

Northumbria University Policy for Managing Intellectual Property

Introduction

1. As a research rich, business focussed professional University, Northumbria recognises the value of intellectual property (IP) created by its academic community, which affords esteem and financial benefit to inventors and to the institution while engendering wider social and economic benefit.
2. This policy deals with the ownership, protection and commercialisation of IP created by employees and students.
3. The policy further underlines the importance of the contribution of IP to the performance and impact of its research base, while at the same time protecting the University from risk and defending its charitable status.
4. The policy aims to encourage and reward the work of the academic staff involved in the creation of IP through the provision of “a fair share, having regard to all circumstances¹,” to the inventors or creators.
5. In line with the University’s strategy this policy aims to encourage student enterprise; where that involves the development of IP the institution will seek a return through future philanthropy or where appropriate joint ownership and royalty income.

Intellectual Property

6. IP results from the expression of creative and intellectual endeavour. For example, IP can be an invention, a brand, a design, a song or other intellectual creation. There are formal mechanisms that provide protection for the creators of IP. The four main types are patents, trademarks, design rights and copyright although there are others including performers’ rights.
7. IP is important because it is an asset, and, like other forms of property can be owned, rented (licenced), bought and sold. In general, the objective of IP law is to protect IP and grant the inventor or creator certain controls over the exploitation of their work. Without IP protection there is no way to prevent others from copying any work or invention which

¹ As described in the 1977 Patent Act

² IPO: Intellectual asset management for universities

may then deprive the creator of any reward or incentive to generate or create new knowledge.

Objectives

8. The University's objectives in relation to the management of its intellectual property rights (IPR) are to:
 - Maintain the University's rights to use IP to enhance teaching programmes and maximise the impact of its research;
 - Increase the financial return from commercial activities carried out at, or presented to, the University;
 - Place IP where it can be best exploited for the benefit the wider economy and society;
 - Engage with and develop relationships with individual partners to increase the impact of its research and reputation.

Ownership of Intellectual Property

Staff

9. By virtue of the employment contract and the Patents Act all IP generated by an employee is vested in the University, provided it related to the day to day work carried out by the employee as part of their day to day activities. In the case of a University, a special distinction is made for scholarly work² which always rests with the individual in the first instance.

Undergraduate Students

10. The University strongly promotes student and graduate enterprise. As part of this commitment, Northumbria recognises undergraduate students (who are not employees of the University) as the owners of any IP generated during their studies subject to exceptions below (para11-13).
11. In certain circumstances the University or an external sponsor will own/share the IP created by undergraduate students, for instance in the case of sponsored studentships, collaborative projects, where contributions are made as part of a commercial joint venture, or if a funder /sponsor or provider of a placement opportunity requires all IP rights to be transferred as part of their funding terms and conditions).

² In this context, 'scholarly work' includes the production of books, contributions to books, articles and conference papers, and is to be construed in the light of the common understanding of the phrase in higher education.

12. In the case of a student project that derives from the existing IP of the University or involves substantial collaboration with academic staff, the University will retain ownership of the IP.
13. If the IP arises from a student project using IP jointly created or generated by the student and academic staff then the University will discuss ownership or joint ownership with the student on a case by case basis as appropriate.
14. The University is committed to the effective exploitation of IP, and students are therefore encouraged to disclose any IP they generate to their course leader with a view to using RBS's expertise and resources to explore the possibility of commercialisation. If there is an opportunity to commercially exploit such IP a joint agreement between the student(s) and the University will be put in place, which will contain all such terms and conditions as standard in a contract including the recovery of any associated costs, and revenue sharing arrangements on a fair and reasonable basis taking into account all of the circumstances.

Other Students and Visiting Staff

15. The University asserts its ownership of IP generated by all students who are not undergraduate students. The student will be granted a fair and equitable benefit from the exploitation of IP in cases where he/she has made a significant contribution to its creation.
16. Visiting staff are expected to sign a visiting scholar agreement prior to engaging with the University, a copy of which will be available from the faculty.

Intellectual Property Rights

17. As with other property rights, the owner of intellectual property need not be the original creator. This is significant when establishing provenance of existing IP (Background IP Rights) which will be brought into a new project and the ownership of any new IP created in the course of the Project (Foreground IP Rights.)

Background Rights

18. Background rights are the rights held in relation to all knowledge being taken into a particular project i.e. pre-existing and belonging to one or other party or to a third party.

