



## **Intellectual Property Rights (IPR) Policy**

**Exploiting and Commercialising Manchester Metropolitan University's Intellectual Property through Licensing, Assignment and Spin-outs**

**Effective as of 14 February 2019. Official review after 12 months.**

### **1. Introduction**

- 1.1. Manchester Metropolitan University invests in the generation and exploitation of Intellectual Property (IP) in order to:
  - 1.1.1. Maximise the impact of its research
  - 1.1.2. Encourage and support the creativity, innovation and entrepreneurship of employees and students;
  - 1.1.3. Maximise benefits for Greater Manchester and the region;
  - 1.1.4. Strengthen the University's reputation;
  - 1.1.5. Achieve success for its Academic Vision and in particular its Research and Knowledge Exchange strategy.
- 1.2. Through this policy, the University seeks to recognise the achievements of University Employees, students and associates who contribute to the generation of commercial IP by means of an encouraging reward structure.
- 1.3. The University will seek fair market (or social) value for its IP through the sale, licensing or other appropriate exploitation route, such as establishing a spin-out organisation.
- 1.4. The Research and Knowledge Exchange Directorate (RKE) on behalf of the University manages the University's intellectual property portfolio and provides direction and support in the decision making process as outlined in this policy.

Management of IP is monitored through the IP Operations Group, which reports to the University's Commercialisation Committee. Governance structures for IP management are outline in Appendix 1.

### **2. Definition**

- 2.1. For the purpose of this policy, IPR includes patents, rights to inventions, know how, copyright, database rights, rights in computer software, rights in designs, trademarks,

domain names, rights in confidential information, and all rights of a similar nature. For more information on copyright, please refer to the University's Copyright Guidelines.

<https://libguides.mmu.ac.uk/copyright>

- 2.2. Although not registered IPR, the University also wishes to support the licensing of its teaching curricula. Unlike registered IPR there will be no apportionment of revenue to an individual for licencing of teaching curricula.

### **3. Guidance and Awareness**

3.1.1. The RKE Directorate advises on IP related matters including policy, process, and awareness. The RKE Directorate leads on the exploitation and commercialisation of University owned IP. The RKE Directorate can be contacted on, 0161 247 2186 or by email: [ip@mmu.ac.uk](mailto:ip@mmu.ac.uk)

3.1.2. In keeping with its aim to encourage appropriate exploitation of IP, and to share the benefits of exploitation, the University promotes the contents of this policy to all Employees, via induction; staff training; awareness-raising events; and intranet

3.1.3. The IP Policy and Frequently Asked Questions are available on the RKE staff intranet at

<https://mmuintranet.mmu.ac.uk/Interact/Pages/Section/ContentListing.aspx?subsection=3471>

### **4. Ownership and Exclusions**

#### **4.1. Employees**

4.1.1. The University shall own all IPR in work produced by University Employees in the course of their duties and employment by the University, or by association to their employment by MMU, unless otherwise agreed in writing. Such ownership is subject to the exceptions in paragraph 4.1.5 and paragraph 7 below and to the provisions relating to employee inventions in the Patents Act 1977.

4.1.2. Material produced in the course of employment includes work in any media generated by the use of University equipment or facilities.

4.1.3. For the avoidance of doubt, and without limitation, IPR in the following belongs to the University:

4.1.3.1. Material produced for the purposes of the design, content and delivery of a University course, whether used at the University's premises or used in relation to a distance learning and/or e-learning project;

4.1.3.2. Material for projects specifically commissioned by the University;

4.1.3.3. Material produced in connection with externally funded research (subject to any agreement between the University and the funder); and

4.1.3.4. Material produced in the support and service capacity of University staff (including, without limitation, software, finance records and administration reports, results and data).

4.1.4. If any University Employee wishes to involve any Associate or external third party in any University project, the Employee in question should liaise with the RKE Directorate to ensure that an appropriate contract is put in place prior to involving such an Associate or third party. This is so that the University can consider what contractual

arrangements need to be put in place to protect the University's position in respect of any IPR generated by the project.

