

## UNIVERSITY OF CENTRAL LANCASHIRE POLICY ON INTELLECTUAL PROPERTY

### 1. INTRODUCTION

1.1 This Policy deals with the ownership, protection and commercialisation of Intellectual Property and know-how, as generated every day by staff. Certain phrases in this policy have specific meanings as set out at the Glossary found at Appendix 1.

1.2 As a progressive knowledge-based organisation, the University of Central Lancashire endeavours to support all of its staff in exploiting commercially or otherwise intellectual and other property resulting from their research or enterprise activities so that the benefits may have an impact at the earliest opportunity.

1.3 Intellectual Property can have considerable value to the University, therefore this policy aims to:

- i) encourage the identification and protection of IP;
- ii) set out the university procedures surrounding the identification, ownership, protection and commercialisation of IP;
- iii) assist in:
  - developing commercial projects using IP
  - pursuing suitable exploitation routes using IP
- iv) provide programs and services to assist and incentivise enterprising individuals, and academic schools to exploit IP that generates income; and
- v) prevent the infringement of IP rights by others.

1.4 This is consistent with the University's aim of putting the creation and dissemination of new knowledge at the heart of every UCLan activity in order to provide maximum value to the economy, society and UCLan itself.

1.5 UCLan recognises that IP generated by research and other work undertaken at UCLan is an important asset of UCLan. UCLan has the responsibility to identify, protect and manage its IP effectively, not only for commercial exploitation, but also for enhancing its reputation as creative, enterprising and professional.

1.6 This Policy, is applicable from 1<sup>st</sup> January 2016 (**Effective Date**) will apply to all UCLan staff. To the extent UCLan offers or has given any individual an Honorary Appointment, unless expressly agreed otherwise UCLan will regard any IP generated solely in relation to activities undertaken for or on behalf of UCLan to be subject to this policy. If the individual subject to the Honorary Appointment undertakes work simultaneously relating to their role with UCLan and another institution, the individual shall notify UCLan's RES team in advance and provide all reasonable co-operation UCLan may require in reaching any agreement between UCLan and that individuals resident institution.

1.7 This policy will apply to the ownership and exploitation of all Intellectual Property first generated after 1<sup>st</sup> January 2016. To the extent any member of staff exploits any Intellectual Property other than in accordance with this agreement, the member of staff shall account to UCLan for all revenue

received as a result of that exploitation and shall carry out any act reasonably required by UCLan to ensure the circumstances of exploitation are brought to comply with this policy.

1.8 This policy may be subject to change and any substantial changes to this policy will be notified to affected departments, employees and other individuals.

1.9 RES are responsible for the communication and administration of UCLan's IP Policy. Overall responsibility vests in the Vice Chancellor.

## **2. OBLIGATIONS IN RELATION TO INTELLECTUAL PROPERTY**

**2.1** In order to ensure Intellectual Property generated by staff at UCLan is properly identified and protected, staff are required to:

- (i) discuss any queries they may have relating to use or generation of Intellectual Property with one of the RES team (including before relying on any 'fair use' exceptions in IP law, which can be very fact-specific);
- (ii) declare to UCLan on or before commencing employment with UCLan any teaching or other materials protected by Intellectual Property which they have brought with them from previous employment for use whilst engaged by UCLan and to ensure they have obtained all necessary consents for use by the individual and UCLan of the Intellectual Property;
- (iii) ensure that they do not contravene the terms of any confidentiality agreement or arrangement concerning information or data provided by any third party;
- (iv) keep comprehensive and contemporaneous records of development undertaken of materials containing Intellectual Property for the purpose of recording origination, novelty and authorship;
- (v) not assign, licence or purport to assign or licence any Intellectual Property belonging to the University nor use the University's name in connection with the same without the University's prior written consent;
- (vi) disclose to RES all Intellectual Property they create pursuant to paragraph 3.1 below; and
- (vii) provide all assistance reasonably required by UCLan in the protection, registration and/or commercialisation of Intellectual Property, including (amongst other things) providing additional information and data on request and attending meetings with potential licensees and investors;
- (viii) on request and in any event before departing from the employment of UCLan, deliver to the individual's line manager or department supervisor all documents, data, recordings and physical embodiments of Intellectual Property the individual created pursuant to paragraph 3.1 below.

