



## Policy for Intellectual Property and Commercialisation

<b>Section</b>	<b>Page</b>
1. Introduction	1
2. Encouraging Impact and Innovation	1
3. Gated Intellectual Property Exploitation Process	1
4. Variations to the Ownership of Intellectual Property	3
5. Requirement for Confidentiality of Intellectual Property Disclosures	3
6. Licensing	4
7. Spin-out Companies	5
8. Easy Access IP	6
9. Student Intellectual Property	7
10. Leavers / Former Employees	7
11. Software	8
12. Record Keeping	8
13. Use of Third Party Intellectual Property	8
14. Teaching and Learning Materials	8
15. Scholarly Materials	9

## 1. Introduction

By law the University owns the intellectual property (IP) generated by its employees in the course of their normal duties. Examples of such intellectual property include inventions, research results, know-how and software. This intellectual property is protected by certain legal rights such as patents, copyright, trademarks and design rights.

It is the University's policy to encourage employees to consider the commercial opportunity for any new inventions or developments arising from their research activities. Professional IP and exploitation support is available to all staff, and a process has been put in place to ensure College and Institutional management engagement in commercialisation activity on a project by project basis. Any proceeds from exploitation are shared with employees and their College. The policy is set out in this document.

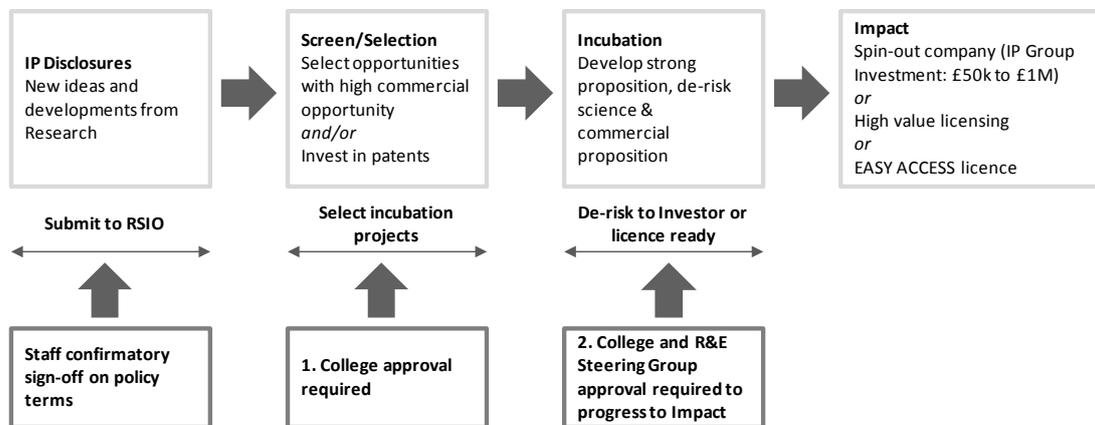
University employees should also be aware of the [Bribery Act 2010](#) and the relevant [Compliance Section of the University's financial regulations](#).

## 2. Encouraging Impact and Innovation

The University via its Research Strategy & Innovation Office (RSIO) actively supports and encourages all employees to seek to commercially evaluate new ideas and developments arising from their research. RSIO's role includes providing support to staff to protect these ideas and developments, and to execute agreed exploitation strategies. In this regard the University has established with Colleges a gated process for the selection of projects to be supported by RSIO.

## 3. Gated Intellectual Property Exploitation Process

College and Institutional management via the Research & Enterprise Steering Group are actively involved in the selection, evaluation and exploitation of all IP projects supported by RSIO via the Gated Process illustrated below.



The beginning of the Gated Process for all staff is to make an **IP Disclosure** to RSIO. This can be done electronically<sup>1</sup> or by direct approach to a member of the IP & Commercialisation team in RSIO (please contact the [IP and Commercialisation Officer](#) to make an appointment). All staff are required to make a confirmatory declaration that they accept the university IP & Commercialisation policy terms.