4.1.5. The University supports and promotes the principle of academic freedom and encourages its employees to advance their academic development and reputation through the publication of academic articles, conference papers and books. Under the terms of the University's standard employment contract, a University Employee shall own the copyright in:

4.1.5.1. any scholarly work produced in furtherance of their professional career. A scholarly work includes books, contributions to books, articles and conference papers and shall be construed in the light of the common understanding in higher education of this phrase; and

4.1.5.2. any material produced by a University Employee for their personal use and reference, including as an aid to teaching.

#### **4.2. Students**

4.2.1. If an individual enrolled on a course of study or research at the University (a "Student") generates IPR pursuant to his/her studies or research, the standard position is that the Student will own such IPR, unless the Student:

4.2.1.1. is a postgraduate student and receives a University studentship in which case such IPR will be owned by the University subject to any alternative arrangements with the Student;

4.2.1.2. is a postgraduate student and receives a bursary from, or has his/her fees paid or subsidised by, a sponsor in which case ownership of such IPR will be subject to the arrangement between the Student, University and Sponsor;

4.2.1.3. generates IPR which builds upon existing IPR generated by, or is jointly invented with University Employees or Associates (in which case the Student will be required to assign such IPR to the University and in respect of revenue generated by that IPR, the Student will be entitled to apportioned income in accordance with paragraphs 9.1.2. to 9.1.5 below); or

4.2.1.4. is also an Employee of the University and developed the IPR in that capacity (in which case the Student is treated as a University Employee for the purposes of this policy).

4.2.2. The University may be willing to support protection and commercialisation of student-owned IPR. Students should in the first instance notify their course tutor who will then contact the RKE Directorate on behalf of the Student. Following consultation with the Faculty Associate Dean for KE and the students involved, the Director of RKE will be responsible for the final decision as to whether the University wishes to protect and commercialise the student-owned IPR through the existing disclosure and assessment route. If the University agrees to support protection and commercialisation of student owned IPR, the Student will be required to assign such IPR to the University and in respect of revenue generated by that IPR, the Student will be entitled to apportioned income in accordance with paragraphs 9.1.2 to 9.1.5 below.

#### **4.3. Associates**

4.3.1. Subject to any written agreement to the contrary, Associates will be required to assign to the University any IPR they generate in the course of any activities carried out at the University (in which case in respect of revenue generated by that IPR, the Associate will

be entitled to apportioned income in accordance with paragraphs 9.1.2 to 9.1.5 below).

- 4.3.2. The University recognises that in certain cases (including, without limitation, where a visiting professor remains an employee of another organisation), special arrangements may need to be negotiated regarding the ownership and use of IPR which the relevant Associate may generate at the University.

#### **4.4. Further Assistance**

- 4.4.1. University Employees, Students and Associates must at the University's request and expense undertake all such acts and execute all such documents which may be necessary to give effect to the terms of this policy and to vest in the University all right, title and interest in the relevant IPR.
- 4.4.2. Nothing contained in this policy will limit any statutory or common-law right of a University Employee, Student, or Associate in relation to such IPR.

### **5. Disclosure**

- 5.1. Disclosure of potentially commercially or socially beneficial IP is an important mechanism for protecting the rights and interests of Employees, students and associates as well as those of the University. Disclosure helps to ensure that Employees, students and associates are in a position to benefit from any original IP they develop, and to minimise the possibility of infringing the IPR of others working in the same area of knowledge.
- 5.2. Employees, students and associates are therefore required to disclose to the University all potentially commercially or socially beneficial IP generated during the course of their normal duties, or as the result of a task specifically assigned by the University.
- 5.3. Employees and associates who believe they have developed exploitable IP (in terms of income or impact) should contact the RKE Directorate (See Section 3 for RKE Directorate contact details) who will ensure that the disclosure is logged. They should also notify their Faculty Head of RKE and/or Head of University Centre for Research and Knowledge Exchange. The RKE Directorate will provide advice and support on completing the IP Technical Disclosure Form (Appendix 2) available via the RKE intranet.  
<https://mmuintranet.mmu.ac.uk/Interact/Pages/Content/Document.aspx?id=2607>
- 5.4. Students who believe they have developed exploitable IP should contact their Course Tutor and the RKE Directorate (See Section 3 for RKE Directorate contact details) who will ensure that the disclosure is logged. The RKE Directorate will provide advice and support on completing the IP Technical Disclosure Form (Appendix 2), which is available via the RKE intranet.
- 5.5. A central record will be maintained within the RKE Directorate of all IP technical disclosures and their progress. The IP disclosure portfolio will be subject to annual review by the Directors of Research and Knowledge Exchange and Finance and Legal Services.

