

Intellectual Property Policy (Staff and Students)

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1.0 Purpose

This policy deals with the ownership, protection and commercial exploitation of intellectual property (IP) created by Employees and Students of the University. It also includes details on how any rewards from such commercial exploitation will be shared. References to “University” throughout this Policy shall be taken to mean Teesside University and/or any of its subsidiary companies.

2.0 Scope

This policy is applicable to all Employees (see particularly 3.1.1) and Students (Undergraduate and Postgraduate) (see particularly 3.1.2). For Students and Employees who leave the University, this policy will continue to apply to the IP which they create on or before the date they leave.

Where an individual is both a Student and an Employee, section 3.1.2 (which applies to Students), governs ownership of all IP where s/he creates it in the course of their studies.

2.1 Definitions

- **Academic Publications:** Materials such as academic journal articles, books, conference papers, artistic works but excluding Teaching Materials and publications which are specifically commissioned by the University.
- **Background IP:** IP that is created, invested, authored or developed and owned by the Originator prior to the start of an Agreement or a study/research project.
- **Collaborative IP:** IP created or developed jointly by a Student and the University in the course of that Student’s study or research that is non severable from University IP. Collaborative IP is separate from, and excludes, copyright in the thesis or dissertation of a Student which is dealt with under sections 3.1.1.1 and 3.1.2.1.
- **Costs:** means all costs, fees, expenses (whether internal or external, but excluding internal University staff and facilities costs), taxes and duties and including without limitation:
 - a. Costs, fees and expenses paid to protecting the Intellectual Property (including patenting), legal, accounting, auditing and other external advisers and consultants fees;
 - b. Official fees paid to patent offices, registration bodies and other external bodies;
 - c. VAT and withholding tax to the extent that it is not recovered from HM Revenue and Customs or any other tax authority;
 - d. Payments to third parties who have a legal interest in the Intellectual Property or income derived from the Intellectual Property (“Third Party Contributors”), including without limitation payments that:

- i. The University has an obligation to make to any charity, company or other person or entity that funded some or all of the research conducted at the University from which the relevant Intellectual Property arose or was developed; and
 - ii. are related to the benefits that the University obtains from exploitation of the Intellectual Property which should reasonably be deducted as a direct cost rather than being allocated among contributors after deduction of direct costs.
 - e. expenditure incurred in relation to litigation and claims, including damages and payments in settlement paid to the any third party;
 - f. the amount of any cash investment made by the University in proof of concept or development activities with respect to the realisation of the Intellectual Property; and
 - g. travel and other expenses reasonably incurred by University staff and others authorised by the University.
- **Employee:** A person employed by the University, that is, a person who, at the time of creation of the IP, is on Teesside University's payroll (whether on a full-time or part-time basis), including but not limited to students undertaking work for the University which is unrelated to their studies or research and persons involved in contract research.
 - **Employee Generated IP:** IP which belongs to the University under section 3.1.1.
 - **Intellectual Property (IP):** Intellectual property refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images. These include, but are not limited to, patents, trademarks, service marks, logos, internet domain names, rights in designs, copyright (including rights in software), database rights, rights in confidential information, trade secrets, inventions and know-how and other intellectual property rights whether registered or unregistered and including any applications for registration and all other rights or forms of protection having equivalent or similar effect anywhere in the world. IP may be in any form and on any medium.
 - **Net Revenue:** means the total Revenue received by the University less all Costs.
 - **Originator(s):** The person or persons who created the IP.
 - **Revenue:** means the aggregate of all income received by the University through an agreement with a third party under which Intellectual Property has been commercialised, including all forms of tangible revenues such as (but not limited to) income from licence agreements, royalties and cash received through the sale of equity taken as part of a licensing transaction. Revenue shall not include patent cost reimbursement or expense reclaims or any funds received for the purposes of carrying out research under collaborative research agreements.
 - **Student:** A person who, at the time s/he creates any IP, is a registered student of the University studying at Framework for Higher Education Qualifications (FHEQ) level 4 to 6 (Undergraduate Student) or who is a registered student studying at FHEQ level 7 and 8 i.e. studying for Masters or PhD, whether taught or by research (Postgraduate Student).
 - **Teaching Materials:** Lecture notes, presentation and other materials created by one or more Employees in support of teaching students, including but not limited to materials

developed for use on accredited courses and non-accredited training.

