



# Intellectual Property Policy

June 2018

This document sets out the policy governing the University's ownership of intellectual property.

June 2018

Reference Number	Version Letter	Executive Sponsor	Officer Responsible for Policy/ Procedures	Consultation Process	Date of Approval and Committee and/or Executive Officer	Effective Date
IP001	1	Chief Financial Officer	Director of IP & Commercialisation	ICE Panel	Executive Committee	

## **Title**

*Intellectual Property Policy*

### **1. INTRODUCTION**

#### **1.1 Purpose and scope of the Policy**

*This Policy sets out the University's ownership of Intellectual Property (IP) and the steps that must be taken to identify and secure this important asset.*

*The scope of this Policy is necessarily broad, both in what it covers (Section 3 'Potentially Exploitable Intellectual Property') and whom it applies to (Section 4 'Creators').*

#### **1.2 Breach of this Policy**

*Any breach of this Policy will be investigated and steps taken in accordance with the relevant disciplinary Policy.*

#### **1.3 Policy Ownership**

*The Executive has approved this Policy, the Chief Financial Officer is the Executive sponsor and the Director of IP & Commercialisation is the officer responsible for the Policy. Any questions about the operation of this Policy or any concerns that the Policy has not been followed should be referred in the first instance to the Director of IP & Commercialisation.*

### **2. THE POLICY STATEMENT**

*2.1 Aston University is an exempt charity and as such it has a general duty to develop, and manage its assets, including IP, to further its charitable objectives. In addition:*

- many sources of research funding require the University to pursue and report on the commercial exploitation of IP developed as a result of grants; and*
- many collaboration agreements involve transfer of IP rights, requiring the University to secure those rights in order to underpin inter-institutional agreements.*

*2.2 The University wishes to encourage enterprise and this is reflected in its Policy of sharing the proceeds of exploitation with inventors. However this wish must be balanced against the University's charitable duties and the risk of unjustifiably enriching (or being seen to unjustifiably enrich) staff through the exploitation of the University's assets. Staff should be aware of and sensitive to the potential for (and perception of) conflicts of interest.*

*2.3 Many forms of IP (particularly patents, trade secrets and know how) depend on secrecy. For this reason Employees (defined below) owe a duty of confidentiality to the University and to each other regarding PEIP. This does not contradict the University's mission to teach and disseminate knowledge, but it does mean that these activities should take place in a controlled manner.*

### 3. POTENTIALLY EXPLOITABLE IP

3.1 *The scope of what can be protected is broad but not continuous nor consistent, meaning there are both gaps and overlaps. The most commonly encountered forms of IP are:*

- *Patents*
- *Design rights (registered and unregistered)*
- *Copyright*
- *Know how (secrets).*

*Other forms exist and are included in this definition (see Section 9 'Glossary' and Appendix 2 'Forms of IP' for more detail).*

3.2 *The University distinguishes between IP which has the potential to be commercialised (**Potentially Exploitable IP** or '**PEIP**'), **Teaching Materials** and **Publications** (dealt with in Sections 6 & 7 below).*

3.3 *PEIP includes all forms of IP, including work in progress which is intended to or may reasonably be expected to emerge into IP which is capable of exploitation. The scope is necessarily broad and includes ideas, discoveries, inventions, know-how and designs. These may be protected by patents, design rights, copyright or confidential disclosure agreements (NDA/CDAs).*

3.4 *Aston's Employees, students, and Associates who create PEIP, teaching materials and publications ('**Creators**') should keep:*

- *themselves informed about IP practices relevant to their industry sector, to be aware of potential Freedom to Operate (FTO) issues and identify PEIP and consider how it might be best exploited;*
- *proper, contemporaneous records; and*
- *any PEIP confidential (at least until discussed with their supervisor or the IP Hub).*

### 4. CREATORS

4.1 *This Policy applies to Employees and Associates as defined below:*

- **Employees** include both academic and non-academic employees of the University, whether temporary or permanent, full or part time.
- **Exempt students** are taught students (typically undertaking BSc and MSc courses) and self-funded research students (typically undertaking PhD courses).
- **Non-Exempt Students** are other students (typically research students funded by the University or third parties).
- **Associates** include visiting academics, anyone working at the University whilst on sabbatical or any form of secondment from another organisation, emeritus professors, persons on whom the University has conferred an honorary title, sessional lecturers, contractors and anyone else who is engaged in teaching, study, research or otherwise working at the University.

