

## Document Details

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## Referenced policies and documents

## **Lancaster University – Intellectual Property Policy (“IP Policy”)**

### **1. Preamble**

- 1.1 In alignment with the Strategic Plan, the University seeks to identify, protect and subsequently exploit IP (as defined in clause 1.2 below) as a key contributor to the University’s objective of creating impact, fostering partnerships and maximising sustainable research income.
- 1.2 This IP Policy has been developed to encourage and facilitate the dissemination of research and the exploitation of knowledge. Academic work and research often give rise to expression of ideas, know-how, software, inventions, designs, or processes. Rights in and to these are known as Intellectual Property (“IP”). All employees and students have the potential to create IP during their work or studies.
- 1.3 One of the methods through which the University achieves impact in relation to IP is via protection and/or commercialisation, which may have a number of benefits. IP also provides means of advertising the University’s technical skills and expertise to external third parties, and can lead to significant research projects or consultancy work sponsored by industrial or broader partners. Licensed IP may further provide revenue for the University and Inventors (as defined in clause 3.4 below).
- 1.4 Staff and students should be directed to this IP Policy during induction and annual registration. It should be reviewed regularly, especially where there is a possibility of generating IP with social or economic impact.
- 1.5 This IP Policy provides details on ownership, management and commercialisation of research outputs. It outlines the benefits offered to Inventors in the event IP is commercialised and sets out the obligations on Inventors to disclose IP to the University.

### **2. Ownership**

#### *Employees*

- 2.1 Under the Patent Act of 1977 and the Copyright, Designs and Patents Act 1988, employers own IP created by their employees in the course of their employment.
- 2.2 In the absence of any other agreement to the contrary, and with the exception of Scholarly Works (as defined in clause 2.19 below), all IP created in the following circumstances, shall be owned by the University.
  - 2.2.1 Created in the course of an employee’s normal duties.
  - 2.2.2 Created during work that had been specifically assigned to them.
  - 2.2.3 Created with use of university resources.
- 2.3 Those students whose primary relationship with the University is that of an employee shall be treated on the same basis as all other employees.

- 2.4 In accordance with the terms and conditions of employment, staff shall not disclose confidential information belonging to the University to any third parties, subject to clause 5.3

*Honorary and Visiting Staff*

- 2.5 Honorary and Visiting staff will be bound by the 'Terms and Conditions of Appointment of Honorary and Visiting Staff'.
- 2.6 Individuals who have honorary contacts or associations with the University that require the assignment of any IP to the University, will, in return for this assignment, be rewarded on the same terms as other University employees in regard to the revenue share scheme outlined in this IP Policy at clause 6 below.
- 2.7 Where an honorary or visiting member of staff has assigned their IP to the University all regulations within this IP Policy will apply.
- 2.8 In accordance with the terms and conditions of Honorary and Visiting staff, Staff shall not disclose confidential information belonging to the University to any third parties, subject to clause 5.3

*Students*

- 2.9 The University does not automatically own student IP. Where a student generates IP as part of their academic programme, subject to the exceptions set out in clause 2.11, the student will be the sole owners of their IP.
- 2.10 A student may choose to assign the IP to the University, or the University may require a student to assign their IP in certain circumstances.
- 2.11 The circumstances where the University will require the student to assign their IP will include the following.
- 2.11.1 Where the student has received significant financial support from the University (for example stipend or fee waiver) to undertake the research. For the avoidance of doubt this does not include any hardship or widening participation financial support.
- 2.11.2 Where the student builds upon existing IP generated by University staff.
- 2.11.3 Where the student holds an externally funded studentship, which the sponsor has rights to ownership or requires the University to own the IP.
- 2.11.4 Where the student participates in an externally funded research programme. Certain funders may require students to assign their IP to the University (or to the funder or to a third party), as a condition of the funding.
- 2.11.5 Where the student participates in a research project funded by the University.

