

UNIVERSITY OF LEICESTER

POLICY FOR THE TREATMENT AND GOVERNANCE OF INTELLECTUAL PROPERTY

Introduction

- 1.1 The purpose of this document is to set out the Policy of the University of Leicester regarding the ownership, protection and use of materials and inventions created by members of the University, together with any intellectual property rights comprised in or relating to those materials or inventions.
- 1.2 The Policy is designed to meet the increasing requirement for Higher Education Institutions (HEIs) to apply the results of their intellectual endeavour to wider economic and social benefit. Such applications are often achieved by first protecting the intellectual property in the most appropriate manner, so that it can then be developed into a specific practical use. The Policy should, therefore be read by all members of the University of Leicester, especially those newly joining the organisation and when there is a possibility of generating intellectual property with industrial or societal impact. This Policy must also be read in conjunction with the University's Research Code of Conduct.
- 1.3 For the avoidance of doubt the term 'member' includes: 1) full or part time employees of the University; 2) student employees of the University; and 3) staff with honorary University contracts. The term 'Inventor' specifically refers to those individuals who have disclosed a new idea, which may have intellectual property attached. Inventors can be current or past members of the University. Furthermore, this Policy extends to situations where intellectual property was generated by a member outside normal working hours and/or away from their place of work, but where it relates to their area of employment within the University, or where the member has a special obligation to further the interests of the University (Section 39 of the Patents Act 1977 (as amended), the Copyright, Designs and Patents Act 1988 (as amended), the Registered Designs Act 1949 and the Copyright and Rights in Databases Regulations 1997 (SI 1997/3032).
- 1.4 In this Policy the term "Intellectual Property" or "IP" means patents, rights to inventions, copyright and related rights, moral rights, trade marks, trade names and domain names, rights to goodwill or to sue for passing off, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection in any part of the world.
- 1.5 There are well-established legal rules, as well as principles established by custom and practice, that govern how materials, inventions and related IP are owned, protected and used in the UK higher education sector. In most circumstances commercialisation takes the form of licensing or the creation of spinout companies. However, on some occasions, it may be appropriate for the University to commercialise by directly supplying proprietary items to a third party. This may, for example, be the case when small quantities of proprietary biochemicals are occasionally required by a third party.
- 1.6 This Policy ensures ensure that the University's position on the management of IP is up to date and takes account of such principles and obligations. Not only is it desirable for the University to ensure a consistent and modern approach to such matters, befitting one of the UK's leading research institutions, it is also essential to enable the University to comply with its contractual obligations to the public and private bodies that fund research within the University.
- 1.7 In keeping with the increased focus by HEIs on protecting and commercialising the results of research, HEIs in the UK have encouraged staff and students to disclose to them materials and inventions of potential commercial value and/or wider benefit to society. In exchange, the University has developed policies for rewarding individuals and departments should they contribute to the creation of IP that is successfully commercialised.
- 1.8 Accordingly, this Policy goes further than simply setting out a framework to govern the ownership, protection and use of IP in materials created by members of the University. It seeks to provide clear guidance on the process for dealing with inventions and materials which may have some element of commercial significance or value. It also sets out a mechanism and formula to ensure that individuals

and departments who create IP share fairly in any benefit received by the University as a result of the commercialisation of the relevant IP.

2. **POLICY PRINCIPLES**

2.1 This Policy has been drafted to ensure that:

2.1.1 it is consistent with UK law;

2.1.2 the work undertaken and results arising, which has benefited directly or indirectly from University of Leicester resources should be owned by and benefit the University and its community;

2.1.3 the University is able to meet its contractual obligations to third parties particularly in the area of IP management; and

2.1.4 the University can identify and duly reward individuals who create IP which benefits the University and has commercial value.

3. **POLICY REGULATIONS**

3.1 The following regulations are designed to enable clear and simple implementation of this policy.

3.1.1 The Director of Research and Enterprise (RED) Division is responsible for the implementation, monitoring and review of the IP policy.

3.1.2 The Leicester Innovation Advisory Board (LIAB) has originated this policy and is responsible for advising the University on issues relating, *inter alia*, to matters of IP policy and strategy in relation to both staff and student bodies, and the governance of tied companies founded on University IP. The Policy has also been approved by the University's Research Strategy, Policy and Performance Committee (RSPPC) as well as University Senate.

