

London Metropolitan University Intellectual Property Policy

Final Version

15 March 2007

Contents

1	Executive Summary	3
2	Introduction.....	5
2.1	IP Commercialisation as an Integral Part of University Activities.....	5
3	IP Commercialisation Objectives and Definition of IP.....	7
3.1	IP Commercialisation Objectives.....	7
3.2	Definition of IP	7
4	IP Ownership.....	9
4.1	IP Ownership by Members of Staff.....	9
4.2	IP Ownership by Research Students	10
4.3	IP Ownership by Non-Research Students.....	10
4.4	IP Ownership by Third parties	11
4.5	Resolution of IP Ownership Disputes	11
5	Income Distribution Policies	12
5.1	General Income Distribution Policies	12
5.2	Specific Income Distribution Policies.....	12
5.3	Net Income Distribution from the Departmental Development and Staff Incentive Fund (DSIF)..	13
6	IP Organisational and Procedural Policies	14
6.1	Involvement of Key Players in IP Management and Commercialisation.....	14
6.2	IP Management – Identification of IP	15
6.3	IP Management – Determination of IP Ownership.....	15
6.4	IP Management – IP Portfolio Management	16
6.5	IP Management – Communication of IP Portfolio	16
6.6	IP Commercialisation – Development of IP Commercialisation Opportunities	16
6.7	IP Commercialisation – Evaluation of IP Commercialisation Opportunities	17
6.8	IP Commercialisation – Securing and Distribution of IP Commercialisation Income	18
6.9	IP Commercialisation – Communication of IP Commercialisation	18
7	Appendix A – IP Management and Commercialisation Activities	19
8	Appendix B – IP Policy Definitions.....	20
8.1	Definitions Associated with Personnel	20
8.2	Definitions Associated with IP and Commercialisation Income.....	20
9	Appendix C – Forms of Agreement and Templates.....	21

1 Executive Summary

- 1.1.1 It is the policy of London Metropolitan University to encourage and facilitate the successful commercialisation of Intellectual Property (IP), through whichever means is considered most appropriate.
- 1.1.2 There are many reasons for the commercial exploitation of IP, several of which are mutually reinforcing. In short, IP commercialisation directly underpins the mission of London Metropolitan University through:
- Providing a knowledge-transfer service to the community, and thereby enhancing the reputation of the University and its networks with key stakeholders;
 - Enriching core institutional research activities;
 - Generating income and surpluses for the University and staff.
- 1.1.3 Forms of IP covered by this policy include inventions, copyright material, trademarks and designs, all of which may be protected by law. The University and its staff and students may also possess confidential information, trade secrets, know-how and understanding which are equally vital for the success of any commercial exploitation of IP.
- 1.1.4 Normally, the University will assume ownership of IP that has been created by members of staff in the course of their normal duties, or as the result of a task specifically assigned by the University. Likewise, All IP arising from research work undertaken by postgraduate research students is owned by the University.
- 1.1.5 The University recognises that it cannot automatically assume ownership of IP generated by non-research (undergraduate and postgraduate) students in the course of their studies. However, students may be required to sign an agreement assigning first rights of IP ownership to the University as a condition of participation in a specific project.
- 1.1.6 The University recognises that the innovation and creativity of staff and students are crucial for the development of the University IP portfolio. To this end, the University wishes to encourage the creation of IP through providing the appropriate financial incentives to reward the contributions made by staff and students, and the respective Department(s).
- 1.1.7 In order to ensure a full integration between the University IP and Consultancy Policies, it is emphasised that in those cases where consultancy services are provided in association with the commercialisation of IP, the University will classify these services as being 'Standard Consultancy'. The income distribution for Standard Consultancy is detailed in the University Consultancy Policy.
- 1.1.8 Irrespective of whether income payments are made either as a lump sum or as a series of payments, in all cases where the net income is positive, the University will share the benefits with the IP originator(s). This will include, for example, income from licensing agreements, assignment or sale of intellectual property rights (IPR) and royalty streams. The first amounts of the gross income received will be used by the University to recover the IP commercialisation costs, thereby giving the net income.
- 1.1.9 For any amounts up to £15k, the net income will be distributed according to the following formula:
- 80% to the IP originator(s);
 - 10% to the Development and Staff Incentive Fund (DSIF) of the Department(s) in which the IP was developed;
 - 10% to the University;

- 1.1.10 For any amounts beyond £15k, the net income will be distributed according to the following formula:
- 33⅓% to the IP originator(s);
 - 33⅓% to the DSIF of the Department(s) in which the IP was developed;
 - 33⅓% to the University.
- 1.1.11 The University reserves the right to adjust the formulae and thresholds described in 1.1.9 and 1.1.10 in specific cases where, for example, there has been substantial financial support or infrastructure investment, but which may not have been included in the IP commercialisation costs.
- 1.1.12 For all staff wishing to engage in activities relating to the creation and commercialisation of IP, the University will provide support through the Innovation and Enterprise Unit (IEU). In accordance with the needs and requests of individual members of staff and/or students, support and expertise is available for the IP management and commercialisation activities listed below:
- **Identification of IP** – the requirements for IP disclosure;
 - **Determination of IP ownership** – the setting up of contracts and negotiation of IP ownership;
 - **Management of IP Portfolio** – the activities associated with IP protection, which includes an evaluation for IP protection, where a financial investment is concerned. This evaluation will be aligned with the risk levels considered acceptable by the University;
 - **Communication of IP Portfolio** – the marketing of IP through presentation of the IP available for commercialisation;
 - **Development of IP Commercialisation Opportunities** – from early-stage right through to commercialisation;
 - **Evaluation of IP Commercialisation Opportunities** – from early-stage right through to commercialisation. This evaluation will be aligned with the risk levels considered acceptable by the University;
 - **Determination and Distribution of IP Commercialisation Income** – the calculation of commercialisation costs;
 - **Communication of IP Commercialisation** – the marketing of IP through presentation of best practices and success stories.

2 Introduction

2.1 IP Commercialisation as an Integral Part of University Activities

- 2.1.1 It is the policy of London Metropolitan University to encourage and facilitate the successful commercialisation of Intellectual Property (IP), through whichever means is considered most appropriate. The University will pursue this policy for the benefit of the University, its staff, and as an integral part of its contribution to economic and sustainable development in both the public and private sectors, and within the community at a regional, national and international level.
- 2.1.2 Through its IP policies and procedures, and based upon its excellence in education and research, the University aims to provide an efficient and effective knowledge transfer service. The policies within each of the policy areas outlined in Figure 2.1 below are intended to provide support for IP management and commercialisation activities at the University for the benefit of all concerned.

