

The University Policy on Intellectual Property, Confidential Information and Commercialisation

1. Definitions

‘Intellectual Property’ is defined as all outputs of creative endeavour in literary, artistic, scientific and engineering fields that can be protected either formally or informally including but not limited to all forms of copyright, design right whether registered or unregistered, patent, patentable material, trademarks, know-how, trade secrets, rights in databases, information, data, discoveries, mathematical formulae, specifications, diagrams, expertise, techniques, research results, inventions, computer software and programs, algorithms, laboratory notebooks, actual and potential teaching and distance learning material, and such other items as The University may from time to time specify in writing. However Intellectual Property under this policy is expressly stated not to include certain types of copyright works being specifically articles in learned journals, published books and published papers and such other items as The University may from time to time specify in writing save where such items form part or could form part of any teaching or distance learning materials.

‘Intellectual Property Rights’ are defined as any legal rights that subsist in any Intellectual Property under any current or future laws including but not limited to all United Kingdom Statutes, European Treaties, Directives and Regulations, International Treaties and common law.

‘Intellectual Property Audit’ is defined as an inventory of any Intellectual Property a Member of Staff or Student or Visitor or Consultant has or may have created before or during their time working with The University and the state of any Intellectual Property Rights that attach thereto made in order to facilitate protection and exploitation of such of those rights that are owned by The University.

‘Confidential Information’ is defined as:

- (a) any information in any form including but not limited to orally transmitted information or electronically stored information or written information relating to any Intellectual Property Rights which are held or may in the future be held by The University, disclosure of which may in any way endanger or invalidate the ability of The University to properly protect or exploit such.
- (b) any information, dissemination of which in any form it is thought in the opinion of any Creator or TRS would be disadvantageous to the commercial interests of The University which shall specifically include any trade secrets or know-how developed as part of any Creator’s work within The University and any laboratory notebooks including those stored in an electronic fashion.
- (c) any information marked as ‘Confidential’.
- (d) any information originating from a person or body outside The University of which the receiver is made aware of its confidential nature whether in written or oral fashion.
- (e) any information held by The University whether belonging to The University or not for which The University has given an undertaking to preserve confidentiality of such under any other agreement.

‘Net Income’ is defined as the total monies derived from any one piece of Intellectual Property or Intellectual Property Right relating to such and any commercialisation thereof in whatever manner minus any applicable government taxes, any repayment of any grant or subsidy due under any related contract or agreement, any monies payable to any other person or body under any existing joint venture, license, assignation agreement or such like, any repayment of costs incurred by The University in relation to any formal intellectual property

protection procedures or commercialisation, but specifically not any apportionment of departmental costs or notional charge relating to any use or provision of any equipment or facilities.

‘The University’ is defined as Heriot Watt University, Riccarton, Edinburgh, EH14 4AS, an organisation incorporated under Royal Charter on 4th March 1966, and shall specifically include any place of learning or research or business at any other place owned or occupied by Heriot Watt University now or at any point in the future.

‘Student’ is defined as any person undertaking any course of research or study whether part or full time in conjunction with The University who has matriculated or has the right to matriculate at The University.

‘Member of Staff’ is defined as any person employed whether on a part or full time basis by The University

‘Consultant’ is defined as any person providing any consultancy services to any Member of Staff or Student or any School within The University who is not a member of Staff or Student matriculated at or employed by The University whether paid or unpaid.

‘Visitor’ is defined as any person visiting The University for the purposes of undertaking any work or research, irrespective of that person’s formal title or grade.

‘TRS’ is defined as the Technology and Research Services Department of The University and includes any successor thereof.

‘School’ is defined as any separate school or institute within The University as may from time to time be specified by The University.

‘Creator’ is defined as any Member of Staff, Student, Visitor or Consultant who is the person responsible for the coming into being of any Intellectual Property or Intellectual Property Right owned by The University under the terms of this policy.

‘New Company’ shall mean a company formed by a Creator or Member of Staff or student with the assistance of The University whose principal object is the development and exploitation of the technologies or methodologies owned by The University or the use of know-how and/or facilities created or provided by The University.