3.1.3 The University's policy as set out here will be subject to periodic review and may be changed from time to time. Any queries or questions regarding policy should in the first instance be referred to the Director of RED or their nominated officer.

4. **OWNERSHIP**

Employees

4.1 Legislation in the UK generally provides that IP created by employees in the course of their employment is owned by the employer. For example, Section 39 of the Patents Act 1977 (as amended), the Copyright, Designs and Patents Act 1988 (as amended), the Registered Designs Act 1949 and the Copyright and Rights in Databases Regulations 1997 (*SI 1997/3032*) give an employer automatic ownership of, respectively, patents, copyright, database rights, unregistered designs and registered designs in works created by its employees in certain circumstances.

4.2 Subject to the exceptions set out in paragraph 7.2 of this policy, all IP created by University employees (including student employees) either:

4.2.1 in the course of their employment with the University, including in carrying out any duties within or on behalf of the University; or

4.2.2 in the course of carrying out specific additional tasks or projects commissioned from him or her by the University; or

4.2.3 by utilising any equipment, hardware, software or facilities of the University,

shall be owned by and be the property of the University and each member of staff acknowledges that all IP shall automatically be owned by the University absolutely. Whilst the University may own the IP

in a work, it may but will not necessarily claim the ownership of the physical manifestation of the work itself. In any discussions with third parties concerning Intellectual Property all employees must ensure that an appropriate Confidentiality Agreement has been put in place between the parties concerned. Confidentiality Agreements can only be signed by an appropriately authorised member of RED. In the event that employees are requested to sign third party Confidentiality Agreements, these must be referred to RED for approval and signing.

Honorary Contracts

- 4.3 Individuals who have an honorary contract or association with the University but are not employees or students, (for example, visiting academics, individuals with honorary contracts and emeritus professors) are required to assign any IP they generate in the course of their honorary activities to the University. In return for this assignment, such honorary individuals will be rewarded under the revenue scheme on the same terms as University employees.
- 4.4 Prior to the conferment of honorary status on an individual, that individual must sign an IP assignment document acknowledging and agreeing to the terms of this Policy.

Students

- 4.5 For the purposes of this policy, part-time students who are also employees, such as graduate teaching assistants, are deemed to be employees. Full-time students who also work part-time for the University, for example via Unitemps, are also deemed to be employees for the purposes of this Policy.
- 4.6 It is acknowledged that full-time students who are not employees may generate IP from their programme of study with the University, particularly at postgraduate level. Furthermore, the University may have legal obligations to third parties regarding IP arising from such programmes of study, or may wish to commercialise IP generated by a student which is related to a larger IP portfolio within the University. In order to allow the University to fulfil such obligations or otherwise exploit IP, a student shall, if requested, sign a studentship agreement or other document covering ownership and use of IP, which may include an assignment of IP to the University or third party.
- 4.7 In return for making such assignments, students assigning IP which is subsequently commercialised will be entitled to participate in the University revenue-sharing scheme for IP commercialisation (refer Section 9 below). Despite such assignment of the IP to the University, students keep ownership of the copyright in their thesis.
- 4.8 The above shall be reflected in the University's relevant student regulations.

All University Employees

- 4.9 All University employees (including student employees) irrevocably waives all moral rights under the Copyright, Designs and Patents Act 1988 (and all similar rights in other jurisdictions) which they have or will have in any existing or future materials or inventions created in the circumstances set out at paragraph 4.2.
- 4.10 All University employees (including student employees) shall execute such documents and perform such acts as may be required for the purpose of giving full effect to this policy and to implement the rights granted in favour of the University by this policy.

5. IDENTIFICATION AND CAPTURE OF INTELLECTUAL PROPERTY

- 5.1 All members of the University are expected to apply reasonable judgement as to whether any potentially useful IP has been created by them or their team, and should, therefore, be disclosed to RED. This enables the University to meet its obligation to the Higher Education Funding Council for England (HEFCE) to record and report such IP.
- 5.2 All members of the University involved in work that may lead to the creation of potentially exploitable IP should keep appropriate records, including, where appropriate:
 - 5.2.1 the dates when the originating work was carried out;

5.2.2 information on who did the work; and

5.2.3 the source material(s), if any, from which the work was created.