- 2.12 By assigning IP to the University, a Student will be treated on the same basis as staff and benefit from the same support. They will be rewarded on the same terms as other employees in regard to the revenue share scheme outlined in this IP Policy at clause 6 below.
- 2.13 When a student assigns the IP to the University, the University will then be responsible for determining the ultimate ownership of such IP in accordance with the terms of agreements with third parties (if any).
- 2.14 Students shall not disclose to third parties any confidential information shared with them by an employee of the University.
- 2.15 As a condition of involving a student in certain projects sponsored by third parties, the University may require the student to give undertakings as to confidentiality or the treatment of IP, so as to allow the University to comply with its contractual obligations.
- 2.16 Where the student assigns IP to the University, the student should disclose potentially commercialisable outputs to the University in accordance with the provisions of clause 3.
- 2.17 If a student does not assign their right to the University in accordance with clause 2.11 the University, at its sole discretion, may withdraw the student from the funded project.
- 2.18 Where IP vests with a student and where free and able to do so, the student shall grant the University a non-exclusive, irrevocable, royalty-free, worldwide license to use the IP for teaching and research purposes. Where the student is seeking protection for their IP they may request that the University does not disclose IP until after registration.

### *Copyright*

- 2.19 The University waives its right to ownership of copyright in Scholarly Works to the author(s) of such Scholarly Works. For the purposes of this IP Policy, Scholarly Works shall include [but not be limited to] Journal Articles, Conference Papers, Theses and Essays, Textbooks ("**Scholarly Works**"). For the avoidance of doubt, the University asserts ownership of all other IP rights contained within the Scholarly Works.
- 2.20 In return for the University waiving its right to ownership of the copyright in Scholarly Works in favour of the author(s) of such Scholarly Works, and unless a funder or publisher requires otherwise, the owner will grant the University a non-exclusive right to use the material for teaching and research purposes. Copyright owners may be required to assign their copyright to funders or to publishers in order to achieve publication.

- 2.21 The University will preserve the rights of staff and students to publish the results of their research as they see fit, subject to any publication provisions contained within the terms of any agreements with third parties (if any). However, in some cases, where commercial exploitation is possible the University may request the author(s) to withhold publication until appropriate IP protection can be put in place or permission granted.
- 2.22 For the avoidance of doubt, the University retains ownership of software and its documentation, course materials or e-learning materials and website content.

### **3. Disclosure of IP**

- 3.1 Members of staff, and students who have assigned their IP to the University, are expected to apply reasonable judgment as to whether any potentially useful IP has been created. Once potential IP has been identified, this should be disclosed to Research and Enterprise Service (RES) as early as possible in accordance with the provisions of clause 3.2 below.
- 3.2 Disclosure of IP should be submitted to RES via an Invention Disclosure Form (“**IDF**”). This is the first step in identifying IP and determining how to proceed and support. Support for drafting an IDF can be provided by faculty business and partnership staff.
- 3.3 Submission of an IDF to RES should be done as soon as possible, especially if there is potential for a patent, since the opportunity to protect the IP may be jeopardised by premature public disclosure. IP should therefore be kept confidential until suitable protection routes have been assessed.
- 3.4 The IDF will be used to confirm the Inventors or Creators of the IP. “**Inventors**” means a person who made a material contribution to the novelty of an invention. Note: under patent law the term ‘inventor’ has a specific meaning. “**Creators**” means a person responsible for and contributing to the creation of certain Intellectual Property.
- 3.5 Once an IDF has been submitted, RES staff and faculty business development or partnership staff will work with the Inventor(s) to evaluate the disclosure, identify impact/exploitation pathways. RES staff will then identify appropriate protection and exploitation routes of the disclosed IP.
- 3.6 The active participation of Inventor(s) in the evaluation and commercialisation of IP is welcomed and encouraged, and is usually necessary for a successful commercial outcome.

### **4. Protection and Commercial exploitation of IP**

- 4.1 RES shall ensure that IP with apparent commercial or impact potential, arising from research at the University, is assessed, and where appropriate protected and supported through exploitation or commercialisation.