‘Student Agreement’ is defined as a document available from The University under which a Student agrees to be subject to The University policy on Intellectual Property, Confidential Information and Commercialisation as if a Member of Staff hereunder.

The ‘University Logo’ shall mean the UK trademarks numbers 2256345 and 2256346 or such other trademarks that The University may register or pieces of graphic art the copyright of which is owned by and which are commonly used from time to time as a badge of identity by The University.

2. Ownership of Intellectual Property Rights

- 2.1 Any Intellectual Property created by a Student during the course of his or her study shall remain the property of the Student except where the provisions of Clause Three herein apply. In particular first ownership of any copyright created rests with the Student in accordance with the Copyright, Designs and Patents Act 1988 except where the provisions of Clause Three herein apply.
- 2.2 Any Intellectual Property created by a Member of Staff as part of his/her employment with The University shall be the property of The University as governed by Section 39 of the Patents Act 1977 and Section 11 of the Copyright, Designs and Patents Act 1988. In particular

first ownership of any copyright created rests with The University in accordance with the Copyright, Designs and Patents Act 1988.

- 2.3 Any Intellectual Property created by a Visitor or Consultant as part of their work with The University shall be the property of The University. In particular first ownership of any copyright created rests with The University in accordance with the Copyright, Designs and Patents Act 1988.

3. Exceptions to Student Retention of Intellectual Property Rights

Students will retain the Intellectual Property Rights in their work as detailed in Clause Two (1) except in the following areas of work in which case the provisions of Clauses Four, Five, Six, Eight and Nine will apply.

- (a) Postgraduate research work when funded by any person or body other than the Student themselves.
- (b) Any work done by the Student, where the Student is funded by a scholarship administered by The University.
- (c) Any work done by the Student, where the Student is funded by a doctoral training grant administered by The University.
- (d) Final year project work.
- (e) Vacational project work.
- (f) Guided research work.

4. Assignment of Intellectual Property Rights

- 4.1 Any rights in any Intellectual Property created by a Student who falls within the terms of Clause Three herein should be assigned to The University. Such Students are under an obligation to either complete a Student Agreement at first matriculation or contact TRS at the earliest opportunity to discuss their rights and obligations further.
- 4.2 If a Student does not fall within the terms of Clause Three at first matriculation but becomes such a Student whilst undertaking a course of research or study at The University they are under an obligation to either complete a Student Agreement or contact TRS at the earliest opportunity to discuss their rights and obligations further as soon as possible after they become aware of their change of status, and at the latest their first date of matriculation following their change of status.
- 4.3 Any rights in any Intellectual Property created by any Visitor or Consultant when working in association with The University must be assigned to The University.
- 4.4 Where such rights have been, may or must be assigned to another person or body by a Student or Member of Staff or Visitor or Consultant and therefore cannot be assigned to The University under this policy said Student or Member of Staff or Visitor or Consultant shall be under an obligation to inform TRS of such assignment or possibility of obligation at the earliest possible opportunity. Any Intellectual Property Rights subject to the extent they are covered by a separate agreement shall not be dealt with under this policy document and shall instead be subject to said separate agreement.

5. Student's Right to Refuse

Any Student who falls within the terms of Clause Three herein has the right to refuse assignment under this or any other agreement and shall not be prevented from matriculating. For further clarification Students should refer to the "Guide to The University Policy on Intellectual Property, Confidential Information and Commercialisation" available from TRS.

6. Duration of Rights

Any Intellectual Property which shall become the property of The University under this policy shall remain the property of The University in perpetuity whether the Creator remains part of The University as a Student or Member of Staff or otherwise or not.

7. Changes in Employment Status

- 7.1 If a Member of Staff is to accept employment with or leave the employment of The University, the Personnel Office must inform TRS of their date of arrival or departure as soon as they are aware of it.
- 7.2 When a Member of Staff is leaving the employment of The University, or is undertaking any secondment to any company, or visiting fellowship with another educational or research-based institution, or such like, an Intellectual Property Audit will be carried out by Technology and Research Services.
- 7.3 When any person is to become employed by The University an audit of any Intellectual Property they may own or have created prior to becoming employed by The University will be carried out by Technology and Research Services.

