

Policy For managing Intellectual Property		Ref: TBC	
Brief Description:	This policy provides the overarching framework and approach to the management of University Intellectual Property. It describes how the University will work with staff and students to develop IP for impact generation. It ensures a consistent approach which staff, students and other stakeholders can easily understand.		
Purpose (why is this policy required):	This policy ensures the university fulfils its obligations as a charitable organisation to manage its intellectual assets for public benefit. It aims to optimise the success of the University, its staff and students. Furthermore, it ensures the University manages Intellectual property in compliance with both employment law and patent law.		
Applicable to (list cohorts):	Staff: All University Staff All visiting Staff	Students: All University students All visiting Students	Third Parties: All collaborators
Effective From:	August 2023	Review Due:	August 2026
Approval Authority:	Employment & Finance Committee	Approved:	12 th June 2023
Executive Owner:	Chair of IPCC and PVC Research & Knowledge Exchange Louise Bracken	Business Owner:	Assistant Director, Impact & IP Commercialisation (Michael Parker)

1. Introduction

- 1.1. This policy outlines the University's approach to the ownership, protection and commercialisation of Intellectual Property (IP) created during the course of research, teaching and other activities by the staff and students of Northumbria University.
- 1.2. IP results from the expression of creative and intellectual endeavour of staff and students. IP is an asset that can be owned, rented (licenced), bought and sold. There are formal legal mechanisms that provide protection for the creators of IP, granting them certain controls over the exploitation of their work. Without IP protection Creators may be deprived of reward, recognition or incentive to generate new knowledge.
- 1.3. This policy outlines the importance of IP to the reputation and impact of the University's research. It seeks to protect the University from risk and defend its charitable status. It describes how the University works to encourage and reward staff and students involved in the generation of IP by giving "a fair share" of revenues generated from the IP to the inventors or creators (as described in the Patent Act 2004).
- 1.4. The IP policy is developed by the Intellectual Property Commercialisation Committee (IPCC) which is a sub-committee of the Research and Knowledge Exchange Committee (RAKE). It is approved by the Employment and Finance (E&F) Committee of the Board of the University.
- 1.5. The IP policy is implemented and managed by the IP Commercialisation Team within the University Research and Innovation Services (RIS). All enquiries regarding interpretation and implementation of this policy should be referred to the IP Commercialisation Team in the first instance.

2. Objectives

2.1. This policy governs the management, protection and commercialisation of University IP for the benefit of the University, its staff and students. The University's objectives in the management of its IP are to:

- i) Maintain the University's rights to use its IP for research and to enhance its teaching.
- ii) Maximise impact by placing IP where it can be best exploited for socio-economic benefit.
- iii) Optimise the financial return from commercial opportunities arising from IP.
- iv) Engage with partners to enhance research impact and reputation.
- v) Encourage staff and students to create IP and develop it to generate socio-economic value.

3. Governance

- 3.1. The interpretation and implementation of this policy is the responsibility of the IP Commercialisation Team which is part of the Research and Innovation Service (RIS). All enquiries regarding research related IP matters or this policy should be referred to the IP Commercialisation Team in the first instance.
- 3.2. The IP Commercialisation Committee (IPCC) oversees decisions of the IP Commercialisation Team related to the management of University IP and is chaired by the PVC Research and Knowledge Exchange. IPCC reports to the Research and Knowledge Exchange committee (RAKE) which is a committee of Academic Board, responsible for academic issues relating to research, scholarship and teaching.
- 3.3. IPCC supports the development of IP through to licensing or to a stage at which a spin out can be considered. Decisions relating to Spin-out formation and University equity are referred by IPCC to the Spin-out and Equity Committee (SEC).
- 3.4. The role of SEC is to make recommendations to University Executive (UE) regarding the commercialisation of IP via spin-out or social enterprise formation. SEC also makes recommendations to UE as the University shareholder representative on equity issues in University Spinout Companies. SEC is part of the executive management function of the University Executive and the Board of Governors. According to the Financial Regulations, SEC decisions may need to be referred to the Employment and Finance Committee (E&F)

3.5. Conflicts of Interest

Staff involved in commercialisation must comply with, the University Disclosure and Conflicts of Interest Policy. All members of the University community have a duty to avoid conflicts of interest, and a responsibility to identify and disclose actual, potential or perceived conflicts between their personal, family, pecuniary or business interests and their professional responsibilities to the University.