### **6. Protecting IP**

- 6.1. The cost of IP protection will be weighed against the potential return from any IP therefore, an assessment process will take place to ensure that investment is made only in IP with the strongest prospects of generating commercial income or societal impact.
- 6.2. In the first instance, subject to IP having been assessed as viable, the University may at its discretion pay for IP protection costs for a maximum of two years from the first date of

patent. Continued protection will be dependent on evidence of a sustainable business case that details a viable route to market (in terms of income and/or impact) and/or a viable route for development or research funding. Assessment of the viability of the business case will be led by the Director of RKE. 6.3 Commercialisation progress will be monitored by the IP Operations Group and will be subject to regular review.

6.3. In accordance with this policy, all decisions in respect of patenting of IP and the protection of the University's IPR are made by the Director of RKE.

## **7. Waiver of Rights**

7.1. Should the University decide (at its sole discretion) to waive its claim to ownership of any IPR for any reason, the University will notify the "inventor" or "author" of such IPR (as those terms are defined in the Patents Act 1977 and Copyright, Designs and Patents Act 1988, respectively). Following such notification, the University will upon request and at the inventor's or author's expense, assign all right, title and interest in such IPR to the inventor or author in question, save that where the IPR requested to be assigned has joint inventors or joint authors, the University will not assign such IPR to a joint inventor or author without the written consent of all joint inventors or authors.

## **8. Exploitation of IPR**

8.1. The University is committed to maximising impact from its IPR to support the growth of the regional economy, strengthening its association with industry and realising potential social benefits/impact. As such, the University will exploit IPR generated by University Employees, Students and Associates with the aim of stimulating entrepreneurship at all levels in the University to build mutually beneficial relationships with industry that will assist in meeting the University's Research and Knowledge Exchange and Employment, Employability and Enterprise strategies.

8.2. The Director of RKE, on behalf of the University, in consultation with the inventor(s) or author(s) will decide on the most appropriate route to generating impact from its IPR - including licensing, assignment, spin-outs or publication.

8.3. Although the University will endeavour to act in good faith to maximise the value of University-owned IPR, the University makes no representation and gives no warranty as to the extent of any financial returns that may arise from the exploitation of such IPR.

8.4. All decisions related to patenting, licensing and assignment of University IPR will be the responsibility of the Director of Research and Knowledge Exchange on behalf of the University having taken advice from the University's stakeholders as required.

8.5. If the Director of Research and Knowledge Exchange recommends a spin-out, including a Social Enterprise, is the most appropriate route, this recommendation will be presented to the University Commercialisation Committee. (see 9.2.2 )

## **9. Revenue Sharing from Licensing, Spin-outs and Teaching Curricular**

### **9.1. Licensing**

9.1.1. Licensing of University-owned IPR is one of the channels available to the University to maximise impact and build relationships with industry. Licensing is the granting of

permission by the University for a third party to use University-owned IPR under defined conditions, which usually include term, territory and renewal provisions.

The University will also stipulate other provisions, as it deems necessary.

9.1.2. In the event that the University receives royalty or other income from University owned registered IPR created by a University Employee, Student or Associate, such individuals will be entitled to an apportionment (as described in paragraph 9.1.3) of the relevant revenue (as described in paragraph 9.1.7) received by the University under the relevant patent or intellectual property licence. Apportionment of revenue will take place after all direct and indirect costs borne by the University have been recovered. The apportionment of revenue reflects the respective involvement of the individual concerned, the University Centre for Research and Knowledge Exchange and the central University.

