

# The University of Huddersfield

## Intellectual Property Policy

### Introduction and Scope

- 1.1 Intellectual Property (IP) is important to the functioning of the University. Research, inventions and the like raise the University's profile and that of its staff and students in the academic and commercial world and, in the current climate the exploitation of IP has become more important and is happening on a more frequent basis.
- 1.2 This document sets out the University's policy on IP. It explains the arrangements the University has put in place to deal with IP created by its staff and students. In this regard, the overriding aim is to ensure equitable treatment of, and returns to, the originators of IP.
- 1.3 This policy is specifically incorporated into all employees' contracts of employment and any legal relationship between the University and its students.
- 1.4 This document does not provide an overview of what constitutes IP, the different rights which might attach to it and the protection which may be afforded to it. If you require further information on any of these matters, please contact Research & Enterprise, your Schools Business Development representative or see [www.ipo.gov.uk](http://www.ipo.gov.uk) the website of the UK Intellectual Property Office which has information explaining the different types of IP..
- 1.5 If you want to develop or commercialise IP, please contact Research & Enterprise, your Schools Business Development representative.

### Ownership

#### Employees

- 2.1 The Patents Act 1977 and the Copyright, Designs and Patents Act 1988 provide that an employer owns the IP when it is created by an employee in the course of his/her employment.
- 2.2 The University owns all IP created by both academic and support staff members during the course of their employment, for example:
  - 2.2.1 all records in whatever form, documents and papers relating to the finance or administration of the University and which are made or acquired by employees in the course of their employment are the property of the University, as is the copyright in them;

- 2.2.2 Course materials produced by employees in the course of employment, for the purposes of the curriculum of a course run by the University and supplied, used or disseminated by the University are the property of the University, as is the copyright in them. For the avoidance of doubt, this includes course materials produced for use overseas, distance learning, or virtual learning;
  - 2.2.3 Outcomes of research solely or partially funded and supported by the University are the property of the University, as is the copyright or any other IP right in them;
  - 2.2.4 Inventions by employees which result from normal or specifically assigned duties, or where there is a special obligation to further the interests of the University inherent in particular posts (as specified in section 39 of the Patents Act 1977), will belong and must be disclosed to the University.
- 2.3 All documents containing or relating to University owned IP must be handed over to the most senior member of the employing school or service by employees on or before the termination of their employment for whatever reason.
- 2.4 At the University's entire discretion, the rules in relation to the ownership of IP created by employees in the course of their employment may be varied from time to time, by specific agreement between the employee and the Vice-Chancellor or his nominee.
- 2.5 The University may at its entire discretion waive its right to copyright in a limited class of items produced by "scholarly work" in furtherance of a member of staff's professional career. In this context Scholarly Work includes (but is not limited to) books, contributions to books, musical compositions and performances, artistic works, articles and conference papers and is to be construed in the light of the common understanding of this phrase in higher education. The ownership of copyright in such works should be clarified with the relevant School's Director of research, or Service Director prior to any such work being undertaken. If the University does waive its right to copyright in such scholarly work, to the extent the staff member is able to do so, the staff member should waive any right to licence fees and or/royalties in relation to that work
- 2.6 If the University chooses not to protect or exploit IP which has been generated by its employees in the course of their employment, then it may enter into an exclusive licence agreement with the relevant member(s) of staff, which provides for the University to receive 5% royalties, or equity (at the University's discretion). However, staff members should be aware that in some circumstances it will not be possible to enter into such arrangements if the exploitation of the IP would require access to the University's background IP.

## Students

### 3.1 Undergraduate

3.1.1 The default position is that undergraduate students shall own all IP in their work. The University reserves the right to acquire IP from such students; it is anticipated that this is most likely to occur where a final year project contributes to a larger commercial opportunity from the research group of the supervising academic.

3.1.2 The default position does not apply to the following:

Placements. Any IP developed by the student during their placement would be the property of the host company/organisation.

Alternative internal placement e.g. Canalside Studios .Any IP developed by the student during their placement would be the property of the host group/department.

## **3.2 Postgraduate**

### **3.2.1 Postgraduate Taught**

The default position is that postgraduate students studying on taught courses shall own all IP in their work. The University reserves the right to acquire IP from such students; it is anticipated that this is most likely to occur where a Masters project contributes to a larger commercial opportunity from the research group of the supervising academic.

### **3.2.2 Postgraduate Research**

The default position is that all IP generated by postgraduate students studying on research degrees shall belong to the University. However, it should be noted that certain funding bodies require IP to vest in them as a condition of funding.