3.0 Policy Statements

3.1 Ownership of IP

3.1.1 Ownership of IP generated by Employees

It is anticipated that, during the course of employment, Employees will create IP; in particular through research and scholarly activities, but also while pursuing other activities as a result of employment at the University.

In accordance with the Patents Act 1977 and the Copyright, Designs & Patents Act 1988 (in each case as amended or supplemented from time to time), all IP which is created or developed by an employee in the course of employment belongs to the employer. Thus all IP which is created by Employees in the course of their employment is owned by the University. For the avoidance of doubt, this includes but is not limited to all IP which is created by Employees in the course of their academic research and the development of teaching and learning materials.

The University owns all Employee Generated IP except where the exceptions below apply. The decision on whether or not an exception applies will be made by the University acting fairly and reasonably.

3.1.1.1 Copyright in masters and doctoral theses

In general, the University allows that the copyright in a thesis or dissertation is owned by the Employee as author but with the following caveats:

3.1.1.1.1 IP which belongs to a third party and which is included in the thesis, or the research work on which the thesis is based, will continue to belong to such third party. Such a situation includes, but is not limited to, industrially-sponsored research programmes where the thesis may also be subject to a moratorium on its publication – the Research Contracts Office should be contacted for further information.

3.1.1.1.2 All Collaborative IP which is described in the thesis, or research work on which the thesis is based, will continue to belong to the University (see section 3.1.2.3). However, the Employee has the right to use the Collaborative IP for the sole purpose the thesis or dissertation (but such right is personal to the Employee and is non-transferable).

3.1.1.2 Copyright in Academic Publications

In the absence of any agreement to the contrary, the University will not assert ownership of the copyright in Academic Publications. However, there are exceptions to this of which the following are non-exhaustive examples: documents prepared as part of a research contract which put restrictions or caveats on publication, or where such publications have been specifically commissioned by the University. The University will retain, where the publishers permit this, a royalty-free licence for the promotional, teaching and educational purposes of the University. Employees are

required to take the appropriate action in regard to the publication of Academic Publications to ensure that this licence is retained by the University.

Note that copyright in an Academic Publication and the ownership of the IP which is referred to in the Academic Publication are separate matters; the University does not waive its rights to any Collaborative IP which it owns and which is mentioned in Academic Publications (for example inventions, designs and computer software).

3.1.1.3 Employee Generated IP resulting from sponsored research or other agreements

In the case of an activity sponsored by a third party, the ownership of Employee Generated IP will be determined according to the terms of the agreement with that third party. In the absence of any such agreement, or provision for ownership of IP within such agreement, Employee Generated IP will be owned by the University.

3.1.1.4 IP generated by Employees whilst they are working for third parties

It may be agreed from time to time that an Employee will undertake work for a third party on a temporary or ad hoc basis. Before that work is undertaken, an agreement must be put in place between the University, the Employee and the third party governing ownership and exploitation of IP which the Employee creates. In the absence of any such agreement, or provision for ownership of IP within such agreement, Employee Generated IP will be owned by the University.

3.1.1.5 IP generated outside of employment

IP which the Employee can demonstrate to the University's satisfaction (1) was created outside the course of the Employee's employment; (2) does not result from activity which is prohibited by the Employee's terms of employment with the University; (3) did not make more than incidental use of University resources and (4) does not build upon existing University IP (e.g. by way of extension, improvement, enhancement or modification), shall be owned by the Employee. To assert that any IP falls within this exception, the Employee must raise this in the first instance with the University's Head of Knowledge Exchange for submission to the IP & Commercialisation Working Group.

Employees who are proposing to develop or commercialise IP otherwise than in the course of their employment must advise their line manager and the University's Head of Knowledge Exchange before doing so.

