



# MEMORANDUM

Office of the Chancellor  
140501

## **Financial Conflicts of Interest in Research: Statement of Principles**

Universities and members of their faculties and staffs now engage in increasingly complex relationships with private entities, both for-profit and non-profit, on the one hand, and, on the other hand, with the federal and state governments. The University of California, Los Angeles (UCLA) supports the translation of results from these research relationships into practical applications for the public good. To this end, the University supports patenting and licensing activities to ensure that faculty inventions are protected, and permits faculty to participate in the establishment of industry partnerships designed to commercialize novel technologies, to accept company-sponsored research funding, and to consult for private companies. Such relationships must always be in harmony with the mission of UCLA and in support of its principle objectives, teaching, research and service. It is essential, however, that such relationships not create inappropriate external biases affecting the freedom of faculty to pursue all areas of academic inquiry. In addition, UCLA recognizes its obligation to the community of scholars and to the public to ensure that research and scholarly activity are carried out under the highest standards of ethical conduct. The following principles, therefore, should guide research and development relationships:

### **Ethical Conduct of Research**

***Principle: Academic institutions have legal and moral responsibility for the integrity of research carried out under their aegis.***

Scholars are expected, both by society at large and by colleagues within the academic/research community, to conduct and report research with skill and objectivity. In return, society provides scholars with the funds to support research endeavors and allows them, within limits, the freedom to select the research they will pursue and to benefit financially from the results of those endeavors. Failure to honor this implied contract puts both the integrity of the research and the confidence of the public at risk and is not acceptable.

### **Conflicts of Interest**

***Principle: A conflict of interest in research exists when an individual or institution has interests in the outcome of the research that might compromise the integrity of the research.***

Conflicts of interest are unavoidable and pervasive. Some are stated or implied, such as the conflict of interest between professional advancement, academic position, salary, professional status and/or power, on the one hand, and research integrity on the other; or the conflict between scientific integrity and extra-institutional interests such as religious, political or social beliefs.

Among the issues for which institutions are accountable are conflicts of interest, both individual and/or institutional. UCLA has a responsibility to have in place safeguards to prevent employees, consultants, members of governing bodies and others involved in extramurally-supported activities from using positions that are, or give the appearance of being, motivated by a desire for private gain for themselves.

It is important to appreciate that the conflict of interest must be assessed within a specific factual context and not merely presumed to exist in the absence of facts supporting such a conclusion. The perception of reduced quality and trustworthiness of the research resides within the situation and not in any anticipated or expected behavior of the individual.

The teaching and research environment should promote the free exchange of ideas, information and materials among students and faculty in all forums. Selection of students and trainees for participation in research

projects should not be inappropriately influenced by the interests of the sponsor or by an investigator's financial interests in the sponsor. An investigator's financial interest in a sponsor should be disclosed to all students and trainees before they consider participating in a research project.

### **Conflict of Financial Interests**

***Principle: Among the issues for which institutions are accountable are financial conflicts of interest, both individual and/or institutional.***

Payment for services rendered does not in itself constitute a conflict of interest. Similarly, severe restrictions on financial benefits to investigators for their research products may inhibit or prevent research developments. This may be more deleterious to the progress of science and of medicine than any potential loss of objectivity. It is essential, therefore, for the University to have a clear, equitable and efficient mechanism for managing financial conflicts of interest.

Management of financial conflicts of interest must be part of the regular oversight provided by the campus over research. One such part is the creation and maintenance of a "culture of disclosure" in publications and presentations to help ensure that the scholarly community understands the various influences that affect the conduct and reporting and research. Such a "culture of disclosure" would also enhance the public's trust in the conduct of research, and serve to protect human research subjects.

### **Institutional Conflicts of Interest**

***Principle: The University's current or past relationships with research sponsors, contractors, subcontractors, vendors, licensees, or other outside entities may directly or indirectly diminish the University's capacity to conduct research impartially or result in the appearance of favoritism or the conferment of an unfair competitive advantage.***

Faculty and staff have a responsibility to engage in a wide range of scholarship reflective of the broad mission of the University to advance knowledge. It is possible that certain kinds of research conducted as a result of private sector relationships might fundamentally restrict the range of scholarship. A mechanism to monitor research trends on a regular basis to prevent such an outcome is needed.

The University must also take steps to ensure that decisions about hiring University faculty are not driven exclusively by the availability of research support, but rather primarily by the opportunity to support scholarship in areas important to the advancement of knowledge. Where the University has a potential or actual financial stake in the work of particular researchers, decisions about hiring and promotion of such individuals must not be influenced by those economic considerations. Rather, positive academic actions in such cases need to be based entirely on the application of appropriate academic standards.

Existing University policy about freedom to publish should also be re-emphasized so that circumstances under which the results of research cannot be made public, or in which research sponsors have inappropriate control over the content or timing of publications should be extremely rare, if permitted at all.

While acknowledging that the research enterprise depends heavily upon the ability of individual researchers to obtain extramural support, it is imperative that the University explore mechanisms for protecting researchers from financial pressures so acute that they might be forced to engage in proprietary efforts that are not central to their intellectual interests, but rather a mechanism merely for supporting their own salaries.

Decisions about what constitutes acceptable economic participation in the products of research or in other relationships with private sector businesses must be made through a mechanism that is not influenced by the University's own financial interests, whether in the results of the research or business entities supporting the research.

Finally, special attention to avoid institutional conflicts of interest must be paid in those instances when the University has a financial interest in the sponsor, either as equity holdings taken as part of a technology-

transfer transaction, or as milestone payments and/or royalty income, some of which may be shared with the investigator.