5.3 Disclosure of such IP should be submitted to RED via the Technology Disclosure Form to the IP Manager or their nominated officer, or via a meeting with the Intellectual Property Manager or other appropriate member of RED. Submission of the Disclosure Form should be done as early as possible and, in the case of any invention which might have the potential to be patented, at least four weeks prior to any planned or proposed disclosure to any third party. This will enable suitable steps to be taken to assess and protect any invention, since the opportunity to be granted a patent will be jeopardised by any external disclosure.

5.4 Once the Technology Disclosure Form has been submitted, RED will evaluate the commercial potential of the IP and assess the most appropriate way forward. During this procedure the individual submitting the IP should (and should try to ensure that any of his colleagues or students shall) keep the nature and matter of the IP confidential until it has been suitably protected or it has been agreed with a member of RED team that public disclosure is the most appropriate manner of knowledge transfer.

5.5 The University and its members shall endeavour to mark materials created by them with appropriate notices, taking account of the following guidelines and seeking guidance from RED in the event of any doubt as regards which markings are most appropriate:

5.5.1 any material in which copyright subsists should include (on each page if the document is loose-leaf) a copyright claim in an appropriate form. At the very least, displayed clearly on all key documents should be the symbol ©, the year of creation of the materials and the identity of the owner of the copyright, for example, "© The University of Leicester 2010."

5.5.2 any material, which is confidential or commercially sensitive, should be marked as such. All recipients of confidential information shall keep confidential such information and not divulge to any third parties. In the event of collaboration with a third party a separate non-disclosure agreement will be put into place by RED to prevent the disclosure of confidential information.

5.5.3 trade marks belonging to the University should only be used in the correct format and where registered should carry the ® symbol. All references to unregistered trade marks, including, applications for registered trade marks prior to grant, should include the symbol ™. Please note that it is a criminal offence to label a product as having a registered trade mark if such rights have not in fact been obtained;

5.5.4 all material in which an unregistered design right is claimed should be marked "Design Right The University of Leicester [year of first marketing]". For registered design rights, products should be marked with a reference to the registered design number or application number.

6. PROTECTION AND COMMERCIALISATION OF IP

6.1 RED will consider how to take the relevant IP forward, weighing up the technical merit and commercial value along with the resources available to the University for protecting and exploiting the relevant IP, and will involve the Inventor of the IP in these considerations.

6.2 If the University does not wish to protect or exploit the IP, but the Inventor wishes to do so, the Inventor can request the assignment of the IP in return for the University being entitled to receive an appropriate share (to be agreed prior to such assignment) of any income obtained by the Inventor through any exploitation of the IP. It is anticipated that this will be a minimum of 15% royalty on gross income generated by the Inventor through commercial exploitation of the IP. Furthermore, the terms of the assignment must be agreed and the agreement executed within 3 months of the Inventor being informed by the University that it does not wish to continue with the commercialisation of the IP.

6.3 The University recognises that the commercialisation of IP is not the most appropriate route forward in all circumstances. If RED and Inventor agree that knowledge transfer is best facilitated by

disclosing the IP to the public, RED may authorise the inventor to publish the IP. Prior to authorisation of public disclosure of the IP, RED must be satisfied that there are no obligations to third parties to keep such IP confidential.

- 6.4 If the University and the Inventor decide to protect and/or commercialise the IP then the Inventor shall co-operate fully with the University and its agents (for example, patent attorneys or lawyers) and support negotiations concerning the commercialisation of IP conducted by persons approved by the Director of RED.
- 6.5 Any IP with the potential to be commercially exploited must not be disclosed outside the immediate inventors, except to members of RED. Disclosure includes presentations, papers or posters at conferences, abstracts, chapters in books and any other written or verbal communication. In the case of patents, it is not possible to obtain protection if a prior disclosure has occurred. If there is any uncertainty in this regard, members should seek the advice from RED.
- 6.6 Members have a duty to ensure that the University does not infringe any third party intellectual property rights. Where there is any uncertainty in this regard, members should seek advice from RED.
- 6.7 If research is conducted by a member in partnership with another organisation, formal arrangements must be put in place regarding the ownership of any arising IP and revenue sharing should the IP be commercialised, before research commences. It is the responsibility of RED to negotiate such agreements with collaborating institutions. Members are required to seek advice from RED in this regard.