It is always advisable to specify which background IP is being brought to a project to avoid issues if valuable foreground IP is developed during the course of a project.

Foreground Rights

19. Foreground rights are rights which might arise during and as a result of a particular project.

The Management of Intellectual Property Rights

IPR in Research

20. As an organisation with charitable status, the University is obliged to retain its assets for the public benefit – this includes IP. Where IP is released through contract research, the price charged should reflect the full economic cost of undertaking the work as a minimum.
21. The University may be constrained by the terms and conditions of a funding organisation however the standard position is to try, as far as possible, to retain ownership of IP.

IPR in Consultancy

22. The main purpose of consultancy is the provision of expert advice. Therefore, except for copyright in written reports, performance of the project is not intended to generate IP. However, if any IP should result directly from the University's work on a project, all such IP shall belong to the University.
23. Often the consultancy client can request the IP rights of any IP arising from the project (foreground IP) and these can be assigned to the clients. This should normally be agreed prior to commencement of the project (and is likely to affect the project costs). The IP rights can be assigned following the completion of a project through a licencing agreement (usually funded through a royalty arrangement).

Relinquishing IPR

24. There are circumstances where the University may decide to relinquish IP for the wider benefit of society and the economy. For example, if the University assesses that an economic return would not be possible, does not choose to patent or chooses to let a patent lapse, or cannot fund the cost of the protection of the IP. In such instances the University may choose to transfer the IP to other parties to commercialise.

25. The University will not usually require revenue sharing in this situation, but can request the right to utilise the IP for publicity purposes (negotiated where appropriate). In such cases this is advantageous as it allows the impact of research to be developed for the wider benefit of society and the economy.

Commercialisation of IP

26. Where viable the University takes a commercial approach to the development and exploitation of IP. This approach is likely to include

- Establishing the provenance of the IP;
- Costing the IP protection;
- Evaluating the IP 'landscape' for competing IP or infringement issues;
- Technology due diligence;
- Evaluating the market;
- Risk analysis / critical success factors evaluation;
- Undertaking an investment - return appraisal.

27. A development plan will be agreed with the lead inventor and the School's Associate Dean (Business and Engagement) and appropriate funding will be sought for the commercialisation process.

28. For more information on consultancy activity see the Northumbria University Policy for Managing External Work. Private consultancy (i.e. not undertaken through the University) is not supported by this IP policy.

Invention Disclosures

29. The disclosure of new IP and the submission of a patent application are positive esteem markers for individual academics. Members of staff are required to submit invention disclosures jointly to RBS Enterprise Manager and the Associate Dean for Business and Engagement of their Faculty.

30. Invention disclosures are a metric reported annually to HEFCE via the Higher Education, Business, and Community Interaction Survey (HEBCIS) which determines the University's Higher Education Innovation Fund (HEIF) award.

31. Patents filed are academic outcomes which can be returned as part of the Research Excellence Framework (REF).

Value Arising from the exploitation of Intellectual Property

Income Received From Licence Agreements

32. The framework for sharing rewards with inventors (staff or students) for their contribution to a successful exploitation of IP is shown below. Of the resulting income received by the University the first £1,000 of income for a single item will be paid to the inventor(s) that generated the IP. Thereafter, the cumulative **net** revenue (after taking into account patent, legal and external marketing costs) received by the University will be shared between the Inventor(s) and the University as shown below:

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

Shareholding in a Spin-out Company

33. A number of parties are likely to 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 academic staff may hold equity in such companies. The apportionment of the initial shareholdings will be determined on a case-by-case basis, based on discussions and negotiations between the relevant parties. The University’s shareholding interest in such a company may be transferred to a subsidiary company in the future. The University will normally start from a position of 50% ownership.

Procedure for establishing and managing spin-out and other company vehicles

34. If the establishment of a spin-out company is considered appropriate, then the staff concerned should consult RBS and refer to the Procedure for Establishing and Managing a Spinout Businesses.

Disclosing Conflicts of Interest

35. Any staff involved in commercialisation must be aware of, and comply with, the University Interest disclosure policy.

University Contacts for more information

36. In the first instance contact Research and Business Services for more information.

Related Documents

- Academic Contract
- Procedure for Establishing and Managing Spinout Businesses and Subsidiary Companies
- Student Handbook
- Northumbria University Policy for Managing External Work
- Northumbria University Disclosure of Conflicts of Interests