An employee's need and requirement to publish research findings is understood and any request to delay such activity for commercial evaluation or IP protection will be for the minimum period possible (e.g. in certain circumstances patent applications can be filed within 1 week if manuscripts are available and College have approved the accelerated application). RSIO will work with employees to manage the patent application process. Employees are

<sup>1</sup><http://www.gla.ac.uk/services/rsio/forstaffcampusonly/intellectualpropertymanagement/wheredoistartandwhatsnext/>

encouraged to seek advice on intended publications from the RSIO team at an early stage so that any delays to publication can be minimised.

<b>STAGE 1 GATE</b>	
Selection / Screening	<p>This gate is intended to provide a first filter on the potential for intellectual property protection of the idea/development and its commercial opportunity. RSIO are seeking to select opportunities that could have 'high economic impact' via either licensing or spin-out company creation.</p> <p>From receiving the IP Disclosure RSIO will produce a report for College management as soon as possible from the date of disclosure and within 6 months. This report will consider whether the development can be protected, the University's rights to exploit the IP, and scale of the commercial opportunity. Input will be sought from the University's patent agent and relevant market sector advisors to inform recommendations.</p> <p>The report will make a recommendation on IP strategy, commercialisation route and actions to be taken. <b><i>The College, in consultation with the employee and RSIO, will decide on what action is to be taken.</i></b></p>
<b>STAGE 2 GATE</b>	
Incubation	<p>This gate is intended to de-risk/mature selected projects to create an investor ready or licensing proposition. RSIO will work with project teams to secure funding for the required technology development or commercial work required to be undertaken. This includes supporting proposal development for proof of concept or translational funding from internal (e.g. the University's Knowledge Exchange Fund) and/or external sources.</p> <p><b>Spin-out Companies</b> Projects selected for spin-out venture will be developed via the University's partnership with the venture capital company <b>IP Group plc (www.ipgroupplc.com)</b>. This partnership provides access to IP Group expertise in spin-out company creation and to a dedicated Seed Investment Fund for University supported ventures.</p> <p><b>Licensing</b> Projects selected for licensing or EASY ACCESS IP licensing will be supported by RSIO. This support includes the preparation of marketing materials (both non-confidential &amp; confidential); identifying potential licensees; supporting 'sales' presentations to potential licensees and leading the negotiation of licence agreements.</p>

#### **De-selection from Gated Process**

Given the early-stage nature of new ideas and developments selected it is highly likely that a number of projects will be de-selected at both GATE 1 and GATE 2. De-selection can occur for a number of reasons including: lack of commercial interest, market factors, technical failure, patent issues (including budget) and lack of progress or engagement in incubation/exploitation activities by the academic team.

#### **Formal Approvals**

The STAGE GATE process has 2 formal approval processes as illustrated below. Senior management in Colleges must approve investment in patent filing and the RSIO support to be provided as well as the commercial terms agreed with any third party. Colleges may choose at any stage to terminate support and investment in a project.

<b>Stage</b>	<b>Process Stage</b>	<b>Approvals Required</b>
<b>1</b>	Investment in IP Protection (e.g. Patent filings) Selection of commercialisation route	Head of College; Head of School or Director of Institute.
<b>2</b>	Continued Investment in IP Protection Final terms of exploitation route	Head of College; Head of School or Director

		of Institute; R&E Steering Group.
--	--	--------------------------------------

The RSIO and the College, where agreed, will invest in the patent costs related to the protection of an invention. These costs will be met as follows until either it is agreed to abandon the patent application or a licensee agrees to pay the patent costs.

Patent Filing Stages	Approximate Costs (ex VAT)	Period before next cost	Responsibility
Disclosure Evaluation	Up to £1k	3-6 months	RSIO
UK First Filing	£4k - £6k	12 months from First Filing	RSIO
PCT <sup>2</sup>	£5k - £6k	18 months from PCT Filing	College
National Phase	£5k - £60k + depends on countries selected	12-24 months + before grant	College
Grant	£5k to £40k + depends on country; prosecution and translations		College

Prior to each investment decision the College will approve any next step investment or cost apart from the Disclosure Evaluation.