## **3 OWNERSHIP OF INTELLECTUAL PROPERTY CREATED BY UCLAN STAFF**

### **General Rule:**

3.1 As set out in the Staff Handbook <https://msuclanac.sharepoint.com/sites/StaffHandbook> , under English law, including the Patents Act 1977 and the Copyright, Designs & Patents Act 1988, IP generated in the course of a person's normal employment belongs to the substantive employing organisation. Thus, in the absence of any formal agreement to the contrary, and with the exception of scholarly works (see below) UCLan assumes ownership of all IP generated by staff both in the course

of their employment with UCLan and outside the course of such employment where the IP is created through more than incidental use of UCLan's Resources.

3.2 For the purpose of considering whether more than incidental use of the University's Resources has been made, it is unlikely UCLan will consider such use to have been made where:

- i) the University has not been required to incur expenditure, directly or indirectly, in relation to creation of the relevant IP;
- ii) the development has been made during the personal unpaid time of the relevant member of staff;
- iii) only insignificant use has been made of the University's Resources, such as use of facilities limited to the library, office space, computers for day to day word processing.

### **Scholarly Works:**

3.3 Whilst the underlying IP referred to in any Scholarly Work does belong to UCLan, UCLan does not assume ownership of copyright in Scholarly Works and (subject to any third party funding agreements preventing the same) will preserve the rights of academic staff to publish material arising from research, as they wish. This is subject to the following exceptions:

- i) If the Scholarly Work is created by an employee whose job description specifically requires the production of that or substantively similar Scholarly Works;
- ii) If publication of the Scholarly Work may, in the reasonable opinion of UCLan, cause harm or damage to the reputation of UCLan; and
- iii) If publication must be prohibited or suspended pursuant to paragraph 3.4.

3.4 It is, however, essential that publication (and any other disclosure) is withheld in cases where commercial exploitation of certain research results or IP of any kind is possible. UCLan therefore reserves the right to require that a Creator complies in withholding publication until appropriate protection can be put in place. UCLan acknowledges the growing requirement that research results be published and RES is happy to provide assistance to enable academic staff to determine the suitable point at which to publish, balancing the needs of research and potential exploitation. Academic staff who have such a query should complete an [Invention Disclosure Form](#) or [Software Disclosure Form](#) to assist RES to establish the relevant details in this regard.

3.5 Any member of staff who owns copyright in a Scholarly Work pursuant to clause 2.3 grants to the University a non-exclusive, irrevocable, sub-licensable, royalty free worldwide licence to use the Scholarly Work and copyright therein for the duration of the copyright for the purpose of educational, promotional, administrative, academic and teaching purposes.

3.6 Subject to any obligations owed to third parties (including sponsors and publishers) all Scholarly Works must be archived within UCLan's repository archive.

## **4 COMMERCIAL EXPLOITATION OF UCLAN INTELLECTUAL PROPERTY**

4.1 UCLan actively encourages its staff to take the initiative in identifying IP which has potential exploitation or publicity value or which could otherwise enhance the reputation of UCLan.

4.2 After disclosure by, and consultation with, any Creator(s), UCLan may, through RES, decide at its discretion to protect or develop such IP, prior to any exploitation, using UCLan resources and funding or to seek funding from external sources.

4.3 Where RES decides to assist with the exploitation of IP, RES will, in collaboration with the Creator(s), draw up an IP project proposal (including strategy for exploitation, IP protection requirements, time schedule & targets, budget, expected income and further long term development plans for the IP). RES will liaise with Legal Services to ensure placement of any accompanying contracts relating to the same, where necessary. UCLan's internal Legal Services team and other advisers act for the benefit of the University and Creators are encouraged to obtain their own independent legal and professional advice.

4.4 RES in conjunction with the Creator(s) will implement the above plan for exploitation. Possible opportunities for exploitation include the following, and where alternative means of exploitation are suggested they will be considered at UCLan's sole discretion:

- Assignment/Licensing;
- Spin-out company; and
- Joint venture funded jointly with an external partner

4.5 While UCLan will retain the ownership of IP as set out above, it believes that it is important, where appropriate, to actively incentivise its staff by sharing revenue generated from IP.