9.1.3. Where more than one Inventor or Author is involved, these parties will be required to inform RKE of the percentage allocation to each individual in order for payments to be made.

9.1.4. For clarity, apportionment of net revenue will only be for registered IPR, as detailed in paragraph 2.1, and not for licensing of teaching curricula as detailed in paragraph 2.2 and Section 9.3.

9.1.5. Subject to variation to reflect the relevant circumstances, the typical apportionment of net revenue deriving from such commercial exploitation of intellectual property will be on the following scale:

	<b>Inventor/Author</b>	<b>University/RKE</b>	<b>UCRKE</b>
<b>Net Revenue (after recovered costs)</b>	33.3%*	33.3%*	33.3%*

Apportionment rates are reviewed when required through an evaluation of effectiveness and a comparator analysis with benchmarked Universities.

9.1.6. The Director of RKE will have final authority as to whether income shall be treated as deriving from exploitation of intellectual property rights and related know-how and is therefore eligible for revenue sharing.

9.1.7. Where applicable, the University will notify the relevant individual(s) and the Head of the University Centre for Research and Knowledge Exchange of net revenue payments that will be due to the individual the Centre and account on an annual basis to the relevant University Employee, Student or Associate and Centre for their share of the net revenue apportioned in accordance with paragraphs 9.1.3 above.

9.1.8. The University Centre for Research and Knowledge Exchange should spend royalty revenue on goals associated with the pursuit of research and knowledge exchange and will be required to justify use of such funds.

9.1.9 A University Employee can request that their share of the net revenue is transferred into a budget and used for teaching and/or research purposes within their Centre, Faculty or Department at the University.

9.1.9. For the purposes of this policy, apportioned revenue is the total revenue received by the University in relation to the relevant University-owned IPR minus all direct and

indirect costs that have been borne by the University in relation to protecting and commercialising the IP.

## **9.2. Spin-outs**

9.2.1. A Spin-out company is a new, usually small, company formed to exploit IPR developed in a larger organisation. The University will consider forming a spin-out company when this is the most appropriate route for IP exploitation. Where these conditions are met, the Director of Research and Knowledge Exchange, together with the Head of Business Engagement, will discuss the spin-out route with the relevant individuals.

9.2.2. Where the Director of RKE advises a spin-out is the most appropriate route, this advice will be presented to the University Commercialisation Committee for its consideration. Subject to the approval of the University Commercialisation Committee, the PVC for Research and Knowledge Exchange will then present its recommendation to University Executive Group and Board of Governors for its approval.

9.2.3. The University wishes to ensure that Spin-outs are appealing to external investment.

To encourage external investment the University will usually:

- 9.2.3.1. assign relevant IPR to the Spin-out rather than licensing IPR to the Spin-out;
- 9.2.3.2. set its equity limit in any Spin-out at a maximum of 45%;
- 9.2.3.3. dilute its equity pro-rata with other share-holders;
- 9.2.3.4. not play an active part in the operational activity of any Spin-out company or take Directorship positions.

9.2.4. The University cost of investment in the Spin-out company will be calculated to include any paid academic or other staff time specifically assigned to the Spin-out.

9.2.5. Exceptionally, the University Commercialisation Committee may recommend a further financial investment in a Spin-out company where a convincing business plan is presented to support the investment decision. This would also be subject to a demonstration of a clear contribution to the Research and Knowledge Exchange strategy. The development of such plans will be supported and reviewed by RKE Directorate staff who will be responsible, with the Inventors, for presenting such plans to the Commercialisation Committee. If Commercialisation Committee proposes University investment then this proposal and business case will be presented to the University Executive Group, which will then present its recommendation to the Board of Governors for final approval.

9.2.6. The allocation of any dividends received by the University will be distributed to originator faculties (or service area) in accordance with prevailing University income distribution procedures and in line with the university policy on revenue share (section 9.1 of this policy).