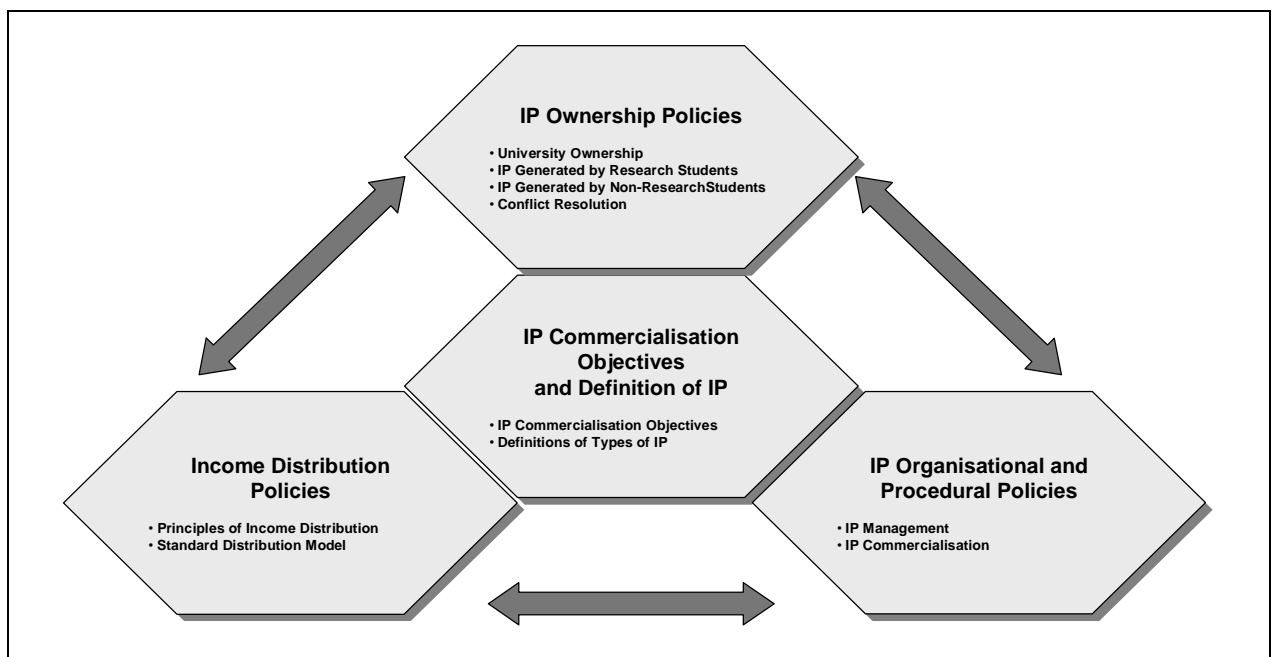


Figure 2.1 Overview of IP Policy Areas

- 2.1.3 Normally, the University will assume ownership of IP that has been created by members of staff employed by the University.
- 2.1.4 The University has developed appropriate procedures and support services to facilitate the identification, protection, evaluation and commercialisation of IP. The University expects that any commercial exploitation of such IP will be in collaboration with the respective member(s) of staff and/or student(s).
- 2.1.5 In accordance with the income distribution policies, outlined in Section 5, any income derived from the commercialisation of IP will be shared between the IP originator(s), the respective Department(s), and the University.
- 2.1.6 To reflect the commitment of the University to ensuring equal opportunities for all staff, steps will be taken by the University to involve as many staff as possible in IP activities concerning the commercial exploitation of IP. To this end, the University will seek to raise awareness among staff and students of

the opportunities presented by IP, and will include IP commercialisation and related issues in its staff development activities.

- 2.1.7 The IP Policy describes in detail the position of the University with regard to the most important aspects of the commercial exploitation of IP. As an integrated set of policies, it does not aim to deal exhaustively with all possibilities, but seeks to clearly define an operational framework within which decisions can be made in individual cases.
- 2.1.8 The IP Policy does not operate in isolation, but is to be seen as an integral part of the overall set of university policies and procedures. Of particular importance are the university policies for consultancy and project accounting, as well as the University Research Policy.
- 2.1.9 The University will monitor the operation of this policy (through the Business and Community Links Group and the R&D Committee) and may update it from time to time.

3 IP Commercialisation Objectives and Definition of IP

3.1 IP Commercialisation Objectives

3.1.1 The reasons for commercialising IP are many and include:

- Providing the outcomes of research programmes to organisations in both the public and private sectors, and within the community at a regional, national and international level;
- Assisting in realising local, national and international goals of wealth creation, and improving the quality of life;
- Enhancing the external profile of the University;
- Developing and maintaining contacts with commercial organisations, which may lead to further collaborative research and educational ventures;
- Providing an income stream and surpluses to the University and its staff, as well as providing a financial return on capital investment;
- Provision of a key third-leg knowledge transfer mechanism.

3.1.2 Many of the main reasons are interrelated as shown in Figure 3.1. Furthermore, this 'multiple-rationale model' for undertaking IP commercialisation directly underpins the mission of the University.