3.1.1.6 Ownership of IP generated by Employees with honorary appointments

In the case of Employees who are academic staff from other institutions and who are holding honorary positions at the University, an agreement must be reached between the University and the other institution in relation to IP. Similarly, when the University makes an honorary appointment, then an appropriate agreement must be put in place between the University and the Employee. Authorisation by Human Resources is required for an honorary appointment to be made and Employees who wish an honorary appointment to be considered should contact their Line Manager and consult the University's Honorary and Visiting Academic Titles Policy and Procedure.

3.1.2 Ownership of IP generated by Students

This policy applies to all Students who are registered with the University for programmes of study or research, whether or not third parties are also involved with the delivery of those programmes.

Generally IP which is created by a Student in the course of undertaking a programme of study or research at the University is owned by that Student. However, there are certain exceptions as outlined below and it will ultimately be for the University to decide (acting fairly and reasonably) whether or not an exception applies in any particular case.

Insofar as IP belongs to the Student under this policy, the Student grants the University a royalty-free, irrevocable and non-exclusive licence to use this IP for so long as it subsists for the University's academic publication, teaching, research, educational and/or promotional purposes.

3.1.2.1 Post-graduate thesis or dissertation

The copyright in the thesis or dissertation of a Student undertaking a post-graduate research or taught programme will belong to the Student as author, but with the following caveats:

- 3.1.2.1.1** IP which belongs to a third party and which is included in the thesis or dissertation will continue to belong to such third party.
- 3.1.2.1.2** All Collaborative IP which is included in the thesis, or research work on which the thesis or dissertation is based, will continue to belong to the University (see section 3.1.2.3). However, the Student has the right to use the Collaborative IP for the sole purpose of the thesis or dissertation (but such right is personal to the Student and is non-transferable).

3.1.2.2 Post-graduate research funded by the University

The University will own all IP which a Student creates or develops in the course of post-graduate research and/or projects which are funded by the University (e.g. whether by scholarship, bursary or other means). This is subject to the University sharing with the Student (on the same basis as outlined in the table in section 3.2.3 for Collaborative IP) a proportion of the revenue which the University receives as a result of its exploitation of the IP.

3.1.2.3 Collaborative IP

All Collaborative IP will, on creation, belong to the University.

The University's overriding objective is to ensure that all Collaborative IP is developed, protected and exploited to its fullest extent where it is economically

viable to do so. The University is generally better placed than the Student to bear the risks, costs and time associated with developing, protecting and exploiting the Collaborative IP.

A proportion of the revenue from the exploitation of Collaborative IP will be shared with the Student on the basis outlined in the table in section 3.2.3.

The Student involved with the creation of the Collaborative IP will be part of the University's project team and his/her views and opinions on exploitation will be sought throughout the process.

3.1.2.4 IP that builds upon existing University IP

IP which is created by a Student that builds upon existing University IP (e.g. by way of extension, improvement, enhancement or modification) will be owned by the University. The Student and the School should, before the start of any work commencing, identify in writing the existing IP as University owned Background IP.

3.1.2.5 Sponsorship

Ownership of IP by a Student is subject to the rights of any third party. For example, a third party who is sponsoring a project may own, or have rights to, some or all of the IP which is created by a Student in connection with that project. Or, where a Student is sponsored by a third party, it may be a condition of sponsorship that IP which the Student creates during the period of sponsorship belongs to that third party.

Reference should be made to the agreement with the third party to determine ownership of IP. In the absence of any agreement, ownership will be determined in accordance with the other provisions of this policy.

3.1.2.6 University resources

IP which a Student creates outside his/her programme of study or research and which made more than incidental use of University resources will be owned by the University. Any ambiguity as to whether an activity is outside a programme of study or research will be decided, fairly and reasonably, by the University.

3.1.2.7 Collaborative provision

IP which a Student creates whilst undertaking part of his/her

programme of study at another institution may also be governed by the policy of that institution.