7. **TEACHING MATERIALS**

- 7.1 As a general principle, the University will own the IP in teaching materials created by members of the University and used, or intended for, the delivery of courses. Examples of such materials include course books, course manuals, case studies, lecture slides, multimedia works (including podcasts and webcasts), tutorial papers, model answers, examination materials and software.
- 7.2 However, this does not include any personal notes or teaching aids created by a member of the University solely for the purpose of his or her own delivery of lectures, tutorials or other teaching activities; these will remain the property of the member creating them.

8. **COPYRIGHT**

- 8.1 Copyright is a form of IP protection which provides legal protection for an author or creator which restricts the copying of an original work they generated. It is governed by the legislation referenced in clause 1.3. All members of the University are required to abide by the UK Copyright regulations.
- 8.2 Guidance on the use of copyright at the University can be found below.¹
- 8.3 All queries regarding copyright and use of third party copyright should be directed to the Copyright Officer at copyright@le.ac.uk
- 8.4 Subject to Section 7, all IP, including copyright and performance rights, in teaching materials, and in any media originated by a member of staff during the course of their employment, belongs to the University.
- 8.5 While the University owns the copyright to textbooks written by academics during the course of their employment, the University generally waives its right to such copyright, allowing employees (including student employees) to exploit such works to their own benefit and at their own cost.
- 8.6 Academic publications include but are not limited to books, contributions to books, articles and conference papers in any media. The University encourages its staff to assert the University's rights over material submitted for publication. Where a publisher will not grant copyright to the University, staff are encouraged to negotiate to retain the right, or be granted a licence by the publisher for

¹ <https://www2.le.ac.uk/library/copyright>

themselves and the University to use the academic publication for teaching, research and open access purposes free of charge.

8.7 The University mandates the deposit of publications and data in open access archives whenever this is permitted by the publisher, subject to embargo where required. By making your publications open access you will increase the impact of your research, as well as meeting the requirements of many funders and the Research Excellence Framework. However, open access deposit should only be undertaken once due consideration has been given to any IP that could be protected for further development. These provisions also apply to other forms of academic publications and outputs. Information on making publications and data open access in the University's research can be found in the Research Code of Conduct.²

8.8 Besides publications and artwork, there are a number of other forms of copyright, such as software and training course materials, which can be commercialised in the traditional manner. The University does not automatically waive ownership of the copyright of such items. Ownership of such copyright remains with the University for the purpose of commercialisation. In turn, the creator can participate in the University's revenue sharing scheme.

9. REVENUE SHARING

9.1 The University wishes to encourage its members to come forward with IP that may have commercial value and to properly reward its members for their inventive and creative contributions. Accordingly, if the University takes forward the commercialisation of IP and such commercialisation results in net revenues being received by the University, then the University will distribute the Net Revenues as follows:

Cumulative Income	Equity Holding of Inventor(s) ¹	Inventor(s)	University	Department(s)
Up to £10k	0%	80%	10%	10%
Next £20k	0%	75%	10%	15%
Next £100k	0%	50%	35%	15%
Next £100k	0%	40%	40%	20%
Over £230k	0%	30%	45%	25%

¹Inventors who are equity holders in a company founded on University IP shall receive no benefits arising from the University's interests with that company (equity sale, dividend, royalties, or income received for any services and facilities to the company)

9.1.1 The University's share shall be paid into the University's general funds;

9.1.2 The Inventor(s) share shall be divided amongst the Inventors in proportion to their respective contributions to the creation of the IP, provided that final determination as to the proportionate contribution of each relevant member shall be made by the University;

9.1.3 The department(s) share shall be paid to the department(s) of the University within which the Inventors are based according to the same percentage as the Inventors.

9.1.4 In the event that an Inventor's contract of employment is terminated for whatever reason, the University reserves the right to vary the above revenue share provisions. Such variation is at the discretion of the University.

² <https://www2.le.ac.uk/library/for/researchers/publish/open-access>

9.2 Net revenue is defined as any revenue received by the University, including royalties, licence fee lump sums, capital or any other such income from third parties arising as a result of the commercial exploitation of IP, less:

9.2.1 any costs incurred by the University in protecting the relevant IP;

9.2.2 any value added (or like) sales tax payable by the University in respect of such commercialisation;

9.2.3 any expenses, including professional fees, incurred by the University in connection with such commercialisation;

9.2.4 any internal University costs attributable directly to the commercialisation of the relevant IP.