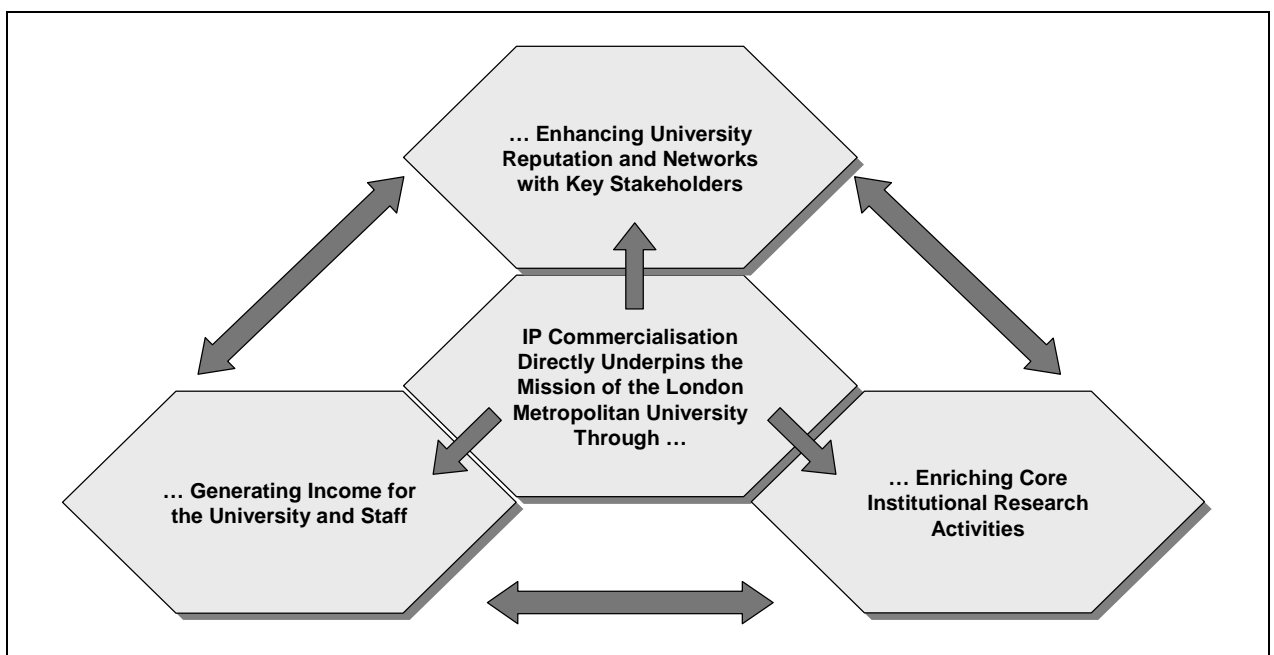


Figure 3.1 Overview of the Rationale for Engaging in IP Commercialisation

3.2 Definition of IP

- 3.2.1 Intellectual Property (IP) concerns the ownership of creativity and innovation. Securing ownership and protection of IP, and thereby gaining Intellectual Property Rights (IPR), provides a platform for the owner to control its use, and to secure financial rewards that may result from its commercial exploitation.
- 3.2.2 Securing IPR usually requires the submission of a formal application, which if accepted, will result in legal protection being granted for the IP. However, some forms of IP protection, such as copyright, arise automatically, and without any registration, so long as there is a record of what has been created.

3.2.3 The four main types of IP in terms of the **form of legal protection** and the **form of IP** protected are as follows (see Auril Guide to Managing Intellectual Property):

- **Patents for inventions** – new and improved products and processes that are capable of industrial application;
- **Copyright for material** – literary and artistic material, music, films, sound recordings and broadcasts, including software and multimedia;
- **Trade marks for brand identity** – of goods and services allowing distinctions to be made between different traders;
- **Design rights for designs** (e.g. product appearance) – of the whole or part of a product resulting from the features of, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation.

3.2.4 However, IP can be considered in a much broader context than indicated in 3.2.3, and extends to confidential information and trade secrets, which can be protected by confidentiality and non-disclosure agreements.

3.2.5 In short, therefore, IP generated by the University includes inventions, copyright material, trademarks and designs, all of which may be protected by law. The University and its staff and students may also possess confidential information, trade secrets, know-how and understanding which are equally vital for the success of any commercial exploitation of IP.

4 IP Ownership

4.1 IP Ownership by Members of Staff

- 4.1.1 London Metropolitan University is the first owner of IP developed by members of staff in the course of their normal duties, or as the result of a task specifically assigned by the University¹. This policy is further detailed in the terms and conditions of employment for staff.
- 4.1.2 Subject to paragraph 4.1.3 below and to the Patents Act 1977, and unless otherwise agreed in writing between the person concerned and the London Metropolitan University, the University claims ownership of the following forms of intellectual property:
- **1. Inventions** – that may or may not have patent protection;
 - **2. Computer-generated works** – that have been generated by computer hardware or software, owned or operated by the University;
 - **3. Media-based materials** – films, videos and multi-media productions that have been created with the aid of university facilities;
 - **4. University commissioned materials** – for the creation of all materials that have been specifically commissioned by the University including course design, course delivery and learning materials;
 - **5. Computer software and firmware** – and related material not incorporated in 1,2,3 or 4 above;
 - **6. Designs and Trademarks** – that may be registered or unregistered.
- 4.1.3 The copyright in any work or design compiled, edited or otherwise brought into existence by you as a scholarly work produced in furtherance of your professional career, shall belong to you; 'scholarly' work includes items such as books, contributions to books, articles and conference papers, and shall be construed in the light of the common understanding of the phrase in higher education.
- 4.1.4 The copyright in any material produced by you for your personal use and reference, including as an aid to teaching, shall belong to you.
- 4.1.5 However, the copyright in course materials, including electronic media, produced by you in the course of your employment for the purposes of the curriculum of a course run by the University and produced, used or disseminated by the University, shall belong to the University, as well as the outcomes from research specifically funded and supported by the University.
- 4.1.6 The above sub-clauses (4.1.3 – 4.1.5) shall apply except where agreement to the contrary is reached by you and the University. Where a case arises, or it is thought that a case may arise, where such agreement to the contrary may be necessary, or where it may be expedient to reach a specific agreement as to the application of the above sub-clauses to the particular facts of the case, the matter should be taken up between you and your Head of Department. By way of example, this sub-clause would apply where any question of assignment of copyright or of joint copyright may arise; other examples and guidance may be contained from time to time in the Teaching Staff Handbook.
- 4.1.7 Members of staff are obliged to disclose IP arising from their work to the Intellectual Property Commercialisation Manager in IEU and to the Head of Department in the first instance. Where the form of the IP is such that it may be patentable or subject to some other form of legal protection, the act of disclosure to the University must come before any form of public disclosure. To this end, it is to be clearly communicated to staff that it will be impossible to secure full patent protection for an invention that has been publicly disclosed (see Appendix B for definitions on public disclosure of IP).

¹ The Patent Act 1977, and Copyright, Designs and Patents Act 1988 require ownership of IP to be vested in the employing organisation (i.e. the University).

- 4.1.8 All information concerning IP shall be deemed confidential and no publication or disclosure shall be made without the express prior written approval of the University member of staff to whom the disclosure is made. Therefore, in the interests of all concerned, all members of staff are expected and required to maintain confidentiality with respect to any project(s) with which they are associated.
- 4.1.9 The University reserves the right to retain IP ownership subsequent to the departure of staff and students from the University. However, it is also recognised that the commercialisation of IP is often very difficult without the direct involvement of the IP originator(s). Therefore, in the case of staff or student departure, the University will consider the transfer of IP ownership to either the IP originator or the new employer, for which it may seek some form of remuneration.

4.2 IP Ownership by Research Students

- 4.2.1 All IP arising from research work undertaken by postgraduate research students is owned by the University.
- 4.2.2 Postgraduate research students (or non-employee researchers) will be required to sign an agreement assigning first rights of IP ownership to the University (see Appendix C) as a condition of participation in University research projects. This agreement will be included as a constituent part of any official offer of a studentship research placement from the relevant departmental office.
- 4.2.3 However, in the event that a research student generates IP independently from their research project, and without drawing on University facilities or staff supervision, then the IP shall remain the property of the student. In such cases, the University may be willing to manage the commercialisation of the IP on behalf of the student, in which case the student will be required to assign their rights of IP ownership to the University.
- 4.2.4 Information disclosed to a research student during the course of their research activities, and any results generated during that period (whether or not technical or commercial in nature), may constitute valuable IP and require protection prior to any form of non-confidential disclosure. It is the responsibility of the research project supervisor to advise the student as to which results and/or information are to be kept confidential. If in any doubt, advice should be sought from IEU.