3.6. Dispute Resolution

Disputes arising out of this Policy or in relation to the interpretation of this Policy should be brought to the IP Commercialisation Team in the first instance. Disputes that cannot be resolved by the IP Commercialisation Team will be referred to the IPCC for consideration. Individuals raising the dispute may attend the IPCC and may be accompanied by a colleague or union representative. If the IPCC is unable to reach a decision, then the matter will be escalated to RAKE or SEC as appropriate.

- 3.6.1. Where a party to such a dispute is a Student, the Student may be accompanied during any appeal by a fellow student, a student representative from the University or its Students'

Union or a member of staff of the University of his or her own choice, all of whom may act as an observer.

3.6.2.If a party to the dispute disagrees with the decision made through the above process, that party shall have a right of appeal to the Vice-Chancellor (or such individual as the Vice-Chancellor shall nominate). The Vice-Chancellor's (or nominee's) decision on the matter shall be final.

3.6.3.IP disputes related to a collaborative project or external contracts dispute will be managed according to the Terms and Conditions of the agreement between the partners

Intellectual Property Policy

4. Ownership of Intellectual Property

As an organisation with charitable status, the University is obliged by law to retain its assets for public benefit, this includes its IP.

4.1. University owned IP

The University claims ownership of all IP, specified at 4.9, which is devised, made, or created by:

4.1.1.staff during and in the course of their employment.

4.1.2.students of the University to the extent that the provisions of 4.3 apply;

4.1.3. persons engaged in study or research at the University who, as a condition of their being granted access to the University's facilities or premises, have agreed in writing that the University shall own any such IP;

4.1.4.persons engaged by the University under contracts for services during or incidentally to that engagement.

4.2. The University's rights outlined at 4.1 in relation to any piece of IP may be waived or modified by agreement in writing with the person concerned.

4.3. IP Generated by students

The University does not claim ownership of any IP which is devised, made, or created by students at the University unless the IP was devised, made or created:

4.3.1.Jointly with any person specified in 4.1 above;

4.3.2.Using University facilities or equipment (unless the terms of access for the facility or equipment provide otherwise);

4.3.3.In circumstances where that IP is subject to obligations (including those imposed by contracts or grants) that the University owes to a third party;

4.3.4.Using funding received from or by the University (unless the terms of that funding provide otherwise); or

4.3.5. In the circumstances specified at 4.1.1, 4.1.3, or 4.1.4 of this Policy.

4.4. Individuals with honorary, visiting, or emeritus status

Individuals that are not formally employed by the University will usually own any IP they create. They may, however, be required under certain circumstances to transfer to the University any IP they create. This would include, but shall not be limited to, situations where:

4.4.1. IP is created jointly with a member of staff in the course of that member of staff's employment

4.4.2. IP is created using specialist University facilities or resources; or

4.4.3. IP is created in the course of undertaking research or other externally funded activity for which the University is formally responsible

Where the provisions of this 4.4 are held to apply, and where it is applicable to do so, the University may, in consideration of the assignment of the IP created, offer the individual the opportunity to enter into a revenue sharing agreement with the University using the same scheme that applies to staff, as specified at Section 7 of this Policy.

4.5. Ownership of Background University IP

As an organisation with charitable status, the University is obliged by law to retain its assets for public benefit, this includes its Background IP.

4.5.1. University Background IP contributing to any project must be identified and defined in any legal agreement relating to the project to ensure its ownership is retained.

4.5.2. The original Creator of IP may not be the current owner of that IP. It is therefore important to establish the provenance of all Background IP brought into any project.

4.6. Ownership of Foreground IP Arising from University Research

The standard position of the University is to retain ownership of Foreground IP arising from its research in order to generate public benefit in accordance with its charitable status.

4.6.1. Where the terms and conditions of a funding organisation do not allow the University to retain ownership of Foreground IP and ownership of IP is released, the university will, as a minimum, seek a royalty-free license to use the IP for academic research, teaching and impact case studies.

4.6.2. The IP Commercialisation Team will make recommendations to the relevant signatory regarding ownership of IP arising from externally funded research and collaboration.

4.6.3. Foreground IP Arising in Contract Research.

The ownership of Foreground IP generated during Contract Research will be assigned to the Client royalty-free, provided:

- i) the price charged for the research is compliant with the University Pricing Policy; and
- ii) the University obtains, a royalty-free license for continued use for academic research and Teaching and Impact case studies.