Licensees will be expected to meet patent costs as part of any licence agreement entered. Typically the University will continue to prosecute these cases in consultation with the licensee. It is normally expected that if no licensee is found before National Phase, the patent applications will be abandoned.

#### 4. Variations to the Ownership of Intellectual Property

In certain circumstances the University's ownership of Intellectual property may be varied. This includes where the terms and conditions of the grant funding for a project require that any IP which arises is owned by the funder, or where the University has agreed to the IP being owned by or licensed to a commercial third party who has funded the research. The University is only legally able to exploit IP which it owns or where it has the permission of any joint owners to do so. The University's right to commercialise the IP will be considered at the outset of every project, and appropriate legal advice obtained if necessary. In some cases further discussion and negotiation may be required with the third party before the IP can be exploited. The same will apply to any IP which is jointly created with a third party who is not an employee of the University, for example visiting or honorary academics or students who have not assigned their IP to the University.

Regardless of ownership of the IP, the University requires access to all data generated using University resources and will retain the original raw data when an individual (staff or student) leaves.

#### 5. Requirement for Confidentiality of Intellectual Property Disclosures

Employees should be aware that disclosure or publication of IP prior to filing a patent application may harm or eliminate the opportunity to obtain patent protection for the invention. Employees should make every effort to keep all IP confidential until discussions with RSIO have taken place and any opportunity to file for patent protection has been assessed.

Disclosure includes the IP being made available publicly in a written or oral format, including open access theses submitted in respect of a degree at the University of Glasgow or any other institutions; submissions to journals; conference papers; seminar contributions; poster presentations; correspondence and emails; and any discussions or conversations with third parties which are not covered by an obligation of confidentiality. If there is a need to disclose

<sup>2</sup> International applications under the Patent Co-operation Treaty

information relating to an invention prior to a patent application being filed, an appropriate non-disclosure agreement **must** be put in place. Please contact the [IP and Commercialisation Officer](#) if a non-disclosure agreement is required.

## 6. Licensing

The University's policy is to share all income received from licensees, after deduction of the costs incurred by the University, with the employees who generated the licensed IP. Licensing income will be distributed as set-out below except where exceptional circumstances apply and a special agreement has been reached with the College and Research & Enterprise Steering Group.

Licensing income is the gross cash amount received under the terms of a licence agreement **net** of any legal, patent or other expenses incurred by the University and any other deductions as appropriate. Examples of 'other deductions' include revenue-share payments to research funders under their terms & conditions (e.g. Wellcome Trust) or to joint patent owners where there is an obligation to share revenue relating to IP which has been jointly generated with a third party.

In some cases, the consideration for a licence may include shares in a company. In this scenario the shares will be held by GU Holdings Ltd on behalf of the University. Any disposal of the shares will be at the sole discretion of GU Holdings Ltd. Any dividends and income received from disposal of the shares will be shared with the employees upon receipt in the same manner as other licensing income.

Net Licence Income	% share of Licensing Income	
	Inventor(s)	College
First £50,000 in aggregate	50	50
Anything Over £50,000	33	67

### Arrangements for sharing revenue where there is more than one inventor

Individuals need not be named as inventors on the patent application to benefit from the revenue generated from IP. Where more than one individual is involved in the creation of the IP, the inventors' share will be split between the various individuals. The decision as to what percentage of the inventors' share goes to whom must be agreed by the relevant individuals and the University will not make, or become involved in the discussions regarding, this determination. No distribution of licensing income can be made until the individuals have reached an agreement and agreements are in place between individual(s) and the University regarding the revenue sharing arrangements.

### Individuals who are no longer employed by the University

Each individual who may be entitled to payments under the University's revenue sharing arrangements must ensure that the University is notified in writing at all times of his or her current address to where any revenue payments due to him or her may be sent. If the University is not given such current address details then they will be designated a 'missing individual' and all unclaimed revenue payments may be invested in a deposit account until such revenue payments are claimed. The University will not be a trustee of any such unclaimed revenue payments.

### Death of an individual

In the case of the death of an individual due a share of licensing income, that share will be payable to the estate of the deceased.