4.3 IP Ownership by Non-Research Students

- 4.3.1 The University recognises that it cannot automatically assume ownership of IP generated by non-research (undergraduate and postgraduate) students in the course of their studies. However, students may be required to sign an agreement assigning first rights of IP ownership to the University as a condition of participation in a specific project (see agreement for student ownership of IP in Appendix C).
- 4.3.2 In such cases, the University will normally collaborate with the student(s) and share the benefits derived from any commercial exploitation of the IP as if the students were employees of the University. It is therefore expected by the University that the student(s) will provide all reasonable assistance necessary to secure IP protection where it is appropriate.
- 4.3.3 In such cases, the University (as first owner) reserves the right to exploit IP in whichever way it considers most appropriate.
- 4.3.4 While it is the expectation of the University that, in such cases, assignment of IP ownership rights will be made to the University, exceptions can be agreed between the student(s), the relevant Department and the University.

- 4.3.5 It is also recognised that in cases where a student is sponsored, the terms of the sponsorship may override the first rights of IP ownership by the University.
- 4.3.6 Where there has been any input by university members of staff, or the use of university resources in the creation of IP by students, and irrespective of whether the University has first rights of ownership, the University will seek to claim a fair and reasonable share of any revenue derived from its commercial exploitation.

4.4 IP Ownership by Third parties

- 4.4.1 IP issues will be considered as an essential part of planning for any externally funded activity. The University will generally seek to retain rights to IP arising from its research, development and other work. To that end, the Intellectual Property Commercialisation Manager in IEU will assess all science and technology research proposals prior to submission to the relevant research funding councils. However, the University recognises that where a collaborator pays a commercial rate, covering at least the full cost of a project, this may not be appropriate.

4.5 Resolution of IP Ownership Disputes

- 4.5.1 Any disputes in the ownership of IP should first be referred to IEU, and then to the attention of the Deputy Vice-Chancellor (R&D).
- 4.5.2 In the event of a dispute concerning the ownership of the IP, which cannot be resolved between the IP originator(s), whether one or more members of staff, researchers, or students, and the University within 60 days (or such other periods the party may agree), the matter shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration.
- 4.5.3 The number of arbitrators shall be one and the arbitrator shall be agreed between the IP originator(s) and the University. If no agreement can be reached within 30 days as to the identity of the arbitrator, the arbitrator shall be a barrister specialising in intellectual property law, who shall be nominated for the purpose by the then Chairman of the General Council of the Bar.
- 4.5.4 The arbitrator's fee shall be paid by the University, but shall constitute a first charge on any surpluses which are accrued, whether by the IP originator(s), Department(s) or spin-off companies (as part of the London Metropolitan University Enterprises Ltd or otherwise.), or whichever party or parties are held by the expert to be the owner of the IP.

5 Income Distribution Policies

5.1 General Income Distribution Policies

- 5.1.1 The University recognises that the innovation and creativity of staff and students are crucial for the development of the University IP portfolio. To this end, the University wishes to encourage the creation of IP through providing the appropriate financial incentives to reward the contributions made by staff and students, and the respective Department(s).
- 5.1.2 Where there has been any input by university members of staff, or the use of university resources in the creation of IP by students, the University will seek to claim a fair and reasonable share of any revenue derived from its commercial exploitation.
- 5.1.3 The income derived from IP commercialisation activities (e.g. IP licensing) is defined as the gross income. The net income is to be calculated by subtracting the non-staff costs associated with the commercialisation of the IP (such as patent fees, legal fees, minor development work, and the audit of licensees) from the gross income. The IP commercialisation costs are defined in Appendix B, and are further detailed in the Project Accounting Guidelines.
- 5.1.4 All departments are to operate a Development and Staff Incentive Fund (DSIF) into which a part of the net income generated through IP commercialisation is to be channelled.
- 5.1.5 The University recognises that the engagement of commercial, legal and administrative expertise makes an essential contribution to the successful commercialisation of IP. Where appropriate, therefore, the University will reward other members of staff who have contributed significantly towards the development of a commercialisation opportunity. Commensurate with their respective contribution, this reward will be distributed to the appropriate member(s) of support staff, and be derived from the departmental or university share of the net income, whichever is the most appropriate.
- 5.1.6 Where consultancy services are provided in association with the commercialisation of IP, the University will classify these services as being 'Standard Consultancy'. The income distribution for Standard Consultancy is detailed in the University Consultancy Policy.
- 5.1.7 When more than one IP originator is involved, the distribution of their share of the income shall be a matter for them to determine. Unless there is a written agreement to the contrary between the IP originators, any such distribution shall be made in equal portions.
- 5.1.8 The financial entitlement will continue to be paid to an IP originator who has left the University. In the event of their death, the entitlement will continue to be paid to their estate.

5.2 Specific Income Distribution Policies

- 5.2.1 Irrespective of whether income payments are made either as a lump sum or as a series of payments, in all cases where the net income is positive, the University will share the benefits with the IP originator(s). This will include, for example, income from licensing agreements, assignment or sale of IPR and royalty streams.
- 5.2.2 The first amounts of any income received will be used by the University to recover the IP commercialisation costs.

- 5.2.3 For any amounts up to £15k, the net income will be distributed according to the following formula:
- 80% to the IP originator(s);
 - 10% to the DSIF of the Department(s) in which the IP was developed;
 - 10% to the University;
- 5.2.4 For any amounts beyond £15k, the net income will be distributed according to the following formula:
- 33⅓% to the IP originator(s);
 - 33⅓% to the DSIF of the Department(s) in which the IP was developed;
 - 33⅓% to the University.
- 5.2.5 The University reserves the right to adjust the formulae and thresholds described in 5.2.3 and 5.2.4 in specific cases where, for example, there has been substantial financial support or infrastructure investment, but which may not have been included in the IP commercialisation costs.
- 5.2.6 For income received for IP that was specifically commissioned by the University (e.g. the development of learning materials), the formulae outlined in 5.2.3 and 5.2.4 will not apply. In this case, and where appropriate, an agreement on the distribution of income will be reached by the University and the IP originator(s) on a case-by-case basis.
- 5.2.7 Where a company is to be set up to exploit university-owned IP, the University will share the benefits with the IP originator(s). In this case, an agreement on the distribution of income will be reached by the University and the IP originator(s) on a case-by-case basis.
- 5.2.8 Members of staff who are to participate (whether as a director or member) in a company, which has been formed for the purpose of IP commercialisation, are responsible for taking all necessary advice (whether legal, accounting or otherwise) as may be appropriate in the circumstances. The University shall not be liable for any loss suffered by the participants as a consequence of failing to take any such advice.
- 5.3 Net Income Distribution from the Departmental Development and Staff Incentive Fund (DSIF)**
- 5.3.1 The accumulation of income through the commercial exploitation of IP in the departmental DSIF follows in accordance with the formulae detailed in 5.2.3 and 5.2.4. As outlined in 2.1.6, all members of staff will be encouraged to partake in surplus-generating activities (of which IP commercialisation is one example), thereby enabling all staff to potentially benefit from the fund.
- 5.3.2 The distribution of accumulated net income payments through the commercial exploitation of IP from the departmental DSIF is to be made on an annual basis. Distributed income may be used for the following purposes:
- Development initiatives to enhance the overall departmental capabilities, which may include the purchase of specific equipment;
 - Incentive payments to staff who have provided indirect support for the successful commercialisation of IP e.g. through the provision of teaching coverage.
- 5.3.3 It is for Departments to decide upon the distribution of funds from the departmental DSIF. However, the distribution is to be ratified by the Executive Group. Furthermore, incentive payments via the departmental DSIF should operate alongside the PADAS scheme for performance-related pay awards.