4.6 UCLan is (unless expressly agreed otherwise in writing) responsible for collecting income due as a result of any exploitation of IP. Where IP has been assigned or licensed such income might, for example, take the form of milestone and/or royalty payments.

4.7 Neither UCLan nor any of its affiliated entities will be liable to the extent any revenue generated from exploitation of IP is not at the highest rate available or otherwise fails to meet the expectations of the Creator(s) in question.

## Revenue Share

4.8 Exploitation of Intellectual Property may require revenue to be apportioned between UCLan and other third parties such as sponsors, funders, collaborators and/or eligible students pursuant to contractual agreements and/or policies. UCLan will honour all such commitments in accordance with the terms of those agreements and/or policies with such parties prior to having any obligation or liability to share remaining revenues with Creators pursuant to this IP policy.

4.9 The initial income and the first tranche of income in each subsequent year from the exploitation less sums referred to in paragraph 4.8 above ("**Gross Revenue**"), will be used by UCLan to recover the costs of exploitation it incurs in protection and exploitation of the IP Rights. Those costs of initially implementing the exploitation structure are likely to include but not be limited to:

- Commercialisation costs including:
  - The cost of formal protection of the IP
  - The costs of marketing the IP
  - The costs of any insurance associated with the IP
  - The costs of any development work that is not externally funded or recoverable
  - An appropriate apportionment of the costs of RES
  - An appropriate apportionment of the costs of Legal Services
  - Overheads on all of the above

- Any other costs that are deemed by RES to be necessary to the successful commercialisation of the IP
- Applicable taxes
- Any third party IP (together referred to as the “**Initial Costs**”)

4.10 On initial exploitation, only after recovery of the Initial Costs above (regardless of the time which that take) and such other ongoing operational costs from the Gross Revenue, will the surplus balance (“**Net Revenue**”), whether lump sums or royalties, from option, licence, or assignment, be due for distribution amongst the Creator(s) and UCLan in accordance with this policy (and, subject to paragraph 4.11).

4.11 After recovery of Initial Costs, in each subsequent calendar year during any period of exploitation for which the Intellectual Property continues to generate Gross Revenue, UCLan shall deduct from Gross Revenue received in that calendar year all ongoing costs it incurs in maintaining and exploiting the Intellectual Property during that year, including (amongst others):

- Renewal and other fees paid in maintaining protection of any registered IP;
- Costs, expenses, damages and losses incurred in defending or pursuing allegations of infringement, ownership or rights of use relating to the IP
- Recurring costs of marketing the IP
- Renewal of other maintenance costs of any insurance associated with the IP
- An appropriate apportionment of any costs incurred by RES
- An appropriate apportionment of the costs of UCLan’s Legal Services
- Recurring overheads on all of the above
- Any other costs that are deemed by RES to be necessary to the successful ongoing commercialisation of the IP
- Ongoing liability to applicable taxes relating to the IP (together referred to as the “**Recurring Costs**”)

Only after continued compliance with obligations owed to third parties in paragraph 4.8 and deduction of the above Recurring Costs from Gross Revenue generated during a calendar year will the resulting Net Revenue applicable to that calendar year be distributed in accordance with the following provisions of this policy.

4.12 Each piece of IP will have a different profile, be it in the form of a Patent, Copyright, Knowhow or Design and will attract a different valuation depending on the stage of development of that IP, size of addressable market, technical risk and the level of funding required to take the IP forward on a commercial basis. This will have an impact on the amount of Net Revenue that both the University and the Creator(s) will ultimately share.