4.6.4. Foreground IP Arising in Consultancy.

The main purpose of consultancy is the provision of expert advice. Therefore, except for copyright in written reports, consultancy projects are not intended to generate Foreground IP. Should Foreground IP be generated during consultancy work, it may be assigned to the Client provided the price charged for the consultancy is compliant with the University Pricing Policy.

4.6.4.1. For the avoidance of doubt, ownership of University Background IP used in consultancy projects will be retained by the University

4.6.4.2. When the University is the Client and commissions consultancy work from an external organisation, any IP generated should be assigned to the University

4.6.5. Foreground IP Arising in Collaborative Research.

Collaborative Research is that undertaken jointly with an external collaborator and wholly or partly co-funded by the external collaborator.

4.6.5.1. The University shall retain the ownership of Foreground IP created by its staff during Collaborative Research unless and to the extent that it is commercially justified to do otherwise, with such decision being made by IP Commercialisation Team.

4.6.5.2. The University shall not agree to joint ownership of Foreground IP, except where mandated by the funder, as this can hamper subsequent IP management and commercialisation.

4.6.5.3. University Foreground IP can be licensed or assigned to an external collaborator provided the university obtains, at minimum, a royalty-free license for continued use for academic research, teaching and Impact case studies.

4.6.5.4. In return for licensing or assignment of IP to a collaborator, the university shall, wherever possible, obtain a share of revenue, a flat fee payment or other in-kind contribution. The IP Commercialisation Team will negotiate terms as described in section 7 prior to any legal agreement being entered into.

4.7. Relinquishing Ownership of IP

The University may decide at its sole discretion to relinquish ownership of its IP when this would allow the impact of the research to be realised for wider socio-economic benefit. This may occur in the following circumstances:

- i) the University chooses not to patent, to allow a patent to lapse or not to fund IP protection
- ii) the University assesses that an economic return would not be possible
- iii) a social return could be generated via a social enterprise (Section 7.3)

4.7.1. The IPCC will decide within 6 months of receiving a request whether the IP will be relinquished

4.8. Acquisition of IP

The University may wish to acquire IP by assignment or in-licensing, for example, when an academic joins the University from another institution. The IP Commercialisation Team will negotiate the terms for acquiring such IP with the relevant institution and make recommendations to IPCC regarding revenue sharing. The IPCC shall make the final decision in alignment with the Financial Regulations.

4.9. IP covered by this Policy

The IP classifications of which ownership is claimed in section 4 of this Policy comprises:

- 4.9.1. Works generated by computer hardware or software owned or operated by the University;
- 4.9.2. Works created with the aid of University facilities including films, videos, photographs, multimedia works, typographical arrangements, and field and laboratory notebooks;
- 4.9.3. Patentable and non-patentable inventions;
- 4.9.4. Registered and unregistered designs, plant varieties, and topographies;
- 4.9.5. University-commissioned works;
- 4.9.6. Databases, computer software, firmware, courseware, and related material, only where they may be reasonably considered to possess commercial potential; and
- 4.9.7. Know-how and information associated with the above.

5. Confidentiality

Staff and students should be aware of the importance of maintaining the confidentiality of the University's IP and confidential information more generally. Research information disclosed outside the University may render intellectual assets unpatentable and so diminish their value.

- 5.1. Before any engagement with third parties in which University IP or confidential information may be used, discussed, or otherwise disclosed, the appropriate protection must be put in place as described below.

5.2. Non-Disclosure

Non-disclosure (secrecy) is the most effective way to protect confidential information and novel ideas. University staff should not discuss University confidential information and IP outside the University and within the University confidential information should only be shared amongst staff on a need-to-know basis.

5.3. Confidentiality Agreements

Where some disclosure is necessary, Non-Disclosure or Confidential Disclosure Agreements (NDAs or CDAs) must be used to regulate and control the disclosure of confidential information. Use of CDAs or NDAs protects the University from the risk to its own information and mitigates any liability for the disclosure of the confidential information of others.

- 5.3.1. The University has adopted standardised NDAs. The use of other confidentiality agreements or changes to standard clauses in the University's standardised NDA, must be negotiated by Legal Services.
- 5.3.2. Staff and students are not authorised to sign NDAs with third parties on behalf of the University. NDAs must be signed by a Head of Department or other Authorised Signatory in line with the Financial Regulations.
- 5.3.3. Those with signing authority under the Financial Regulations should not sign any agreement for which they have any personal involvement.