4.2 *The University will automatically own IP created by Employees:*

- *In the course of their University duties;*
- *When using University facilities; or*
- *In the course of duties falling outside their normal duties, but specifically assigned to them.*

- 4.3 *The University will own all IP created by Associates working in the University and Non-Exempt Students even if these individuals are not Employees or otherwise contracting with the University. Associates and Non-Exempt Students will be entitled to a share of any income resulting from exploitation of the intellectual property on the same basis as Employees (i.e. in accordance with Appendix 2 'Revenue Sharing Summary').*
- 4.4 *Exempt Students will own the IP they create unless they are employed by the University or that IP is developed jointly with an Employee, Associate or a Non-Exempt Student. In these circumstances the IP will be owned by the University and the student will be entitled to a share of any income resulting from exploitation of the intellectual property on the same basis as employees (i.e. in accordance with Appendix 2 'Revenue Sharing Summary').*
- 4.5 *For the avoidance of doubt, the University will not claim ownership of PEIP created by Exempt Students on placements. However, PEIP created while on placements will often be claimed by the Exempt Student's employer or sponsor (in line with the relevant sponsorship, placement training or employment contract).*
- 4.6 *Associates or Exempt Students who create independent PEIP may approach the University and offer to assign their IP for the University to manage its commercialisation in return for a share of any resulting revenues, which will be negotiated on a case by case basis.*
- 4.7 *When PEIP results from work carried out at both the University and another organization, the University's IP Hub will be responsible for negotiating how the ownership, rights and any resulting revenues will be managed and shared.*

## **5. CREATOR'S OBLIGATIONS**

### **5.1 Creators must:**

- *keep proper records, including lab books and notes in whatever form is agreed with their supervisor;*
- *maintain confidentiality regarding any PEIP they create, and In particular not publish or submit papers for publication, until the PEIP has been discussed with their supervisor or the IP Hub;*
- *inform their supervisor, RKE or the IP Hub (email ip@aston.ac.uk ) as soon as practical; and*
- *cooperate in completing the formalities required to register, maintain, defend and, if commercialised, license, assign or otherwise exploit PEIP they have developed. In particular they must cooperate with the patent prosecution process, including the completion of assignments and confirmatory assignments, which may be required in some jurisdictions.*

## 6. TEACHING MATERIALS

- 6.1 *This Policy applies to Commissioned Teaching Materials and Excluded Teaching Materials as defined below:*
- **Commissioned Teaching Materials** are those where the University has specifically employed or requested a person (in return for payment or not) to produce teaching materials including lecture notes and preparatory materials; handouts, reading lists or other information to be provided to students; and/or audio or visual aids, or other materials intended for the face to face teaching of students.
  - **Excluded Teaching Materials** are similar materials which a person has generated without being specifically employed or requested (in return for payment or not) to produce.
- 6.2 *The University will own the copyright in Commissioned Teaching Materials.*
- 6.3 *The University will not claim ownership of the copyright in Excluded Teaching Materials, but the Creators will grant the University a perpetual, irrevocable, non-exclusive, royalty-free licence to use such materials.*
- 6.4 *The Creator will own the Excluded Teaching Materials and be free to use them as they please, provided that:*
- *such use is not prohibited by his or her terms and conditions of employment; and*
  - *all references to Aston University and its brand, logos and other distinguishing marks are removed when any Excluded Teaching Materials are used outside the University (unless otherwise agreed in advance in writing).*
- 6.5 *The University records certain lectures and training sessions to enhance the student experience. The University does not believe that the delivery of the recorded lectures and training sessions by academics are “performances” for the purposes of law and therefore ownership in the recorded lectures and training sessions, broadcast rights and copyright in the arrangement, format, layout and compilation of any audio, visual or multimedia work in Commissioned or Excluded Teaching Materials are owned by the University.*
- 6.6 *Employees will not be entitled to a share of any income resulting from the exploitation of teaching materials, recorded lectures and training sessions.*
- 6.7 *Unless the University has specifically employed or requested a person (in return for payment or not) to produce any of the following, they will be regarded as excluded materials: Artistic works, Text or artwork for publication in books, Plays, Theses and dissertations, Lyrics; and Musical scores.*