4.13 Subject to clause 4.14, the following table sets out an indication of the apportionments of Net Revenue which UCLan will use reasonable endeavours to ensure is made:

TOTAL NET REVENUE	CREATOR(S) TOTAL	GENERAL FUND	DEPARTMENT	UCLAN VENTURES
Up to £100k	50%	20%	10%	20%
£100K to £500k	30%	30%	20%	20%
Over £500k	20%	35%	25%	20%

4.14 In any event where University Funds have been used in relation to generation of the IP, the apportionment of Net Revenue will be allocated on a case by case basis as UCLan may reasonably determine, taking the following factors into account:

- whether the invention was made in the course of normal duties
- Whether the circumstances were such that an invention might reasonably be expected to result from carrying out those duties
- Whether, because of their special responsibilities, the inventor had a special obligation to further the interests of the University
- The nature of the inventor's duties, the remuneration and other advantages which the inventor has derived from his or her position at UCLan
- The effort and skill which the inventor has applied to the creation of the invention
- The extent to which the invention was created jointly by the inventor with any other person and the effort and skill which that other person has applied to the invention.

### **Multiple Creators**

4.15 The aggregate total Net Revenue for distribution amongst Creator(s) (regardless of the number of staff involved in creating the IP) shall not exceed the maximum Creators Total set out in the table at paragraph 4.12 above.

4.16 Where more than one Creator is involved in the development of IP, those individuals may decide between themselves as to the apportionment they are each to receive of the Creators Total and inform UCLan in writing of their respective shares accordingly.

4.17 In the absence of such agreement UCLan will decide at its discretion on their respective shares of the Creator's Total, and there will be a presumption that joint Creators will each have equal shares unless there is a specific agreement to the contrary. To the extent any member of staff wishes to dispute the proportion of the Creators Total attributed to them, they may invoke the grievance procedure set out in the staff handbook: <https://msuclanac.sharepoint.com/sites/StaffHandbook>

4.18 UCLan will, at its discretion, apportion a part of the surplus balance to the relevant School within UCLan. By way of indication only, the 'Department' column of the table at paragraph 4.12 sets out a maximum apportionment UCLan uses reasonable endeavours to ensure is made to the School in question. Where Creator(s) are from more than one School, that maximum apportionment is to be divided amongst all relevant Schools and (in the absence of written agreement reached between the relevant Schools themselves) there is a presumption for this purpose that Schools will each have equal shares unless there is a specific agreement to the contrary

## **Appendix 1**

### **GLOSSARY**

#### **“Creator”**

means an individual inventor, author, designer, generator or originator of IP (in accordance with the relevant applicable IP law in England and Wales from time to time) where that individual is a member of staff at UCLan at the time of such creation, invention, design, authorship, generation or origination.

#### **“Honorary Appointment”**

means members of academic staff who have been granted honorary appointments at other institutions or who are resident at another institution but to whom UCLan has granted an honorary appointment.

#### **“Intellectual Property” or “IP”**

means rights such as patents, domain names, registered designs as well as design rights, copyright, moral rights, database rights, registered and unregistered trade marks, information and know-how, applications for any of the above and any similar right recognised from time to time in any jurisdiction.

#### **“Invention”**

shall include any discovery, invention, process, composition of matter, article of manufacture, know-how, design, model, technological development, biological material, strain, variety, culture of any organism, or portion, modification, translation, or extension of these items, and any mark used in connection with these items.

#### **“RES”**

means the University’s internal department responsible for leading on the commercialisation and exploitation of IP.

#### **“Scholarly Works”**

means materials such as articles published in academic journals and similar publications including those held online, books (and chapters of books), conference papers, theses, dissertations, in each case produced in the course of employment with UCLan.

#### **“UCLan’s Resources”**

means the tangible and intangible resources of UCLan including (amongst other things) funds, equipment, facilities, consumables, data, utilities, employees and other human resources, and brand, name and other existing Intellectual Property belonging to UCLan.

#### **“University Funds”**

means any investment or provision of cash funds of UCLan with a total aggregate value of no less than twenty thousand pounds (£20,000) provided for the purpose of assisting in the development, generation or enhancement of IP which is subject of any revenue share in accordance with this policy.

<https://msuclanac.sharepoint.com/sites/IntellectualPropertyandCommercialisation/Shared%20Documents/UCLanIPPolicy.docx>

Version	Comment
1.0.2	Updated to reflect organisational changes
1.0.1	Updated links to Disclosure forms and added versioning information
1.0.0	Original