### Unclaimed revenue

Any revenue payments remaining unclaimed for 5 years from the date the revenue is received by the University will, after that date, be forfeited and will revert to the University, and will be distributed plus any net interest earned between the University and any others entitled to share in such revenue stream, excluding the missing individual(s), on the same basis as set out above.

## **Tax and National Insurance Due on Royalties**

Where the individuals receiving a share of licensing income are employees at the date of such receipt, the University's Finance Office will ensure that both employer's and employee's costs are remitted to the Inland Revenue. The statutory deductions for income tax and national insurance will be made, and employees will receive the net amount via the payroll.

Non-employees will receive the gross amount due to them. Such individuals must ensure that they are registered with the Inland Revenue for self-employed Schedule D status and will be legally responsible for their own tax arrangements in relation to any income received from the University.

## **7. Spin-out Companies**

The University supports entrepreneurship and the creation of spin-out ventures. This support is provided via the IP & Commercialisation team in RSIO in partnership with the venture capital company IP Group plc. This partnership provides access to expert advice in business creation, growth and seed investment fund. IP Group has the exclusive first option to invest in University spin-out ventures<sup>3</sup>. If IP Group declines an opportunity or does not wish to invest then the University is free to seek investment elsewhere.

For all spin-out ventures the founding equity is shared between employees and the University before any funds are invested into the business as follows:

<b>Party</b>	<b>% Shareholding</b>
University	38
IP Group	12
Founders	50

The University shareholdings will be held by GU Holdings Ltd who will manage the shareholdings and any disposals at its sole discretion.

It should be noted that 12% of the University's holdings will be allocated to IP Group Plc in consideration of the support provided by IP Group plc under the Institutional Partnership agreement.

Initial shareholdings may vary where third party rights or joint IP needs to be taken into account (in which case the holder of the joint IP may require a share of the founding equity).

IP Group plc will acquire additional shares in the spin out when they invest funds. Investment is on the basis of a pre-agreed monetary valuation.

Founders will hold their shares in their own name and will be responsible for their own tax arrangements in relation to any shares held in the spin out venture. Founders are encouraged to take their own advice in relation to any tax consequences.

As with licensing arrangements, where there is more than one individual who has been involved in the creation of the IP, the founders equity share will be split between the various individuals. The decision as to what percentage of the equity share goes to whom must be agreed by the relevant individuals and the University will not make, or become involved in the discussions regarding, this determination. The spin out company cannot be formed until this has been agreed.

Founders who have received a share of the equity in the spin out will not be entitled to share in any revenue received from the University's shareholding, and will be required to sign a waiver to this effect.

---

<sup>3</sup>This relationship excludes spin out companies based on IP arising from certain funding sources (please contact RSIO for further details).

The University's policy for the split of the equity in any spin out company with the founding scientists is non-negotiable.

### **Employee Participation in Spin-out Companies and Access to University Resources**

The involvement of employees in the early-stage of a spin-out venture is very important and requires arrangements to be put in place with the employee's College. Typically the strategy will be to recruit a management team or identify an entrepreneur to work with the employee, RSIO and IP Group to take forward a venture proposition. Active participation will be required from employees and needs to be agreed with employee's line management, College and Research & Enterprise Steering Group. The different ways in which employees may participate in a spin-out company are outlined below.

<p><b>Directorships in Spin Out Companies</b></p>	<p>GU Holdings will typically appoint a Director and/ or Observer to each spin-out venture and will maintain the role for as long as appropriate or required.</p> <p>In some cases, a founding scientist may also become a director of the spin out company. Employees will require permission of their line manager and Head of College to become a director in a spin-out venture.</p> <p>In line with the University's Conflict of Interest Policy<sup>4</sup>, internal procedures will need to be put in place to manage any conflicts of interest that may arise in the spin-out company's dealings with the University.</p> <p>Employees who take up roles as directors of spin out companies should note that directors have legal fiduciary duties to act in the best interests of the spin out company (including duties in relation to managing conflicts of interest). RSIO can provide general guidance. However employees should take their own independent advice on their legal responsibilities.</p>
<p><b>Employee Secondments to Spin-Out Companies</b></p>	<p>Inventors maybe seconded to a spin-out venture <b>only with</b> the consent of their College and where the spin-out venture is providing necessary levels of reimbursement for the Individual's time.</p>
<p><b>Employee Consultancy with Spin-Out Companies</b></p>	<p>Inventors may act as consultants to spin-out ventures <b>only with</b> the consent of their College and in accordance with the Consultancy Policy<sup>5</sup>.</p>
<p><b>Spin-Out access to University facilities</b></p>	<p>Spin-out ventures that need access to University facilities are required to enter appropriate commercial agreements with the University which must be agreed with the College through the normal approval processes.</p>