6 IP Organisational and Procedural Policies

6.1 Involvement of Key Players in IP Management and Commercialisation

- 6.1.1 The involvement of the key players in IP management and commercialisation along with an indication of their responsibilities is shown in Figure 6.1 below.
- 6.1.2 The key players are as follows: the IP Originator (either a member of staff or a student); the Innovation and Enterprise Unit (IEU); the University Secretary's Office for an IP legal capability; the Executive Group (or more likely, a subset thereof with specific decision-making responsibilities for enterprise activities, termed Commercial Evaluation Group - CEG); the Finance Department (mainly the Group or Division responsible for enterprise activities); the Head of Department (or nominated decision-maker within the Department); and a Third Party, which may be a client, or a research sponsor. The HR Department will also be involved, particularly with regard to contracts of employment and IP agreements. A more detailed 'map' of IP management and commercialisation activities is shown in Annex A.

Key IP Management and Commercialisation Activities	IP Originator	IEU and IP Legal	Exec. Group (CEG)	Finance Dept. (Entrprs.)	Dept. Head	Third Party
IP Management						
Identification of IP	●	●			●	
Determination of IP Ownership (HR Involvement)	●	●	●			●
Management of IP Portfolio		●	●		●	●
Communication of IP Portfolio		●				
IP Commercialisation						
Development of IP Commercialisation Opportunity	●	●				●
Evaluation of IP Commercialisation Opportunity	●	●	●		●	●
Securing and Distribution of IP Commercialisation Income	●	●		●		
Communication of IP Commercialisation		●				
● Undertaking of / Responsibility for Activity ● Some Involvement in Activity						

Figure 6.1 Overview of Involvement of Key Players in IP Management and Commercialisation

- 6.1.3 The University recognises that the commercial exploitation of IP is a key enterprise activity that directly underpins the mission of the University. To this end, the University is committed to providing efficient and effective support for all staff engaged in the creation and commercialisation of IP, including financial, contractual and legal matters.

- 6.1.4 For all staff wishing to engage in activities relating to the creation and commercialisation of IP, the University will provide direct support through the Innovation and Enterprise Unit (IEU). In accordance with the needs and requests of individual members of staff and/or students, support and expertise is available for the IP management and commercialisation activities listed below:
- **Identification of IP** – the requirements for IP disclosure;
 - **Determination of IP ownership** – the setting up of contracts and negotiation of IP ownership;
 - **Management of IP Portfolio** – the activities associated with IP protection, which includes an evaluation for IP protection, where a financial investment is concerned. This evaluation will be aligned with the risk levels considered acceptable by the University;
 - **Communication of IP Portfolio** – the marketing of IP through presentation of the IP available for commercialisation;
 - **Development of IP Commercialisation Opportunities** – from early-stage right through to commercialisation;
 - **Evaluation of IP Commercialisation Opportunities** – from early-stage right through to commercialisation. This evaluation will be aligned with the risk levels considered acceptable by the University;
 - **Determination and Distribution of IP Commercialisation Income** – the calculation of commercialisation costs;
 - **Communication of IP Commercialisation** – the marketing of IP through presentation of best practices and success stories.

6.2 IP Management – Identification of IP

- 6.2.1 In accordance with 4.1.7, any member of staff or student is required to disclose IP, and is encouraged to share and discuss possible commercial opportunities with specific members of staff in IEU. These discussions will be in confidence and without commitment.
- 6.2.2 Before the University can consider engagement in IP commercialisation activities, and where appropriate, an IP Disclosure Form, signed by the IP originator(s), must be completed and submitted to IEU. This form must identify all details of ownership of respective contributions, or expected contributions, associated with the development of the IP, whether from members of staff, students or outside sponsor(s) of the project. The IP Disclosure Form can be found in Appendix C.

6.3 IP Management – Determination of IP Ownership

- 6.3.1 Following receipt of the IP Disclosure Form, the ownership of the IP has to be determined and/or verified. To underpin the activity, IEU will complete an IP Due Diligence Form (see Appendix C) together with the IP originator(s).
- 6.3.2 Where staff and/or students have access to confidential information belonging to the sponsor of a research project, the head of the project, supervisor or principal investigator shall ensure that all staff or students engaged on the project are provided with a copy of the contract and requested to sign confidentiality agreements where the relevant contract so requires. Staff and students shall familiarise themselves with the terms of such agreements and adhere strictly to them. In particular, the head of the project, supervisor or principal investigator shall be responsible for ensuring that the handling and storing of confidential information is undertaken in accordance with the terms of the contract. Staff and students shall not disclose to any third party any confidential information, through for example, giving a lecture, presenting or publishing a paper, or holding discussions, unless authorised in writing.

6.3.3 In considering the possible routes for commercialising the IP, the University will take into account commitments to assign, share or license IP to third parties outside the organisation. This is particularly relevant when contracts for research or consultancy projects contain considerations of this sort. It is important therefore, that IEU is consulted at the earliest possible stage of any project regarding the IP implications of any contract. IP issues will be considered as an essential part of planning for any externally funded activity.

6.4 IP Management – IP Portfolio Management

6.4.1 The responsibility for evaluating IP rests in the first instance with IEU and then with the CEG. The responsibility for completing the legal processes required for protecting the University's IP rests with the University Secretary.

6.4.2 It is recognised that IP may be worthy of protection even though a strategy for commercialisation may not be clear. It is also to be understood that the criteria required to evaluate whether IP is worthy of protection are closely related, but not the same, as the criteria required to evaluate whether IP is worthy of being commercialised.

6.4.3 The CEG will normally comprise:

- Deputy Vice-Chancellor (R&D) – when presence specifically required;
- Director of Business Development Department;
- Up to two representatives from IEU;
- Director of Finance;
- Up to two nominees from the Department(s) where the IP originated, and nominated by the respective Head(s) of Department.