## 7. PUBLICATIONS

- 7.1 *The University operates in accordance with the UKSCL and therefore each Employee grants to the University a non-exclusive, irrevocable, sub-licensable, worldwide licence (Creative Commons Attribution Non-Commercial v4 (CC BY NC) licence) to publish his or her Articles. **Articles** means all scholarly articles, conference proceedings and similar outputs authored or co-authored while the person is an Employee including any third party content.*
- 7.2 *Each Employee will provide an electronic copy of the accepted manuscript of each Article to the Director of Information Resources and Research Services (DIRRRS):*
- *no later than 90 days after acceptance for publication;*
  - *at no charge and in PDF format; and*
  - *as applicable, will notify the DIRRRS if any rights or permissions are required from any third party.*
- 7.3 *Following notification from the Employee, the DIRRRS will give consideration to the Article including whether it would be embargoed for any period of time.*
- 7.4 *Where an Article is co-authored, the Employee will use their best efforts to obtain a licence to the University from the co-authors on the same terms as the UKSCL.*
- 7.5 *The University automatically sub-licenses the rights granted to it under this Policy to all co-authors and their host institutions, on condition that if the said co-authors and/or host institutions make a co-authored scholarly article publicly available, they will do so on the UKSCL. Consequently, the relevant Employee is not required to seek permission from co-authors employed by institutions that have adopted the UKSCL or other policies that give institutions and/or authors the same or substantially similar rights and obligations.*

## 8. GLOSSARY

- 8.1 **Assignment** *means transfer of ownership. Note that all rights can be transferred by means of an exclusive licence, meaning that sometimes the only practical difference with an assignment is the associated responsibility to pay renewal fees and the difficulty of reclaiming ownership if the licence conditions are breached.*
- 8.2 **Commercialisation** *means the process of translating an idea or invention into a product or service that creates value or for which customers will pay.*
- 8.3 **Freedom to Operate (FTO)** *means the ability to sell a product or service without infringing the patent rights of another party in a particular jurisdiction.*
- 8.4 **Impact** *means the effect on, change or benefit to the economy, society, culture, public policy or services, health, the environment or quality of life, beyond academia.*
- 8.5 **Intellectual Property (IP) and Intellectual Property Rights (IPR)** *means a bundle of rights that protects applications of ideas and information that have commercial value. IP rights give creators certain exclusive rights over the knowledge and information they create (e.g. the text of a book) to prevent others using it without permission. Intellectual Property includes patents, utility models, rights to inventions, copyright, registered designs, unregistered designs, moral rights, trade marks, service marks, business names, domain names, rights in get up and trade dress, goodwill, rights in designs, rights in computer software, database rights, confidential information. Further information is set out in Appendix 2.*