9.3 **Duties of Inventors**

9.3.1 Any Inventor who is entitled to payments under the University's revenue sharing policy, but who is no longer a member of the University shall keep the IP Manager or their nominated officer informed of up-to-date contact details to which any revenue payments due may be sent. This should include details of appointments made under a power of attorney in the event of the creator retiring or resigning from the University.

9.3.2 If an Inventor does not supply this information and the University receives payment due to the creator, the University shall retain such payments for a period of 3 years. Any payments that are unclaimed after a period of 3 years will be forfeited and revert to the University for distribution at its sole discretion. No interest will be payable to the inventor in respect of late payments.

9.3.3 If revenue from IP commercialisation forms part of an Inventor's legacy, it will form part of their estate and passed to their executors, unless the Inventor has stated otherwise. When the relevant information regarding the inventor's legacy has not been provided, the University will make reasonable efforts to pay revenue due to the estate. Only the Director of RED or their nominated officer is able to authorise such payments.

9.4 **Payment of Revenue**

9.4.1 Inventors, who are still members of the University, may opt to have any revenue payments paid directly through payroll or into their University Departmental Development Fund (formerly known as the miscellaneous income fund or MIF). Payments through payroll will incur tax and national insurance and any other deductions as appropriate.

9.4.2 If an Inventor is not employed by the University, payments will be paid by cheque or BACS without deductions. These Inventors are solely responsible for any tax, national insurance or other charges due in respect of such payment.

10. **BREACH OF POLICY**

10.1 Any breach of this IP Policy shall be treated as a disciplinary matter and will be dealt with under the relevant disciplinary procedure.

10.2 At its sole discretion, the University may pursue all options available to it in dealing with a breach of this Policy, including legal action.

11. **MATERIAL TRANSFER AGREEMENTS (MTA)**

11.1 The external release of materials owned by the University is a common source of IP leakage. Therefore, if a member of the University wishes to transfer materials from the University to a third party, the member of staff must request that an MTA be drafted, negotiated and authorised by RED. Such MTAs shall ensure the material transferred is used in accordance with all relevant legislation

and regulations. MTAs shall also limit the University's liabilities and risk exposure in the transfer of such materials.

- 11.2 The transfer of materials between organisations is a cornerstone of research and teaching activities within the University, particularly in the biological and medical sciences. As such the University seeks to facilitate the efficient movement of material into and out of the University in order promote its research and teaching activities.
- 11.3 MTAs are legal documents and as such should only be signed by duly authorised representatives of the University. RED has the responsibility on behalf of the University to authorise such documents. If a member receives an MTA from a third party with the aim of transferring materials into the University, then prior to authorisation, the terms and conditions of the MTA shall be reviewed by RED in order to ensure that:
- 11.3.1 The legally binding terms and conditions are acceptable and do not place onerous obligations on the University
- 11.3.2 Terms and conditions of the MTA are compatible with the terms and conditions of the sponsor funding the research project in which the materials are to be used.
- 11.3.3 The University has appropriate licences in place in order to use the materials
- 11.4 The University reserves the right to refuse to sign an MTA if terms and conditions are not acceptable to the University, if they clash with the terms and conditions of any funding body, or if licenses are required to use the material. If the University refuses to sign an MTA, it will liaise with the academic requesting the MTA to identify whether alternative sources of materials exist.
- 11.5 Academic institutions shall normally receive the material under an MTA free of charge, subject to transportation costs, for non-commercial purposes only, including research and teaching. The University reserves the right to charge a fee for providing such materials in appropriate circumstances.
- 11.6 If an academic institution or commercial organisation requests materials from the University for commercial purposes, the University will require payment.
- 11.7 The University reserves the right to refuse to grant any third party access to materials owned or held by the University.
- 11.8 No members shall sign a third party MTA without prior clearance from RED.

12. **SPINOUT AND INCUBATION POLICY**

- 12.1 When IP is licensed or assigned to a University spin-out company, the spinout and incubation policy should be adhered to as well. This document, "Spin-out Company Formation", deals with both the creation and incubation of University spin-out companies and can be found the link below.³

Date of original policy: June 2011
Date of current review: October 2016
Date of next review: July 2018

³ <http://www2.le.ac.uk/offices/red/enterprise/ip/spin-out>