6.5 IP Management – Communication of IP Portfolio

6.5.1 Successful commercial exploitation of IP is partly determined by the extent and quality of the 'marketing' of the IP portfolio. To this end, and as part of its commitment to developing an effective level of support, the IEU will ensure that an IP disclosed to the University will be professionally showcased with both electronic and other media forms. As a prerequisite for public disclosure, and where appropriate, the IP has to be sufficiently well protected.

6.6 IP Commercialisation – Development of IP Commercialisation Opportunities

6.6.1 The University reserves the right to commercialise the IP it owns, and any benefits derived from the commercialisation of university-owned IP will be shared in accordance with the University's agreed income distribution policy outlined in Section 5.

6.6.2 The University recognises that staff and students have specialist knowledge, and that the University is capable of providing expertise in the legal, commercial and other areas required for the commercialisation of IP. The University and its Departments also provide the infrastructure, environment and other support to encourage and enable ideas to be developed to a point where they may be commercialised. The University seeks to build on this complementary relationship, and to take a collaborative approach to commercialisation.

- 6.6.3 Of particular importance for providing support for staff or students in the commercialisation of their IP is the University IP Commercialisation Toolkit. This toolkit provides a range of tools and templates to support IP commercialisation activities from the identification of IP right through to the latter stages of commercialisation e.g. the incubation of a spin-out company. Upon request, and subject to having received an introduction from an IEU member of staff, this toolkit is available for use to all staff and students.
- 6.6.4 All staff wishing to engage in IP commercialisation activities should seek the prior approval of their Head of Department. Authority for such approval is vested in the Head of Department, although it may be formally delegated. The Head nevertheless carries the responsibility. Approval may be denied for a range of reasons, including lack of financial viability, staff workload or lack of appropriate expertise.
- 6.6.5 In many cases, licensing will be the most appropriate route for the commercialisation of IP developed by the University. Best value can often be obtained by licensing IP to companies better able to commercially exploit it than the University. As well as generating an income, often over a period of time, the licensing agreements will be linked to further development contracts wherever possible. Where licensing has been recommended by the CEG, and approved by the Deputy Vice-Chancellor (R&D), as the preferred route for commercialisation, IEU will normally negotiate and draft the agreement in consultation with the IP originator(s) and the Finance Department. The agreement will be presented for approval to the CEG and/or the Deputy Vice-Chancellor (R&D).
- 6.6.6 Sometimes, the creation of a new company will be considered the most appropriate route for the commercial exploitation of IP. In these cases, IEU will provide support in drawing up a business plan and arranging finance for the venture. This process may involve further consultation with experts inside and outside of the University. The plans must be approved by the CEG before implementation. It will usually be important for the IP originator(s) to be involved in the newly-formed company.
- 6.6.7 In cases where, after full disclosure of all relevant information, and having undertaken the necessary commercial due diligence, the University decides not to commercialise the IP, the University will normally waive any interest in the idea or invention. However, the University reserves the right to take other action or delay commercialisation where it is in the interest of the University to do so. Following a decision not to commercialise, the IP originator(s) may then seek consent from the University to commercialise the IP themselves, at their own expense, and in accordance with their terms and conditions of employment. Such consent may not be unreasonably withheld. Paragraph 6.7.6 outlines the procedure for appeals, which should also be used for appeal against a decision not to grant such consent.

6.7 IP Commercialisation – Evaluation of IP Commercialisation Opportunities

- 6.7.1 At staged intervals of the commercial development of the IP, an evaluation of the commercial potential of the IP will be undertaken by IEU and the CEG. Supporting research into the commercial viability of an idea will be conducted by IEU in collaboration with the IP originator(s) and presented at the meetings of the CEG.
- 6.7.2 The recommendations of the CEG will be referred for approval to the Deputy Vice-Chancellor (R&D) or the University Board as appropriate. The decisions of the CEG and the Deputy Vice-Chancellor (R&D) will be implemented by IEU in collaboration with the IP Originator(s).
- 6.7.3 If circumstances are such that a significant deviation from an approved commercialisation strategy becomes appropriate, or significant further expenditure is required, the changes shall be referred to the CEG for further evaluation.
- 6.7.4 Broadly speaking, each IP commercialisation opportunity will have to satisfy several criteria in order to receive continued support from the University. Broadly speaking, these include: clarity of overall

definition of IP and commercial proposition; full or part institutional ownership of IP; clear market opportunity over a short to medium-term time frame; clear competitive advantage; broadly defined route to market; strong commitment on the part of the IP originator to take it to market; and a strong indication that the commercialisation of the IP will result in a net financial gain.

- 6.7.5 The IP originator(s) cannot be members of the CEG that evaluates their proposal, although they may be in attendance if they wish and/or if the CEG considers that they require further information on which to make a decision.
- 6.7.6 If the IP originator(s) disagree with the decision of the CEG, any appeal is to be referred to the Deputy Vice-Chancellor (R&D) for examination. Appeals must be made with reasons set out in writing within 30 days of being informed of the CEG decision.