- 4.2 The assessment of protection and exploitation routes will be conducted by RES, faculty business development or partnership staff and the Inventor(s). If appropriate external experts will be consulted to assess the IP disclose. Consideration will be given to technical advances, commercial value, impact potential and market need.
- 4.3 If the University decides to protect and commercialise IP, the University shall ask the respective Inventor(s) to sign an Inventors' Agreement. In this document the Inventors will be asked to warrant that they are the only inventor(s) of the IP, and also state what contribution they have made to the invention. The Inventors' Agreement will also outline how Inventors' share of future revenue (if any) is to be divided between them. If the Inventors cannot agree between themselves upon an appropriate revenue share, they may escalate the matter to the Pro-Vice Chancellor Research and Enterprise whose decision will be final and binding.
- 4.4 The University shall have the right to consult appropriate experts, to assist with the development of IP, and shall keep respective Inventor(s) informed of such consultation.
- 4.5 If the University decides to protect and/or commercialise the IP then the Inventor(s) are obliged co-operate fully with the University and its agents, and support negotiation concerning commercialisation of IP. Inventor(s) shall provide reasonable and prompt assistance, for example, by providing information, attending meetings with potential licensees or investors, advising on further development, and signing documents.
- 4.6 The means of commercialisation of IP may include; licensing IP to third parties, assignment of IP rights and/or the creation of spin-out companies. The appropriate route will be identified and explored during the evaluation phase, and will be dependent on third parties requirements.
- 4.7 Where the most appropriate route to impact is considered to be collaboration or open access, the University will consider free access to individuals or companies who can identify an effective use. This approach shall be used to drive partnerships and further research and consultancy opportunities as a means to driving impact.
- 4.8 Where the University does not wish to protect or exploit the IP but the Inventor(s) wishes to do so, the Inventor(s) can request the assignment of IP in return for the University being entitled to an appropriate share (to be agreed prior to such assignment). Typically the university would request a 5% share of net revenue of income generated through exploitation of the IP.
- 4.9 If research is conducted by an employee in partnership with another organisation, formal arrangements must be put in place regarding ownership of arising IP before the research commences. Staff and Students are required to seek advice from RES in regards to this.

- 4.10 In appropriate circumstances the University shall endeavour to acknowledge fully the contribution of individuals to the creation of IP and, subject to any restrictions necessary for commercialisation, shall permit the Inventors to use the IP at the University for scholarly purposes including academic publication and/or research.
- 4.11 The University shall not suppress results or products of work of any Inventor and shall not hinder academic publication, except that the University may require a delay in publication in order to seek protection of IP. Any delay in publication of results will be kept to a minimum.

## **5. Confidentiality**

- 5.1 The University's policy is to support the academic dissemination of research results and encourage the publication of Scholarly Works. However, in the case of technical inventions which may be patentable or registered designs, premature public disclosure, prior to the filing of a patent application may be an obstacle to patentability and adversely affect the commercial value of the invention.
- 5.2 Where commercialisation may be possible, contact RES and ensure that research results and technical information are kept confidential until an assessment is made of patentability and commercial potential.
- 5.3 During discussions with third parties, which may lead to research collaboration and/or to a commercial arrangement for IP, it may be necessary for the University to disclose confidential and valuable information to a third party. To ensure that both parties are clear about the basis of the discussion and to protect the University's rights, staff and students (who have assigned IP to the University) should disclose only what is necessary to enable the talks to proceed sensibly. This should only be done after the third party has signed a confidentiality agreement.
- 5.4 The University has a standard NDA/confidentiality agreement, which can be obtained from the Research Contract Office in RES (and a copy of which is available at [Contracts Website](#)). In some cases, the third party will also wish for a similar undertaking to be made by the University.

## **6. Revenue Sharing**

- 6.1 To reward and incentivise staff and students for their inventiveness, disclosure and support through commercialisation, the University wishes to share revenue with inventors.
- 6.2 Where a financial return is generated through commercialisation of IP, the Inventor(s) will receive a share of the net revenue (as defined in clause 6.4 below) as follows.

<b>Net Revenue**</b>	<b>Inventor(s)*</b>	<b>University</b>
<b>Up to £5,000</b>	100%	0%
<b>Between £5,001 - £100,000</b>	80%	20%
<b>Over £100,001</b>	70%	30%

*\*Where there is more than one Inventor, the Inventors share will be allocated between them in accordance with 4.3 and the Inventors agreement*

*\*\* Net Revenue scale referred to above shall apply to aggregate revenue generated from commercialisation of all the IP related to the technology and not by reference to each separate commercialisation activity. Revenues will be reviewed annually and the appropriate share will be paid to the inventors(s).*