- 8.6 **Licence/License** means to give formal permission to a licensee to do something that the licensor is in a position to legally prevent, usually in return for a royalty. Licences may be exclusive (allowing only the licensee to exercise the rights in question), sole, (allowing only the licensee and the licensor to exercise the rights in question) or non-exclusive. Each of the above kinds of licence may be limited by parameters such as geography, application, market segment or industry. Sublicensing rights may be permitted, forbidden or subject to further conditions. In common with other Universities, Aston prefers to licence technologies (to either spin-outs or third parties).
- 8.7 **RKE** means Research & Knowledge Exchange – Aston’s research support and knowledge exchange department.
- 8.8 **Royalties** means Payments made in consideration of a licence. Often include an up-front payment, then a fixed periodic amount, payments related to units made or sold, of a percentage of revenues or profits.
- 8.9 **IP Hub** means the following:
- Strategic Business Partner, RKE
  - Innovation and Knowledge Exploitation Manager, RKE
  - Innovation Business Development Manager, RKE
  - Director of IP & Commercialisation.
- 8.10 **Technology Transfer** means the original name for what is now more usually known as Knowledge Exchange - The process of transferring technology from academia into society.
- 8.11 **UKSCL** means the UK Scholarly Communications Licence.

## **APPENDIX 1 - COMMERCIALISATION**

### **A1.1 Objectives of commercialisation**

The University seeks to manage its IP in order to:

1. Build and protect its reputation
2. Maximize Impact
3. Maximize financial returns

Hence the University does not prioritize the maximization of financial returns where this could damage its reputation or compromise impact.

### **A1.2 Consultation**

The University will consult with Creators about the best way to exploit IP that they have created, but reserves the right to pursue commercialisation (or not) in line with its objectives and taking into account risk and budgetary constraints.

### **A1.3 Evaluation**

The University will support the development and commercialisation of technologies in an incremental, contingent basis. Opportunities will be evaluated on an ongoing basis by the IP Hub in line with the Opportunity Appraisal Process, overseen by the ICE panel.

### **A1.4 Process**

The path to commercialisation includes the following steps:

1. Initial discussions
2. Technology Disclosure
3. Opportunity Appraisal (including IP ownership, prior art review, market validation)
4. IP Protection
5. Commercialization (via spin-out, licensing or other means)
6. Revenue &/or portfolio management

The internal processes underpinning these steps are documented in the University's Opportunity Appraisal procedure, maintained by the IP Hub and overseen by the ICE Panel.

### **A1.5 Return of IP to inventors**

Where the University decides not to pursue the commercialisation of a technology it may, at its sole discretion, offer to license or assign the IP in that technology to the inventor.

### **A1.6 Conflicts of interest**

Conflicts of interest relating to the exploitation of IP must be identified and noted

Transactions relating to IP must be conducted at 'arm's length'. The University must take account of the potential value of the IP in all transactions, whether with third parties or with members of staff.

Transactions with trustees (In Aston's case independent members of Council) must be reported in the University's audited accounts as 'related party transactions involving trustees.'

### **A1.7 Governance of spin-outs**

The University will appoint directors and/or observers to the boards of spin-out companies. These will be nominated from a pool of those having completed satisfactory training.

Spin-out companies are independent legal entities, controlled by their directors on behalf of their shareholders.

The University may provide template agreements and resolutions for discussion and education of spin-out directors, but only on the understanding that these do not constitute legal advice.

Inventors may be shareholders in spin-out companies as a consequence of investing or being offered equity in accordance with Appendix 2. They may also act as directors, employees of, and/or consultants to a spinout if agreed with the University, but are not required to do so.

Joining a spin-out in an executive role is a significant commitment and should not be undertaken lightly. An ongoing executive role in a spinout is very likely to be incompatible with an ongoing full-time role at the University.

## **APPENDIX 2 – REVENUE SHARING SUMMARY**

### **A1.1 Licences to existing companies**

Where a technology is licensed and royalties are received, the allocation of net revenues shall be determined by the following table:

Net revenue <sup>1</sup>	Allocated to creators <sup>2</sup>	Allocated to the University
First £25,000	100%	-
Next £50,000	65%	35%
Above £75,000	50%	50%

<sup>1</sup> Depending on the terms of a licence, deductions may be made to cover patent costs before royalties are paid to Creators.

<sup>2</sup> Allocated to all Creators together. The University may deduct tax and NI obligations on payments.