### **8. Easy Access IP**

In some cases the University may not be best placed to develop the IP to a stage at which a high value spin out or high value licensing opportunity could be obtained. This could be because of a lack of the necessary skills and expertise within the University, or because the investment required to take the IP forward exceeds the funding available to the University or would not justify the potential rewards for the University, or because the IP is within a specialist or niche area. The University has established EASY ACCESS IP (EAIP) which is a scheme designed to ensure that any IP which is not (for whatever reason) selected for support through the process set out above can still be made available for use by industry. Each employee has the option (subject to College and Research & Enterprise Steering Group approval) to exploit their IP via the EAIP scheme if they wish to do so.

<sup>4</sup> <http://www.gla.ac.uk/research/aims/ourpolicies/>

<sup>5</sup> <http://www.gla.ac.uk/research/aims/ourpolicies/>

The rules of the EAIP scheme are very straightforward. The licensee is required to enter into a 1 page licence agreement with the University. No financial consideration will be due, but the licensee must:

- (a) demonstrate to the University's satisfaction how it will use the IP to benefit the economy within 3 years;
- (b) agree to no restrictions on use of the IP by the University in future research and teaching activities; and
- (c) agree to publicly acknowledge the contribution of the University in the event of successful commercialisation.

EAIP licences will **only be granted** to companies not connected with the IP's Inventor. Licences will not be granted to third parties where:

- the inventor(s) or a family member have an ownership interest in the company
- the inventor(s) or a family member have a personal commercial agreement with the company or the company's owners
- the inventor (s) have a Directorship or Advisory Board position with the company

All EAIP opportunities must be approved by the relevant College Business Development team, Vice Principal (Knowledge Exchange), Head of College and relevant Head of School or Director of Institute.

#### **Intellectual Property Not Commercialised by Easy Access IP or by the University**

For IP which is not being commercialised by the University or via the EAIP route, the University will, upon the request from the Employees, and subject to any terms and conditions in place with third parties, licence or assign such IP (with the right to sub-licence) to the Employee (s) in return for 3% of all income e.g. royalty-earned and/or equity disposal and/or sub-licence income. All costs associated with licensing or assigning the IP and maintaining any patents must be borne by the Inventors.

Any use of University resources, facilities, personnel or own work time by Employees to develop their licensed IP must be approved by their College with an appropriate commercial arms length contract being agreed in advance of any such activity.

### **9. Student Intellectual Property**

By law, students who are not employed by the University will own any IP they create. Where a student is being sponsored by a third party, the student may be required to assign any IP to the University or to the sponsoring body, in accordance with the terms and conditions which apply to the studentship. The same may apply if the student is working in an area where the University has valuable IP and/or where arrangements are in place with commercial companies in relation to the results of funded research. In other cases, students will be given the option to assign any IP to the University. Any student who chooses to assign their IP to the University will then be granted the same rights as any employee inventor as set out in this policy and should follow the same procedures as set out in this policy.

Regardless of ownership of the IP, the University requires access to all data generated using University resources and will retain the original data when a student leaves.

### **10. Leavers / Former Employees**

All employees are entitled to use any IP created by them in the course of their normal duties whilst employed at the University, including in further research related activities (subject to any other funders Terms & Conditions not conflicting with any contractual obligations entered by the University with third parties e.g. licensees). However employees are not automatically entitled to use any IP created by them whilst at the University after they leave the University. The University will consider reasonably any requests received from leaving or former employees to use any IP created by them whilst at the University for future academic and

non-commercially funded research and teaching purposes. Where it is able to do so, the University will grant a licence to the employee's new employer for this purpose. Any requests for licences should be directed to the IP & Commercialisation team within RSIO who will liaise with the College as appropriate.