3.1.2.8 IP commercialisation

If requested, the University may assist Students by undertaking or arranging the commercial exploitation of their IP. The terms of that assistance will be agreed by the University with the Student on a case by case basis, but could result in IP being assigned by the Student to the University in return for a revenue sharing arrangement.

3.1.3 Use of copyrighted materials

When third party IP is used or reproduced the use must be lawful, must comply with the terms of any applicable licences and must be appropriately referenced. If an Employee or Student or anyone else is unsure as to the permitted use of any particular IP, then s/he should seek guidance from their Supervisor / Line Manager or the University's Head of Knowledge Exchange as appropriate.

3.2 Protection and commercialisation

The University views the development and exploitation of its IP as a key part of its overall corporate strategy which brings many benefits including economic and social impact, financial, reputational and other benefits. The route for commercialisation of the University's IP is through the University's Department of Academic Enterprise and IP & Research Commercialisation Working Group. Employees and Students are encouraged to submit opportunities for IP development and commercialisation by submitting a completed an Invention Opportunity Disclosure Form (see Related Documents) to the University's Head of Knowledge Exchange.

3.2.1 Decision to commercialise

The decision to develop, protect and exploit any particular University IP is at the sole discretion of the University and will be made according to the normal University regulations and processes operative at the University at the time of disclosure of the IP.

In the event the University decides not to commercialise its IP, the Originator(s) (Student(s) or Employee(s)) who generated the IP have the right to request that the University transfers ownership of the IP to them, or provides a clarification letter confirming IP ownership. Such transfer will be at the expense of the Originator(s) and will be subject to any rights of third parties to such IP. The University will consider, and not unreasonably refuse, each such request to transfer IP. Any

transfer of ownership to an Originator will be conditional upon the University obtaining: (1) a royalty-free, irrevocable and non-exclusive licence to the IP for so long as it subsists for the promotional, research, academic publication, teaching and educational purposes of the University; (2) a share (to be agreed on a case by case basis by the University with the Originator(s)) of any future revenues accrued to reflect the nature and extent of the University's contribution and; (3) in the case of Employees or Students who are multiple Originators, agreement as to the share of ownership between them, particularly in the case where one or more of them are not to be involved in the onward development of the IP.

3.2.2 Decision to register and/or protect IP

Any decision to register IP which is owned by the University is at the sole discretion of the University and will be made according to the normal University regulations and processes operative at the University at the time of disclosure of the IP.

In the event that a decision is taken to formally register IP, the Originator(s) will be required to enter into a Confirmatory Assignment. This document is to provide formal tangible evidence of the agreement around ownership of IP to confirm the legal position described in section 3.0 which is an essential basis of the later successful commercialisation of the IP.

Employees and Students must not put any information connected with the University's IP in the public domain anywhere in the world where to do so will or may prevent or hinder the University obtaining registration of such IP.

3.2.3 Licence Revenue

In the event of successful commercialisation of Employee Generated IP which is owned by the University through one or more licence agreements, or of Collaborative IP (in each case "Exploited IP"), the University agrees to share a proportion of net revenues attributable to the Exploited IP with the Originator(s) and (if applicable) their academic school on the terms set out below.

All revenue generated from the commercialisation of Exploited IP belongs in the first instance to the University. From the gross revenue received, the University will first seek to recover the costs associated with protecting, managing and developing the Exploited IP.

Net Licence Revenue (as defined below) will be shared between the Originator(s), their school and the University according to the table below. For the avoidance of doubt, this table does not apply when

Exploited IP is commercialised through a Spin Out Company
 – see section 3.2.4.

Net Revenue	Inventor(s)	School/Department	University
Up to £15,000	70%	15%	15%
£15,000 to £75,000	50%	25%	25%
Over £75,000	33.3%	33.3%	33.3%

Net Licence Revenue means total gross revenue received by the University in connection with the Exploited IP less (1) professional fees, expenses and other outgoings incurred or to be incurred by the University in managing, developing and protecting the Exploited IP and making arrangements for its exploitation; (2) any and all other amounts payable by the University to external organisations under funding or other agreements which facilitated the creation of the Exploited IP; and (3) any and all taxes, charges and levies payable by the University on such gross revenue.