- 6.3 Financial returns shall be calculated from revenues received from commercialisation of IP, including; licencing/assignment fees, upfront/lump sum payments, or other income received from third parties as a result of commercial exploitation of IP.
- 6.4 Net Revenue is defined as financial return received by the University less: any costs incurred in protecting or enforcing IP; any applicable tax; employee and employer deductions; any external professional fees relating to the commercialisation of IP; and any payments to third parties (for example revenue share to research sponsor). The University current operates a 0% management fee; however, this will be reviewed periodically.
- 6.5 The University shall retain surplus revenue to support commercial research activities, fund filings of future patents and maintenance of the University IP portfolio.
- 6.6 Inventors who are equity holders in companies founded on University IP (or companies who are licencing University IP) shall receive no benefits arising from the University's interest in that company or income received from licenced IP (Including equity sale, dividend, royalty or lump sum payment).
- 6.7 The University will use reasonable endeavours to pay the entitlements due to inventors; however, it is the inventor(s) responsibility to keep their contact details up to date.
- 6.8 Inventors may nominate a beneficiary to receive their share of income; this beneficiary can be the University. The University will facilitate payment of revenue into a Personal Research Code for the inventor to be spent within the University on training, equipment, conferences, etc.



- 6.9 This policy will come into effect on 1 August 2019. The revenue share scheme will apply to all commercialisation activities. Staff and Students who already hold revenue share agreements with the university will be moved onto the new royalty rates set out in this policy, which will be applied to revenue received after 1 August 2019. Where commercial activities have generated revenue before 1 August 2019 the accumulated historical revenue total will be used to confirm the percentage of revenue to be shared (See clause 6.2).

## **7. Monitoring University IP portfolio**

- 7.1 University IP that is protected by a patent, trademark, design registration, design right, copyright, database right or as a trade secret will be reviewed regularly to assess its impact, commercial potential and the market interest.
- 7.2 While the University will take appropriate risks and a mid-/long-term view of commercial potential, if the economic return or level of impact has been assessed to be low, and no longer commercially viable, RES may recommend to the University and the Inventor(s) that protection be allowed to lapse.
- 7.3 If the University wishes to lapse the IP protection but the Inventor(s) nevertheless wish to continue to seek to exploit of the IP (at their own risk and cost), the Inventor(s) can request the assignment of IP in return for the University being entitled to an appropriate share of revenue (to be agreed prior to such assignment). Typically, the university would request a 5% share of net revenue of income generated through exploitation of the IP.
- 7.4 The University can, at its sole discretion, assign the IP to the Inventors(s) on mutually acceptable terms which reflect prior effort, and investment and future needs.
- 7.5 In the event of such a transfer of rights to the Inventor(s) under clause 7.3 or 7.4 above, the Inventor(s) hereby grant to the University a, perpetual, irrevocable, world-wide, non-exclusive, royalty free licence to use such assigned IP for its own research and teaching [and publication and academic] purposes.

## **8. Spin-out**

- 8.1 Where a spin-out company is established to exploit particular IP (rather than license it to third parties), the circumstances of each such company are likely to need treatment on a case-by-case basis.
- 8.2 It is normal that the University and the Inventors of IP licensed to the spin-out company acquire shares in the spinout company at formation.
- 8.3 The shares acquired by the University and Inventors shall normally be of the same class (so that on subsequent investment for equity by third parties, the University and Inventors are diluted equally).

- 8.4 Further details of the University regulations on Spin Outs will be outlined in the University Spin-out Protocol. This document is currently under development. While under development, please contact RES with any spin out queries.

## **9. Policy Regulations**

- 9.1 The following regulations are designed to enable clear and simple implementation of this IP Policy.
- 9.2 The Director of Research, Enterprise and Innovation is responsible for the implementation, monitoring and review of the IP Policy.
- 9.3 The University's IP Policy as set out here will be subject to periodic review and may be changed from time to time.
- 9.4 The Enterprise and Innovation Committee has originated this IP Policy which relates to the University Intellectual Property Strategy approved by Council in July 2018.
- 9.5 If a member of staff or student is in dispute about IP issues e.g. ownership or inventorship of IP, they should first approach RES. RES will consult others where necessary, such as the Pro-Vice Chancellor (Research and Enterprise), and external Council members to resolve such dispute.

These regulations apply equally to staff and students, and have been approved by Finance and General Purposes Committee on that basis.