sides of a transaction involving UH-generated intellectual property.

Implementation and Monitoring

To operationalize this framework, UH uses systems such as the myGRANT Conflicts of Interest Module to collect, track, and update disclosures of significant financial and other outside interests related to investigators' institutional responsibilities.

Researchers must report the nature and amount of financial interests, how those interests relate to sponsored activities, and whether they are involved in any contracts, purchasing negotiations, or other financial transactions with non-UH entities that could create a potential conflict.

Technology transfer management plans may include measures such as recusal from official actions, independent review of key decisions, separation of university and private roles, and explicit documentation of how identified conflicts will be mitigated or monitored.

For technology transfer activities that involve employee conflicts of interest, UH supplements these university-wide tools with specialized review by the technology transfer and commercialization units under the Office of Innovation and Commercialization (OIC). The OIC helps assess the structure of proposed transactions, evaluate the allocation of economic value, and ensure that risk-mitigation measures—such as recusal, independent review, and structural separation of roles—are incorporated into management plans as needed.

II. TECHNOLOGY TRANSFER ACTIVITIES WITH EMPLOYEE CONFLICTS

Identification and Assessment Process

All proposed technology transfer activities are subject to mandatory disclosure and review under UH procedures. At the initiation phase, faculty inventors, licensing negotiators, and research administrators disclose:

- The nature and scope of the proposed technology transfer activity
- All financial interests held by UH personnel or their immediate family members
- Any organizational roles or positions held by UH in the proposed private entity
- Anticipated time commitments and potential supervisory relationships

Following disclosure, OIC, in consultation with the Office of Research Compliance and the Office of Research Services, conducts a preliminary assessment to identify potential financial or organizational conflicts of interest.

State Benefit Analysis

For each identified conflict, UH evaluates whether the activity advances the University's mission and the State's economic development, entrepreneurship, and innovation goals—including startup formation, job creation, and reinvestment of licensing revenues into research. If the activity meets the public benefit standard, a management plan is developed to mitigate or manage the conflict.

Active Management Plans

The University has implemented one (1) active Technology Transfer Activity Management Plan (TTAMP) during Calendar Year 2025, covering the following conflict categories:

- **Financial Interest Conflicts:** Employee or immediate family member holds equity, stock, or direct financial interest in entity receiving UH IP license or investment
- **Time Commitment Conflicts:** Employee divides time between UH role and private venture role (founder, executive, significant consultant)
- **Organizational Conflicts:** UH or UH-controlled entity has dual roles (IP licensor AND investor, or licensor AND management advisor)
- **Supervisory Conflicts:** Employee with conflict supervises UH personnel whose work affects the activity or supports the private entity
- **Access/Information Conflicts:** Employee access to UH research, facilities, or confidential information may benefit the private entity

III. EMPLOYEES WITH CONFLICTS OF INTEREST RELATED TO TECHNOLOGY TRANSFER ACTIVITIES

For Calendar Year 2025:

- Number of employees identified with a current conflict of interest related to technology transfers: 24
- Number of employees with technology transfers prior to 2022: 12 employees, 5 plans
- Total disclosures filed with State Ethics Commission in 2025: 2 employees, 1 plan
- Number of plans in process: 10 plans, 16 employees

All disclosures are reviewed and approved by designated compliance officers. Where conflicts are identified or circumstances change, updated management plans are developed and documented.

IV. COMPLIANCE IMPLEMENTATION AND MONITORING

Primary Mitigation Measures

The University of Hawai'i employs the following primary mitigation measures in its tech transfer management plans:

Recusal from Official Action

Conflicted employees are prohibited from participating in, approving, recommending, or otherwise taking official action affecting the activity. Notice is provided in writing, and confirmed through annual attestation.

Independent Review and Approval

Key decisions—such as licensing terms, IP valuation, and investment amounts—require approval by independent UH officials or committees without conflicts of interest.

Arms-Length Negotiation

Economic terms (licensing fees, royalties, equity, and services) are negotiated by disinterested parties with external legal and financial advice.

Disclosure and Attestation

Employees complete annual written attestations confirming compliance with management plan conditions and disclosing any changes in circumstances.

Compliance Monitoring

Designated compliance officers review transactions, communications, and records to verify plan adherence on a quarterly or annual schedule.

Reporting and Oversight

- **Office of Innovation and Commercialization:** Maintains master log of all active management plans, oversees annual attestations, coordinates training and guidance. Manages equity investments and startup relationships, ensures structural separation from UH licensing and IP decisions. Reviews proposed technology transfer activities, assesses conflicts, develops and approves technology transfer activity management plans, monitors license and investment transactions.
- **Office of Research Compliance and Office of Research Services:** Supports COI disclosures through the UH myGRANT COI module, and coordinates federal compliance requirements.