Employees are reminded that by law they are bound to keep confidential any proprietary information owned by the University which is not in the public domain and are not permitted to use such information, or disclose it to third parties, after cessation of their employment with the University.

Regardless of ownership of the IP, the University requires access to all data generated using University resources and will retain the original data when a staff member leaves.

## **11. Software**

This policy applies to any software, databases and any other copyright materials created by employees in the course of their normal duties. Where employees generate software using open source materials, there may be an obligation to make any improvements to the open source material publicly available and there may be restrictions on commercialising any IP which is generated using open source materials. For that reason, employees should seek advice from the IP & Commercialisation team within RSIO before using any open source materials in research projects which are funded by grant or by a commercial third party.

## **12. Record Keeping**

In order to properly exploit any IP, it is likely that access will be required to the laboratory notebooks and other written records (including data and research results) generated by employees. It is therefore best practice for all employees to keep full, accurate and up-to-date written records of all IP which they create in the course of their employment. Such records should be regularly signed off by the employee's line manager and should be kept safe from unauthorised access and will be retained by the University when the individual leaves.

## **13. Use of Third Party Intellectual Property**

By law, rights to use IP owned by third parties for research purposes are extremely limited and all employees should be very careful if they are using or intend to use any IP created outside of the University in their research activities. If any employee receives a notification from any third party alleging that that employee has infringed the third party's rights in any IP, the employee should contact the IP & Commercialisation team at RSIO immediately.

## **14. Teaching and Learning Materials**

Teaching Materials are any materials created within the University or created on behalf of the University that are intended to be used or accessed by Students for the purposes of their course of study including course guides, handouts and presentation materials (including lecture notes, slides and other audio-visual materials), instruction manuals and assessment and examination questions.

### **Ownership of IP in Teaching Materials**

Teaching materials created by an employee of the University or a Student shall belong to the University. If material from other works protected by copyright is included in any Teaching Materials, it is the Individual(s) responsibility to identify such material and obtain all necessary written permissions from the owners. The University is free to commercialise such Teaching Materials as it sees fit, including licensing or assigning the IP in the Teaching Materials to third parties. The Individual(s) will share any revenue in accordance with Section 6.

### **Income from Teaching Materials**

Where the authorship of Teaching or University materials results from simultaneous or sequential contributions over time by many employees of the University and/or Students such

that authorship of the relevant Teaching Materials cannot readily be attributed to an identifiable set of authors, the Creator(s) share will be allocated to the School(s) where the Teaching or University Materials were developed, to be used for the purposes of teaching, learning and/or assessment and/or Student support.

#### **Permitted Uses of Teaching Materials**

The University grants each Individual a royalty-free, non-exclusive license to use the Teaching Materials created by them for teaching or research purposes which are non-commercial only for as long as the Individual remains employed by the University or a Student.

If the Individual ceases to be employed by the University, the Individual may request a single copy of the Teaching Materials for his/her personal use and for teaching and research purposes which are non-commercial.

#### **15. Scholarly Materials**

Scholarly Materials includes textbooks (unless such textbooks were developed using University administered-funds), academic journal articles, conference papers and related presentations, theses and dissertations, popular non-fiction, novels and poems, but excludes any such materials or part of them which can be defined as Teaching Materials. ***For the purposes of this policy, computer software, firmware and databases are excluded from this definition.***

The University waives its rights to ownership of any copyright in Scholarly Materials created by Employees (which includes students employed by the University) except where the employee's normal duties are such that it would be reasonable to expect the creation of IP to result from the employee carrying out those duties; the University will own all rights in that IP.

The waiver of ownership by the University is dependent upon the employee agreeing to automatically grant the University a royalty-free, non-exclusive license to use the IP for promotional, educational, research and teaching purposes of the University and in any format.

Each employee of the University will confirm that where Scholarly Materials have been submitted to, or published by, an academic journal that such journal will provide a similar license to the University.