6. Commercialisation of University IP.

The University will seek to balance social impact and financial return on investment during the commercialisation process (Appendix 1) and takes a commercial approach to development of IP including:

- i) Establishing the provenance of the IP
- ii) Evaluating the cost-benefit of IP protection
- iii) Appraising potential markets and return on investment
- iv) Assessing academic engagement and expertise
- v) Identifying potential customers and/or partners

6.1. Invention Disclosure

Invention Disclosures and patent applications are positive esteem markers which determine the level of funding awarded to the University via Higher Education Innovation Fund (HEIF).

6.1.1. Staff must inform the IP Commercialisation Team, via Invention Disclosure, of new IP generated. The IP Commercialisation team will inform Faculty of Invention Disclosures received.

6.1.2. The IP Commercialisation Team will evaluate the IP and ensure it is appropriately protected and exploited for socio-economic benefit.

6.2. IP Commercialisation via Licensing or Assignment (Sale)

The university may grant permission for a third party to use (Licence) its IP or transfer ownership of (Assign) its IP to a third party in return for a share of revenue, a flat fee payment or other in-kind contribution/benefit.

6.2.1. The Terms and Conditions of IP licences or assignments will vary depending on the technology, scale and nature of the market and other factors.

6.2.2. Negotiation of licensing terms will be led by the IP Commercialisation Team, working in conjunction with Legal Services Team and terms shall be approved by IPCC prior to execution of the license.

6.3. IP Commercialisation via Consultancy

Commercialisation of University IP (usually in the form of know-how) via consultancy is the responsibility of the Business Development & Sales Team as described in the Northumbria University Policy for Managing External Work. Staff should liaise with their Business Development & Sales representative when considering the delivery of consultancy work for external organisations.

6.4. IP Commercialisation via Company Formation (Spin-out).

6.4.1. The IP Commercialisation Team, with oversight by the IPCC, will determine whether company formation is the most appropriate route for commercialisation of University IP

6.4.2. The IP Commercialisation Team will assist university staff in developing business propositions for spin-out formation. This will include agreement of the resources and support to be made available to the new company by the appropriate Faculty or service

6.4.3. IPCC will present the business plan, support package and equity distribution to SEC and seek a recommendation for spin-out formation.

6.4.4. The Chair of SEC will recommend the business plan for approval by University Executive.

6.4.5. Following UE approval of Spin-out formation, the IP Commercialisation Team will work with university staff to establish the company in accordance with the University Procedure for Spin-out Formation.

7. Distribution of the Value Arising from IP Commercialisation.

It is within the University's sole discretion whether and how it will exploit University IP. There is no obligation on the University to generate income from its IP unless required under the terms of any legally binding agreement to do so. The IPCC will make decisions regarding whether IP will be exploited. Unexploited IP may be relinquished (section 4.6)

7.1. Income Received from IP Licensing or Assignment

The framework for sharing licensing income with Creators/Inventors for their contribution to successful University IP exploitation is shown below.

7.1.1. The first £1,000 of **gross** income from IP licencing received by the University for a single item will be paid to the Creators(s) that generated the IP.

7.1.2. Thereafter, the cumulative **net** revenue received by the University, after reasonable costs are deducted, will be shared between the Creators(s) and the University as shown below:

7.1.3. The apportionment of the inventor'(s) share of the revenue will be based on the relative intellectual contribution made and agreed between the Creators. Disputes will be resolved as described in Section 3.

	Inventor(s)	University
Revenues	%	%
First £1,000 (Gross)	100	0
£1,001-£39,999 (Net)	75	25
£40,000 (Net) and above	50	50

7.2. Shareholding in a Spin-out Company

A number of parties may have legitimate expectations of obtaining shares in a new company, these could include: the academic inventors; other founders of the proposed business; the University and external investors. The University supports the general principle that staff may hold equity in such companies. The standard split of ownership of the Initial Shareholding on the creation of a spin-out company will be:

40% to the University
60% to the inventor(s)

7.2.1. The apportionment of the inventor'(s) initial shareholdings will be based on negotiations between the inventors. Disputes will be resolved as described in Section 3.

7.2.2. Exceptionally, SEC may recommend to University Executive that the University share is reduced to 30%. Employment and Finance Committee (E&F) approval is required before further reducing the University share.

7.2.3. The University shall be entitled, in its sole discretion, to transfer its shareholding in a spin-out company to a subsidiary (or third party) in the future.