If the University owns such IP but chooses not to protect or exploit it then it may enter into an exclusive licence agreement with the student, which provides for the University to receive 10% royalties, or equity (at the University's discretion), falling to 5% on successful completion of studies. However, students should be aware that in some circumstances it will not be possible to enter into such arrangements if the exploitation of the IP would require access to the University's background IP.

### **3.2.3 M.Ent and Ent.D**

The default position is that students following these courses shall own all the IP in their work. If such students exploit the IP in their work, to recognise the research and expertise input of the student's supervisor, the student shall enter into an exclusive licence agreement with the University, which provides for the University to receive 10% royalties, or equity (at the University's discretion), falling to 5% on successful completion of studies.

## **3.3 Acquisition of student IP**

If the University acquires IP pursuant to paragraphs 3.1 or 3.2, or in any other circumstances in which the IP is owned by the student, the student will be treated on a par with University employees for sharing income from exploitation. The University retains an unfettered discretion in decisions concerning the commercial exploitation of IP.

## **Third Party Contributions and External Arrangements**

4.1 For the ownership of IP arising from consultancy work, knowledge transfer partnerships, contract research and testing and collaborative research, please refer to Table 2 in Appendix 2, which provides an indication of the default position.

4.2 In such cases, third parties will probably be involved in the generation of IP and ownership will depend on the terms of the contract between the third party and the University. If there is any doubt about the provisions in such a contract advice should be sought from the University Legal Officer prior to the contract being signed. Failure to do so could expose the University or its staff and students to third party actions.

4.3 If a third party requires repayment of funding on a successful exploitation of IP, or a share in any revenue, such proposals should be discussed with the University Secretary or Legal Officer before any agreements are signed.

4.4 Staff members are encouraged to routinely use material transfer agreements for their research materials, any queries in relation to the use of these should be directed to the relevant School's Director of research, or Director of Service (as appropriate).

## **Revenue Sharing Arrangements if IP is commercially exploited by University**

5.1 The following guidelines apply equally to qualifying staff and students.

5.2 Net income received by the University from the commercial exploitation of any IP will normally be divided between the Inventor(s), the School(s) from which the inventor(s) come and the University centrally in accordance with Table 1 in Appendix 1.

5.3 In this context the term Net Income shall mean income after the deduction of any agent's commissions, legal, administrative or other costs of any patents or similar protection; which, for the avoidance of doubt shall include legal and administrative costs associated with contractual negotiations, audit and administration, delivery of know-how, defence and enforcement of the IP and any taxes paid by the University in relation to the IP. The University also reserves the right to take account of the value of any benefits in kind received e.g. equipment grants, special responsibility allowances, additional support staff and replacement staff costs and exceptional paid sabbaticals in calculating the Net Income for division.

5.4 Generally, the University encourages inventor(s) to use any income to further develop their research groups and may incentivise such action, where appropriate.

5.5 Generally, the University encourages inventors from service functions (e.g. Computing and Library Services, Careers Service, Research and Enterprise) to use any income to support and develop their service groups and may incentivise such action, where appropriate.

5.6 Inventor(s) are advised to seek independent advice as to the tax treatment on the payment of income from the exploitation of IP.

5.7 Table 1 in Appendix 1 applies to individual inventor(s) over their lifetime rather than in relation to an individual exploitation project. The rationale behind this is to ensure equity between staff working in all areas of the University. In some areas of the University a small number of major items of IP (such as a patent for a new pharmaceutical) are likely to arise, whereas in others a larger number of smaller items of IP (such as a number of computer programs) are more likely to occur. If the “life-time inventive work” of two members of staff, one in each of these categories, produces the same income to the University, it is fair and logical that each should receive the same personally reward. Equally, it may mean that on a given project, two equal collaborators may receive different levels of award, because of their respective “lifetime” contributions.

**THE REVENUE SHARING ARRANGEMENTS ARE NOT APPLICABLE TO SPIN OUT COMPANIES TO WHICH DIFFERENT ARRANGEMENTS WILL BE MADE AD HOC UPON CONSULTATION WITH THE INVENTOR(S).**

**APPENDIX 1: Table 1 Income Revenue Sharing Allocation**

In general, the University shall recoup direct expenses incurred e.g. patent costs, before any revenue is subject to the below  
 In general, the University encourages inventors to use any income to further develop their research groups and will seek to incentivise this.  
 In general, the University encourages inventors from the service functions (eg CLS, Careers, R&E) to use any income to support and develop their service groups and will seek to incentivise this.