### **A1.2 Spin-outs**

In the case of spin-outs, the University may negotiate a royalty as well as an equity stake as it is hard to predict whether a company might grow in value and obtain a lucrative exit without generating significant revenues, or obtain significant revenues but never achieve an exit for shareholders.

Royalties associated with a spin-out will be dealt with according to the table above.

The starting point for equity allocation to inventors is that at the point where the licence is implemented, and prior to any investment of cash, the University matches the inventors' collective stake (i.e. a 50/50 split). The inventors' shareholding will be sub-divided amongst them in proportion to the revenue sharing agreement, adjusted if necessary to account for the time, cost and other resources required to develop the company to the point where it can raise investment. Additional shares may then be allocated to include contributions by third parties to reach this point.

## **APPENDIX 3 – FORMS OF IP**

The information set out in this Appendix 2 is not an exhaustive list. Further, protection may vary by jurisdiction.

### **A1.1 Copyright**

Covers literary, dramatic, musical and artistic works. The works must be original and the intellectual creation of the author (a low hurdle). Ownership of copyright usually belongs to the author, unless the work was created in the course of employment. Copyright comprises separable moral and economic rights.

### **A1.2 Confidential information**

Trade secrets are protected by common law. Breach of confidence in the UK requires the following elements to be present:

- The information must have a quality of confidence to it.
- There must have been an obligation of confidence- express or implied
- There must have been an unauthorised use of the information

Better protection is obtained by implementing Confidential Disclosure Agreements (CDAs, also known as Non-Disclosure Agreements or NDAs) with third parties, which make the obligation of confidentiality contractual.

### **A1.3 Database right**

A *sui generis* right applying to a collection of independent works, data or other materials derived from Article 3, Directive 96/9/EC, depending on an investment of resources in the collection, verification or presentation of the contents.

### **A1.4 Design right**

Protects the form of a design (but must be style only - **not** a functional requirement). In the UK four different forms of design right may apply:

- Community Design (registered) (unregistered)
- Community Design (unregistered)
- UK registered design (similar to a registered Community design, apart from jurisdiction)
- UK unregistered design right

In addition protection of a design might be obtained under trademark and copyright law

### **A1.5 Passing off**

An attempt by a trader to take advantage of the goodwill (positive reputation) established by a second trader by misrepresentation, causing actual or likely damage to the interests of the second trader. Passing off is a form of tort (a civil wrongdoing, not including a breach of contract, for which damages may be claimed by the injured party).

### **A1.6 Patents**

The most powerful and expensive form of IP protection, giving exclusive rights to manufacture, use, sell, import or otherwise exploit an invention, which must be novel, inventive and capable of industrial application. Must be kept secret before application.

### **A1.7 Plant breeders' rights**

Rights can be obtained for new plant varieties, including genetically modified varieties.

New varieties must be:

- distinct – have different characteristics to other plants of the same species
- uniform – all plants in the variety must share the same characteristics
- stable – it remains unchanged after 'repeated propagation', eg reproduction from seeds, cuttings, bulbs or other plant parts.

Registration is obtained from the Plant Variety Rights and Seeds Office (PVS).

### **A1.8 Semiconductor mask work right**

In the US "mask work" (the two or three-dimensional layout of an integrated circuit) is protected by the Semiconductor Chip Protection Act of 1984 (SCPA) via registration with the US Copyright Office. In the European Union, a *sui generis* design right protecting the design of materials was introduced by Directive 87/54/EEC

### **A1.9 Trade Marks (registered)**

A mark may only be registered if it is distinctive and can be represented in a clear and precise manner. Plain words (word marks), symbols and stylized text (logotext) may be protected.

### **A1.10 Trade Marks (unregistered)**

Some rights accumulate from use, even if not registered (see passing off). However, achieving and then proving the required reputation can be onerous.

### **A1.11 Utility models**

A form of lesser patent, obtainable in some jurisdictions (not including the UK) offering more limited rights but for lower cost and complexity in filing.