9.2.7. Subject to variation to reflect the relevant circumstances, the typical apportionment of equity in a spin-out will be on the following scale:

<b>Spin-out Formation and Support</b>	<b>Equity Share</b>	
	<b>IPR Originators</b>	<b>University</b>
Formation of Spin-out	85%	15%

Additional University involvement, including but not limited to <ul style="list-style-type: none"> <li>• Business development</li> <li>• IP Protection</li> <li>• Marketing</li> <li>• Contract negotiation</li> </ul>	70%	30%
University investment of £30,000 or more (in the form of cash plus cost of academic time released )	55%	45%

Apportionment rates will be reviewed on an annual basis through an evaluation of effectiveness and a comparator analysis with benchmarked Universities.

9.2.8 IPR originators who hold equity in a spin-out company will not receive payments through the distribution of the university's dividends.

### **9.3. Teaching Curricula**

9.3.1. The University has the right to licence and commercialise its teaching curriculum for the wider benefit of the University.

9.3.2. Revenues received by the University from licensing teaching curricula will be apportioned to originator faculties (or Service area) in accordance with prevailing University income distribution procedures.

9.3.3. There will be no revenue sharing for Employees in this instance.

## **10. Assignment or Licensing of University IPR**

10.1. Any arrangement or agreement which grants an external party (whether a sponsor, funding body, collaborator or any other party) a licence to University IPR must be approved by the Director of Research and Knowledge Exchange

## **11. Record Keeping and Audit**

11.1. It is important that evidence supporting the position regarding ownership of IPR can be provided if it is to be commercially exploited. Therefore, all University Employees, Students and Associates who generate, or may generate, IPR as part of their work at the University must keep clear, written, dated records of their research and/or development activities and results.

11.2. All University Employees, Students and Associates engaged in research and knowledge exchange activities at the University are required to comply with all applicable codes of practice and regulation.

11.3. The RKE Directorate will maintain a register of all the registered IPR owned by the University of which it has been made aware, including the date on which the relevant IPR was first reported to the RKE Directorate under paragraph 5.2.

11.4. University Employees, Students and Associates are required to co-operate fully with any audit of the University's research and knowledge exchange activities arranged by the Director of RKE to identify IPR of potential commercial value.



## 12. Confidentiality and Publication

- 12.1. Both the University and its Employees, Students and Associates have an obligation to ensure that potentially exploitable IP is protected.
- 12.2. Although the University acknowledges the need of its Employees, Students and Associates to participate in academic debate and attend conferences, individuals are reminded that premature publication of results arising from any University project will make it impossible to obtain patent protection for any invention and may have other adverse effects on IPR.
- 12.3. Therefore, University Employees, Students and Associates are advised not to publish or otherwise disclose through any means (including, without limitation, presenting papers or posters at conferences, or writing abstracts and/or chapters in books) results arising from any University project until approval has been sought from the RKE Directorate. When required, further advice is available from the RKE Directorate, in consultation with the Legal Department, on protection and the implementation of any safeguards (e.g. confidentiality agreements).
- 12.4. The Director of RKE and the Faculty Head of KE will grant permission for such disclosure.

## 13. Disputes and Appeals

- 13.1. In the event that any University Employee, Student or Associate has an issue or concern they wish to raise in connection with this policy, the Employee should raise their concern in the first instance with their Faculty Head of RKE.
- 13.2. In the event of any disagreement or dispute between an individual and the University in connection with this policy which cannot be resolved within a reasonable period of time, the dispute may be referred either by said individual or by the Director of RKE for final determination by the Commercialisation Committee.

## 14. Review and Variation

This policy is subject to amendment by the University from time to time and will be formally reviewed 12 months from the date it comes into effect and at regular intervals thereafter.

Version	Final	Author Name & Job Title	Sinéad McGovern Commercial Development Manager
Approved Date	14 February 2019	Approved by:	University Commercialisation Committee
Date for Review:	14 February 2020		



## Appendix 1: Governance structures for IP Management

IPR falls within the remit of the PVC for Research and Knowledge Exchange, and is operationally managed by the Directorate of Research and Knowledge Exchange (RKE). IP protection is funded from the RKE budget and decisions are made by RKE in conjunction with Faculty and University Centre for RKE staff.