Cash Income		Total Income		
		0-25,000	up to 100,000	over 100,000
e.g. License				
	<b>Inventor</b>	75%	50%	25%
	<b>School</b>	12.50%	25%	37.50%
	<b>University</b>	12.50%	25%	37.50%

**Equity**

In general, there will be partners and investor in any Spin Out company and their financial and expertise input would be recognised as equity  
 Revenue from the Spin Out / Joint Venture would not normally be subject to any other revenue sharing arrangements

<b>e.g. Spin Out,</b>	<b>Investor 1</b>	X%				) Equity % splits will vary
	<b>Investor 2</b>	X%				) based on Investment Size
	<b>University</b>	X%	to be split as	<b>Inventor</b>	40	) and IP Value
				<b>School</b>	30	
				<b>University</b>	30	
<b>e.g. Joint Venture</b>	<b>Company 1</b>	X%				) Equity % splits will vary based
	<b>University</b>	X%	to be split as	<b>Inventor</b>	40	) on Investment Size and IP Value
				<b>School</b>	30	
				<b>University</b>	30	

**Shares granted/offered in exisiting companies**

A company in certain instances may wish to reward an academic with shares or equity within that company in recognition of their past or potential contribution  
 In instances such as these, the University would not normally seek to treat this as 'cash income' (and divide the offered shares as per cash income)

## APPENDIX 2: Table 2 Ownership

		OPTION	SUMMARY	
<b>Undergraduate</b>	<b>Taught</b>	Default	In principle all owned and exploitable by student. University does retain the automatic right to acquire the IP with remuneration on same basis as employees, this is most likely to occur where a 3rd year project contributes to a larger commercial opportunity from the research group of the supervising academic. (Includes BA (Hons) Enterprise Development). The University has an automatic right to use all student work and recordings thereof of their work for publicity/marketing/display and other academic purposes	
		Default option	Business Mine as a route for exploitation by student.	
		Default option	Outlet for Design or other vehicle which would be school or product (e.g design) specific and have standard 50:50 revenue split agreement	
		Placements	Employed by company/organisation, so all IP owned by employer	
		Alternative "Enterprise" Placement	All owned and exploitable by student, no university claim on revenue/equity etc	
		Alternative internal placement e.g. Canalside Studios	"Employed" by group/school, so all owned by University.	
<b>Postgraduate</b>	<b>Taught</b>	Default	In principle all owned and exploitable by student, University does retain the automatic right to acquire the IP with remuneration on same basis as employees. This is most likely to occur where a Masters project contributes to a larger commercial opportunity from the research group of the supervising academic. The University has an automatic right to use all student work and recordings thereof of their work for publicity/marketing/display and other academic purposes	
		<b>Research</b>	Default	University owned, first rights protect/exploit. Subject to any sponsoring/funding requirements. The University has an automatic right to use all student work and recordings thereof of their work for publicity/marketing/display and other academic purposes.
			Uni chooses not to protect exploit	Exclusive licence agreement to student at 10% Royalty/Equity, falling to 5% on succesful completion of studies. May be further complicated by required access to Uni background IP
			M.Ent & Ent.D	All owned and exploitable by student as it is their "idea". To recognise research/expertise input by Supervisor and their research group an automatic 10%, falling to 5% (on succesful completion) Royalty/Equity agreement to University in place
<b>All Staff</b>		Default	University owns all their IP unless othwerwise agreed e.g. as part of a collaborative research project	
		Uni chooses not to protect exploit	Exclusive licence agreement to staff member at 5% Royalty/Equity. May be further complicated by required access to other Uni background IP	
		All staff undertaking degrees - UG or PG, T or R	As per normal staff guidleines	
<b>Consultancy (includes IV's)</b>		Default	Given the nature of consultancy, it is normal for the customer to own any foreground IP. In certain instances, it may be appropriate for the University to seek revenue from any generated forground IP.	
<b>KTP</b>		Variable - though company generally owns	Generally the company partner would own foreground IP, and the University would seek appropriate royalty income from this.	
<b>Contract Research &amp; Testing</b>		Customer owns all foreground IP	Customer paying FEC plus, so all results & foreground IP belong to customer. If customer is not paying FEC, then some quid pro quo would be expected in terms of revenue from the generated Foreground IP.	
<b>Collaborative Research</b>		Varies on a case by case basis as these tend to be high value multi-partner agreements	It is essential for the collaborative partners to accurately and fully prescribe relevant background IP - i.e. our pre-existing unique knowledge and understanding. In general, the party who creates the IP has first opportunity to protect. Industry partners within the collaboration generally have first refusal to exploit commercially, also implicit is their (subject to commercial negotiation) access to and use of any enabling background IP held by others in the partnership	