7.2.4. In the event a member of staff is offered shares in a spin-out company such offer will be subject to that academic agreeing to terminate or relinquish any rights they may have under an income sharing agreement (as set out in section 7.1 above)

7.3. Social Enterprises

Social enterprises are independent businesses constituted for social benefit which obtain income via trading and reinvest the profits and assets for social benefit.

7.3.1. The University may facilitate creation of Social Enterprises to enable research impact to be realised when commercial return on investment is not feasible or appropriate.

7.3.2. As Social Enterprises are usually limited by guarantee rather than shares, the University will not hold shares in such businesses, and may not seek a share of revenues.

7.3.3. The University will retain the right to utilise the IP for academic, teaching and publicity purposes and to obtain the information required for impact case studies.

8. Roles & Responsibilities

This policy will be managed by the Director of Research and Innovation Service and approved by RAKE. Its interpretation and implementation will be the responsibility of the IP Commercialisation Team

9. Applicable To

This Policy is applicable to all University staff and students including those on temporary, visiting and part-time contracts.

10. Related Policies & Procedures

HR Policy and Academic Contract
Northumbria University Policy for Managing External Work
Northumbria University Disclosure and Conflicts of Interests Policy
Financial Regulations
Student Handbook
Invention Disclosure & Commercialisation Process
Procedure for Establishing and Managing Spinout Businesses

Definitions

Background IP	All Intellectual Property conceived, originated, created or first reduced to practice by a Party prior to the period of performance of the project or outside the scope of the project.
Client	The organisation or person commissioning a piece of research or consultancy and paying for the work according to The Pricing Policy
Collaborative Research	For the purpose of this policy, defined as research undertaken jointly with an external partner that is wholly or partly co-funded by the University and the partner and/or public or charitable funding
Contract Research	For the purpose of this policy defined as research commissioned by and fully funded by an external Client
Creator	Person making an intellectual contribution either alone or with others to the development of new creations of the mind. Creation shall include Inventor. This is not the same as authorship of an academic paper
Equity	The value of the shares issued by a company and the pro-rata ownership of the shares.
Foreground IP	Intellectual Property that is discovered, created or reduced to practice in the performance of a Project
Initial Shareholding	For the purpose of this policy, defined as the distribution of shares at the point of incorporation of a spin-out, prior to dilution by external investors or formation of employee/management share pools
Intellectual Property	The UK Intellectual Property Office (IPO) defines IP as “the results from the expression of an idea. IP might be a brand, software, database, invention, know-how, design, written work, song or another intellectual creation. IP can be owned, bought and sold.” and given legal protection via registered and unregistered Intellectual Property Rights (IPR)
Invention	A novel or useful idea relating to processes, machines, manufacturing or products
Inventor	Person making an intellectual contribution, either alone or with others, to the development of new inventions which may be patentable. This is not the same as authorship of an academic paper
IP Commercialisation committee (IPCC)	A sub-committee of RAKE chaired by the PVC Business & Enterprise with representatives of Faculty and Services. Its role is oversight of University IP management.
Research	The internationally recognised definition is taken from the Frascati Manual ^[1] . Research and experimental development (R&D) comprise creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available knowledge.

Royalty	A percentage of gross or net profit or a fixed amount per sale to which a creator of a work (e.g. a patent and other intellectual property) is entitled, which is determined by contract between the creator and the manufacturer, publisher, agent, and/or distributor
Social Enterprise	A term with variable definition covering a range of enterprises driven by a social mission. For the purposes of this policy a social enterprise is defined as an independent business registered with Companies House which obtains revenue via trade and reinvest profits and assets in their mission and is limited by guarantee rather than shares. For the purposes of this policy the definition of Social Enterprises includes Companies Limited by Guarantee (CLG) and Community Interest Companies (CIC)
Spinout & Equity Committee (SEC)	Chaired by PVC Business & Enterprise with representatives of E&F and external members. Its role is scrutiny of spin-out activity
Spin-out Company	A spin-out is a start-up company based on university capabilities or know-how and in which the university has equity (shares). It may or may not be based on specific protected Intellectual Property. The University shareholding will normally be a minority share as otherwise the company would be considered a subsidiary company. A spin-out company often requires financial investment from external investors. The company may be formed before investment is made or may be formed as a vehicle for investment
Staff	All people employed by Northumbria University on a permanent, fixed term or casual basis in Faculty or in Services.

Appendix 1: Overview of University IP Commercialisation Process