Where there is more than one Originator, it will be for the Originators to decide the proportions in which they will bear the share to which they are entitled, in default of which the share will be divided equally.

Payments or, in the case of Schools, credits to income will be made annually or as at such other frequency decided by the University.

The proportion of Net Licence Revenue to which Employees are entitled will be calculated after deduction of applicable tax and National Insurance contributions and paid through payroll. Payments of Net Licence Revenue will not form part of an Employee's pensionable income.

Payments of Net Licence Revenue to Students and individuals who were, but have ceased to be, Employees will be deemed to be inclusive of any and all tax which may be chargeable on such payments and it is the sole responsibility of Students and such individuals to pay such tax.

3.2.4 Spin Out Companies

Commercialisation may involve the creation of a spin-out company (i.e. a limited company formed by the University) or a start-up company (a

limited company created by a third party in which the University is invited to participate) (each and all referred to as “Company”). Creation of or participation in any such Company will be on a case by case basis and will always be subject to the sole discretion of the University and will be made according to the University’s Financial Regulations and other regulations and processes operative at the University at the time.

IP will normally need to be licensed by the person(s) who owns it (as determined by this policy) to the Company.

The University’s Commercialisation Guidance and Toolkit in Appendix 5 sets out the criteria and process for forming a Spin Out Company.

3.2.4.1 Employee participation in spin out companies

Employees may continue to actively participate in the development of a Company, principally to provide strategic technical support for the development of IP. Any such role will, at all times, be subject to the normal University rules and regulations surrounding Employees undertaking outside work.

Employees who are requested by the Company to undertake formal company director roles in a Company should note that the role of company director makes them subject to the duties and responsibilities enshrined within company law of England and Wales active at the time of their appointment and they should ensure they fully understand the legal responsibilities and potential personal liabilities involved in such a role.

Employees must ensure they do not create any conflict of interests with their University role when accepting any position within a Company. Guidance on this matter is available in the University’s Commercialisation Guidance and Toolkit and/or by contacting the University’s Head of Knowledge Exchange.

3.2.4.2 Warranties and Liabilities

In the instance of a Company securing external investment it is likely that the external investors will seek warranties around the creation of the IP. It is expected that a proportion of the liabilities associated with such warranties will fall to the Originators mirroring the potential rewards available to them from successful commercialisation. Hence, Originators may be required to give warranties and accept certain liabilities which will affect them on a personal basis independent of their employment at the University. As such, the University cannot offer legal advice to Originators obtaining share capital in a

Company and strongly advises that Originators obtain independent legal advice before providing any such warranties or accepting any commensurate liability to a Company and/or investor in the Company.

3.3 Waiver of rights

The University's rights in relation to any IP as set out in this policy may only be waived or modified if authorised in writing by the Pro Vice-Chancellor Enterprise and Business Engagement.

3.4 Contractors

All contracts with contractors must explicitly state that the IP in materials that they are commissioned to produce under contract belongs to the University. If a contractor refuses to enter into a contract on this basis, the contractor must, as a minimum, be required to grant the University an irrevocable, royalty-free and non-exclusive licence (with the right to sub-license) to use such materials for all purposes required by the University.

4.0 Policy Enforcement

Breach of this policy may result in disciplinary action and also (in the case of Employees) a claim for damages and termination of contract and (in the case of Students) cancellation of registration. It could also lead to civil or criminal proceedings.

5.0 Related Documentation

- Invention Disclosure Form (Available upon request from the Head of Knowledge Exchange)
- Confirmatory Assignment (Available upon request from the Head of Knowledge Exchange)
- Honorary and Visiting Academic Titles Policy and Procedure
- Commercialisation Guidance & Toolkit

6.0 Review

This policy will be formally reviewed every 2 years from implementation date.

7.0 Appendices

Appendix A: Equality Assessment