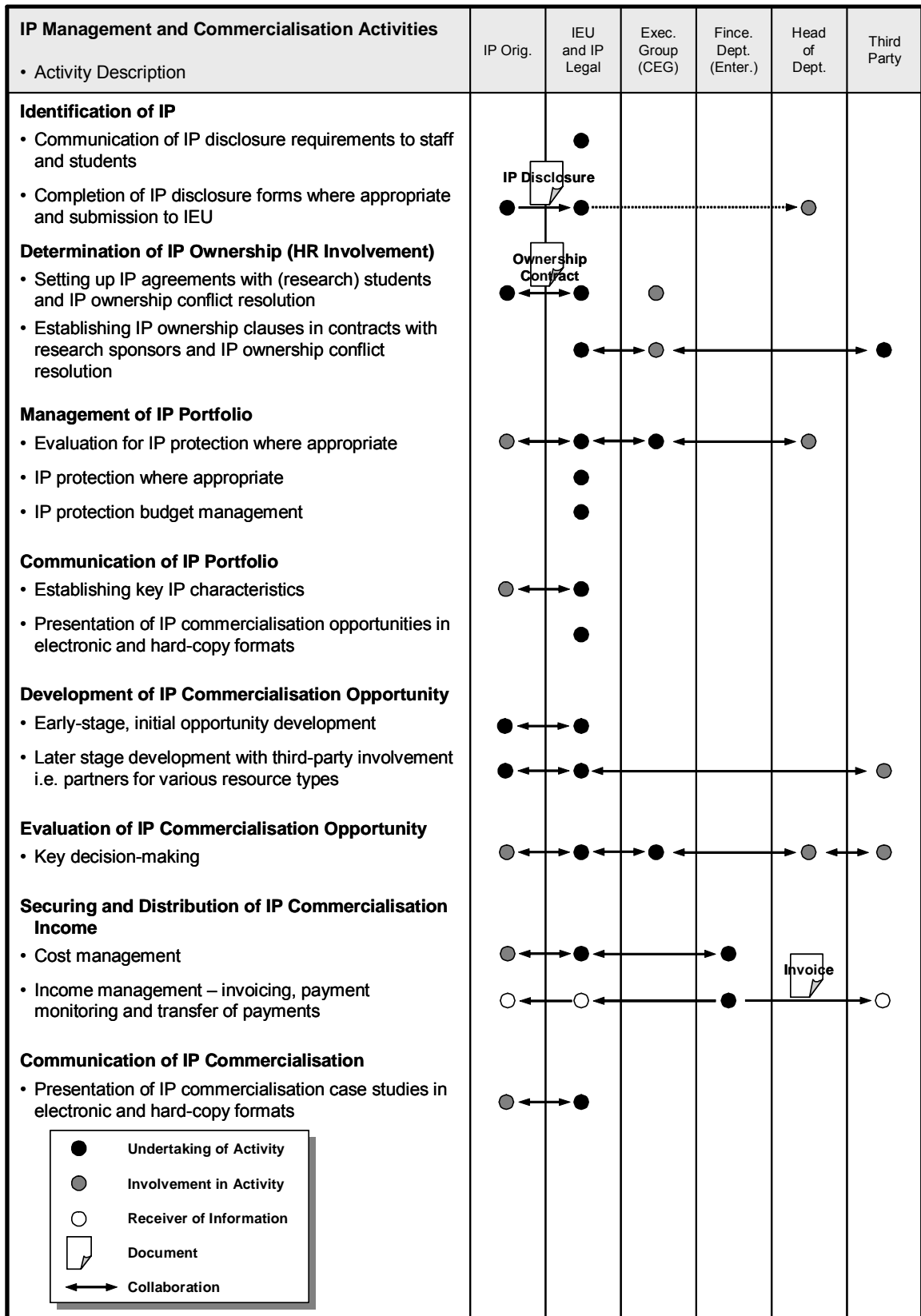
6.8 IP Commercialisation – Securing and Distribution of IP Commercialisation Income

- 6.8.1 Invoicing the client, and monitoring and management of payments (e.g. licensing income) is the responsibility of the appropriate section within LondonMet Enterprises. However, if not contractually defined, the authorisation for invoicing is to be given by the member of staff with overall responsibility for the commercialisation of each specific IP commercialisation project.
- 6.8.2 Following the last day in January and July of each year, during the period for which income is received from a specific IP commercialisation project, the University shall prepare and send to the IP originator(s) and Department(s) six-monthly statements showing the gross income, the IP commercialisation costs and the net income up to that date. At the same time as sending such statements, the University shall transfer the net income fraction to the IP originator(s) and the Department(s) in accordance with the sums that are due. Payment to the IP originator(s) is to be made through the University payroll system.
- 6.8.3 The University shall make the six-monthly statements available for inspection on reasonable notice during business hours by an independent chartered accountant nominated by the IP originator(s) for the purpose of verifying the accuracy of any statement given by the University. The accountant shall be required to keep confidential all information learnt during such an inspection and to disclose to the IP originator(s) only such details as may be necessary to report on the accuracy of the University's statement. The IP originator(s) shall be responsible for the accountancy charges incurred unless the inspection reveals an underpayment of at least 10%, in which case the University shall pay the accountancy fees for that inspection, provided that they are reasonable.

6.9 IP Commercialisation – Communication of IP Commercialisation

- 6.9.1 Demonstrating a successful history in the commercial exploitation of IP is a key element of the overall IP commercialisation strategy of the University. To this end, and as part of its commitment to developing an effective level of support, the University (through IEU) will ensure that IP commercialisation case studies will be professionally showcased with both electronic and other media.

7 Appendix A – IP Management and Commercialisation Activities



8 Appendix B – IP Policy Definitions

8.1 Definitions Associated with Personnel

- 8.1.1 **Staff** intended to mean employees of the University. In the main, this is likely to mean staff employed on academic contracts, but those employed in support roles are not excluded.

8.2 Definitions Associated with IP and Commercialisation Income

- 8.2.1 **Public Disclosure** occurs when an invention is published and forms 'part of the state of the art'. In European patent law, the state of the art is defined as 'everything made available to (even one member of) the public (anywhere in the world) by means of a written or oral description, by use, or in any other way'. Elsewhere, most countries have broadly similar provisions.
- 8.2.2 **Commercialisation Costs** are defined as any fees or expenses (whether internal or external) which are reasonably incurred by the University in respect of:
- The registration of any document with any patent office or other institution, and the payment of any tax or charge in connection with such documents;
 - Seeking and maintaining patents and/or other IP, including without limitation (i) the defence of any claims of opposition or for revocation of any IP, (ii) the bringing of claims against other persons for infringement of the University's IP rights, and (iii) any costs, expenses, damages and other payments (including payments made in settlement of litigation) made by the University in respect of such claims;
 - The negotiation and execution of agreements with licensees and others in respect of the development or commercial exploitation of the IP and the administration of such agreements, including without limitation any costs incurred in dealing with claims or proceedings associated with such agreements.
- 8.2.3 **Gross Income** is defined as the actual sums received by the University in respect of the commercialisation of the IP.
- 8.2.4 **Net Income** is defined as the Gross Income less the Commercialisation Costs.

9 Appendix C – Forms of Agreement and Templates

IP Disclosure Form

IP Due Diligence Form

IP Agreement for Research Students

IP Agreement for Non-Research Students

IP Disclosure Form

Purpose and General Instructions for Completion

The purpose of the IP Disclosure Form is to facilitate the formal disclosure of IP to your Department or to the University. This is the first step towards determining whether and how to protect the IP, and to assess its commercial potential. Please enter the information in electronic form into the boxes by following the guidelines (<shown as such>, and to be deleted on completion). The IP Disclosure Form should be signed and dated by the Principal Investigator.

1. Information about the IP

1.1 Descriptive Title of IP

1.2 Name, Department and Contact Details of Principal Investigator

1.3 Brief Description of IP

<What does it do or enable?>

<How does it work?>

1.4 Brief Description of Relative Performance and Uniqueness

<How does it improve upon what is currently available?>

<What is new about it?>

1.5 Brief Description of Potential Applications

1.6 Brief Description of Stage of Development

<Have laboratory tests been undertaken?>

<Has a prototype been developed and has it been used?>

2. Information about Disclosures

2.1 Origination of IP

<When and where was the IP first conceived?>

2.2 Verbal Disclosures

<When and to whom was the IP first verbally reported?>

2.3 Written Disclosures

<When and where was the IP first described in writing?>

2.4 Other Relevant Disclosures and Published Literature

<Has anything relevant to the IP been published either verbally or in writing. If so, when and what?>

<Is there any other published literature relevant to the IP. If so, what and where?>

Signed by the Principal Investigator: _____

Date: _____

Due Diligence Form

Purpose and General Instructions for Completion

The purpose of the IP Due Diligence Form is to record and provide information to assist the University in determining the legal title and any potential third-party claims to the intellectual property rights associated with new IP. **This form must be completed by each contributor** to the creation of the intellectual property. Incorrect or incomplete details could lead to litigation, the reduction or loss of exploitation revenues, or the invalidation of patent applications. Please enter the information in electronic form into the boxes by following the guidelines (<shown as such>, and to be deleted on completion).