Operational matters and decisions are made at monthly meetings of the IP Operations Group. Exceptional circumstances, matters relating to policy or areas of significant risk are referred to the University Commercialisation Committee, which is a University Committee reporting to University Executive Group.

Terms of reference for University Committees: [https://www.mmu.ac.uk/academic-services/govandsec/committeehandbook/APPX B Terms of Reference 2017-18.pdf](https://www.mmu.ac.uk/academic-services/govandsec/committeehandbook/APPX_B_Terms_of_Reference_2017-18.pdf)

### Membership of the IP Operations Group

Director of Research and Knowledge Exchange, RKE (Chair)  
Head of Business Engagement, RKE  
Commercial Development Manager, RKE  
Head of Enterprise Development, Science & Engineering  
Business Development Managers, Science and Engineering  
Senior Business Development Manager, Health, Psychology and Social Care  
Business Development Managers, Health, Psychology and Social Care  
Additional staff nominated by the Chair

### Membership of the Commercialisation Committee

Pro-Vice-Chancellor for Research and Knowledge Exchange (Chair)  
Director of Research and Knowledge Exchange  
Head of Business Engagement  
HR representative (nominated by the Director of HR)  
Director of Finance or nominated Finance representative  
Legal Services representative (nominated by the General Counsel and Director of Legal Services)  
Up to 4 additional attendees (nominated by the Chair)

Appendix 2: Technical Disclosure Form

**Technical Disclosure Form**

Date of disclosure	
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<b>1. Inventors</b>					
Please list all inventors. A co-inventor is an individual without whose intellectual and creative input the invention could not have been made in its present form. They must have conceived or contributed an essential element of the invention either independently or jointly with others, during the evolution of the invention or its reduction to practice. Inventors should agree what their relative contribution has been.					
Please list all inventors and nominate one person as the principal contact.					
Inventor(s)	Position	Department	Institution	Email	% Contribution

<b>2. Overview</b>
Please provide a short descriptive title that best describes the innovation or the potential IP; say, ten words maximum, please.
What were the reasons for developing the IP in the first instance? Was it that you identified an unmet need, funded or contract research etc
Please detail the main benefits / advantages and <u>purpose</u> of the innovation and any IP? These could be technical innovation, greater efficiency, cost saving etc).
Are you aware of any competing innovations, products, services or relevant research, which makes available or discloses similar innovations? If yes, please provide details.

**3 Prior Art Search**

Please list research publications similar to your work. If you have done a patent search (e.g. using [www.espacenet.com](http://www.espacenet.com)) please list the key words you have used and the patents found.

**4 Market Demand**

Please highlight to the best of your knowledge the general markets or industry sectors where the IP could be exploited or commercialised.

Do you have any idea or direct evidence of the potential market size or commercial interest in the IP? Please provide any details in relations to known market factors such as volumes, unit sales potential, nature and number of customers etc. Also detail any commercial enquiries from interested parties, project partners etc.

Do you have any initial thoughts or business plans outlining how you envisage the IP being exploited? (e.g. IP licensing, further research, new company formation, IP sale, own manufacture etc.) Please provide a copy of any available business plans.

**5 Disclosure**

Are there any public disclosures planned? If so, in what form, when and where? Have any details of any of the work been disclosed publicly? In a journal (online or in print). To a conference or seminar, as an abstract, poster, etc. In any other publicly disclosed communication In a PhD

**6 Ownership**

Has the IP been wholly developed by you and by the University? *If not, please give details of any persons who contributed to the creation of the IP, their organisational affiliations and outline the nature of their involvement.*

Did the IP result from a specific funding arrangement (e.g. contract for services, research grant, industry collaboration, etc)? *If yes, please provide details of the funding body and details of any funding arrangements including details/copies where possible of any legal contracts in place.*

Please highlight any University facilities or resources which have been used to create the IP. *(e.g. laboratory resource, computing resource, bought out staff etc.)*

Are you aware of any pre-existing IP used in creating the new IP? *If yes, please provide details. If no, has this to your knowledge been appropriately investigated?*