1. Information about the IP and Contributor

1.1 Descriptive Title of IP

1.2 Name, Department and Contact Details of Contributor

1.3 Period of Research Relevant to the Creation of the IP

<When was the research started and completed?>

1.4 Status of Contributor during Period of Research

<Please indicate contributor status:> EMPLOYEE / STUDENT / OTHER <Delete as Appropriate>

<If EMPLOYEE, please state employer and employer number.>

<If STUDENT, please state name of university where studying, and name of supervisor.>

<If OTHER, please give status and the name of the university employee responsible for engagement.>

2. Information about Funding

2.1 Funding Sources

<What sources of funding (mention all forms) were drawn on in support of the research, which led to the development of the IP during the period in 1.3 above?>

<Identify the following for each funding source: funding amount, funding contract period, funding code.>

2.2 Name of Principal Investigator with Funding Responsibility

<Please provide name/s of Principal Investigator or Co-Investigators responsible for each funding contract.>

2.3 Third-Party Support – Financial or In-Kind

<Did the research relevant to the creation of the IP above involve any financial or in-kind support, such as the provision of equipment or the transfer of materials from other parties? If YES, please provide details.>

3. Information about Contributors to IP Creation

3.1 Identification of Individuals Involved in IP Creation

<Please list all individuals whom you consider to have made an active contribution to the creation of the IP.>

3.2 Identification of Other Parties Linked to IP Creation

<Is the IP linked in any way to the subject matter of research or service contracts, material transfer agreements or personal consultancies not cited above, whether past, present, or currently under negotiation?>

< If YES, please provide details.>

Signed by Contributor (named in 1.2): _____ Date: _____

IP AGREEMENT FOR RESEARCH STUDENT

Purpose and General Instructions for Completion

This form is to be used with persons who are invited by London Metropolitan University to participate in research projects, but who are not employees of the University. Its purpose is to help ensure that research students are made fully aware of the University IP policy, and to provide a legally-binding agreement between the research student and the University regarding IP ownership. Please enter information about the research project in electronic form into the boxes. This form should then be signed and dated by the research student and the research supervisor.

Information about the Research Project

Name of Research Student

Title of Research Project

Name, Department and Contact Details of Research Supervisor

Name(s) of Research Sponsor(s)

Terms of IP Agreement

The University will allow the above named research student to participate in the above named research project provided that the conditions stated below are upheld.

Generally, the research student agrees to do everything that may reasonably be required in order to give effect to this agreement. More specifically, it is agreed that the terms of the agreement shall govern all forms of IP described in the University IP Policy, and that the University shall have first rights of IP ownership for any IP developed by the research student as part of the research project.

Should the University receive some form of income (e.g. royalties) through the commercialisation of any IP developed by the research student as part of the research project, then the research student will be entitled to a fair proportion of the income, net of all commercialisation expenses (in accordance with Section 5 of the University IP Policy).

In the event of a disagreement concerning the distribution of income earned through the commercialisation of the IP, and which cannot be resolved between the research student and the University, the matter shall be referred to an independent expert to be agreed between the research student and the University. If no agreement can be reached within 30 days, the independent expert shall be a barrister specialising in intellectual property law, who shall be nominated for the purpose by the then Chairman of the General Council of the Bar.

It is agreed that the research student undertakes not to make any claim against the University or the sponsor(s) of the research project, or their respective patent agents, lawyers or employees, based on acts or omissions connected with the filing, prosecution or maintenance of any application for patent, design, trade mark, copyright, or other registration available for the protection of intellectual property rights arising from the research project, or of any resulting patent or other form of registration.

It is understood by the research student that his or her undertakings continue in force notwithstanding the termination of the research project or of any work with the London Metropolitan University.

Signed by the Research Student: _____

Date: _____

Signed by the Research Supervisor: _____

Date: _____

IP AGREEMENT FOR NON-RESEARCH STUDENTS

Purpose and General Instructions for Completion

The purpose of this form is to record certain terms on which London Metropolitan University is willing to provide you with access to certain university facilities and to permit you to participate in certain university research projects, as agreed between the student and the supervisor. Furthermore, this form seeks to help ensure that students are made fully aware of the University IP policy, and to provide a legally-binding agreement between the student and the University regarding IP ownership. Please enter information about the research project in electronic form into the boxes. This form should then be signed and dated by the student and the supervisor.

Information about the Student and Supervisor

Name of Student

Name, Department and Contact Details of Supervisor

Terms of IP Agreement

The University will allow the above named student to participate in research projects provided that the conditions stated below are upheld.

Generally, the student agrees to do everything that may reasonably be required in order to give effect to this agreement. More specifically, it is agreed that the terms of the agreement shall govern all forms of IP described in the University IP Policy. The student agrees to be bound by the terms of the University IP Policy. Furthermore, the student agrees to sign such documents as the University may require from time to time, so as to ensure that IP is vested in University in accordance with the IP Policy.

Attached to this agreement is a copy of University IP Policy, which (among other matters) describes the circumstances in which the University shall seek to claim first rights of ownership for IP created by its employees and students. In certain circumstances (described in the Policy), inventions and other intellectual property generated by students of the University will belong to London Metropolitan University. In return, the students will qualify as a potential recipient of a share of any revenues obtained from the commercialisation of the IP, in accordance with the policies for income distribution (Section 5 of the University IP Policy).

In the case where a net income is derived from the commercialisation of IP, and where the student is partly or fully responsible for the origination of the IP, the student will receive the same level of benefits as would a University employee, although the status will remain that of a student and not that of an employee.

In the event of a disagreement concerning IP ownership, or the distribution of income earned through the commercialisation of the IP, and which cannot be resolved between the research student and the University, the matter shall be referred to an independent expert to be agreed between the student and the University. If no agreement can be reached within 30 days, the independent expert shall be a barrister specialising in intellectual property law, who shall be nominated for the purpose by the then Chairman of the General Council of the Bar.

It is agreed that the student undertakes not to make any claim against the University or the sponsor(s) of any research project, or their respective patent agents, lawyers or employees, based on acts or omissions connected with the filing, prosecution or maintenance of any application for patent, design, trade mark, copyright, or other registration available for the protection of intellectual property rights arising from the research project, or of any resulting patent or other form of registration.

Signed by the Student: _____

Date: _____

Signed by the Supervisor: _____

Date: _____