8. Entitlement to Benefit

- 8.1 The costs of obtaining formal intellectual property protection, and of any subsequent exploitation will be borne by The University or its appointed agent in the first instance unless there is a separate agreement to the contrary that is in force. However if The University relinquishes ownership then any further costs of protection will pass to the new owners (if any) and The University will no longer be responsible for any costs incurred in gaining or maintaining protection.
- 8.2 Any Net Income arising directly from or as a consequence of any Intellectual Property or Intellectual Property Rights owned or exploited by The University under this policy or from the sale of any equity in any company to whom The University has licensed or assigned any Intellectual Property or Intellectual Property Rights shall be disbursed in the following manner:

Creator	50%
School	40%
TRS Patent Budget	10%

Save that where there is more than one Creator involved in the creation of a particular piece of Intellectual Property or a particular Intellectual Property Right the share normally due to a single Creator shall be split equally amongst them.

- 8.3 All Creators shall retain the right to be named as inventors in any patent applications comprising of Intellectual Property to which they have made an inventive contribution.

9. Relinquishing of rights

Where The University wishes to relinquish ownership of any Intellectual Property Right, it will give first refusal on obtaining ownership to the Creators. If the Creators wish to take ownership then they may be required to reimburse The University for such costs incurred in relation to the establishment of any Intellectual Property Right as it is deemed in the opinion of TRS as necessary at such time of disposal. If the Creators do not wish to obtain ownership then The University will be free to dispose of the Intellectual Property Right as it sees fit.

10. Provisions Relating to Confidentiality

- 10.1 Any Student or Member of Staff or Visitor or Consultant who comes into contact with any Confidential Information is under an obligation without limit of time:
- (a) to preserve completely confidentiality of such.
 - (b) not to publish or otherwise disclose in any way or permit the disclosure of such.
 - (c) not to use such information in any way other than is permitted in writing by The University.
 - (d) to return all such information (in whatever form and howsoever stored) to The University immediately if requested by The University.
 - (e) not to reproduce such information or any part of it in any manner or form or take notes of it other than expressly permitted by The University.
 - (f) not to store such information in any computer or electronic information retrieval system accessible from outwith The University or transmit it in any form by any means outwith The University.
- except where required in the performance of his/her duties hereunder or where such information becomes part of the public domain otherwise than as a result of their own breach of the terms of this policy.
- 10.2 It is the responsibility of any supervising Member of Staff to ensure that all Students and Visitors and Consultants are fully aware of and adhere to their obligations with regard to confidentiality.
- 10.3 Any information thought to be Confidential Information should be kept in a secure manner and marked as 'Confidential'.

11. Provisions Relating to the Exchange of Confidential Information

- 11.1 Any Student or Member of Staff or Visitor or Consultant wishing to disclose or give access to any Confidential Information to a person or body outside The University in any form whether written or oral or otherwise is under an obligation to make sure there is a written agreement in place governing disclosure of said Confidential Information.
- 11.2 Any agreements relating to Confidential Information should only be signed on behalf of The University by an authorised signatory being either the authorised signatories in TRS or the Secretary of The University. Failure to obtain an authorised signature will invalidate the document and cause personal liability to be incurred by the signatory.

12. Provisions Relating to Disclosure

- 12.1 If any Member of Staff or Visitor or Consultant is creating any potentially commercially exploitable Intellectual Property or Intellectual Property Right which is the property of The University under this or any other agreement then they are under an obligation to inform TRS and their appropriate Head of School or Head of Support Service of such possible creation at the earliest possible opportunity.
- 12.2 If any Student is creating any potentially commercially exploitable Intellectual Property or Intellectual Property Right as part of their course of study or research they are under an obligation to inform TRS and their appropriate Head of School or Head of Support Service of such possible creation at the earliest possible opportunity. If any Member of Staff is aware or becomes aware of any such creation they are under an obligation to inform TRS and their

appropriate Head of School or Head of Support Service of such possible creation at the earliest possible opportunity.

- 12.3 If any Intellectual Property is thought in the opinion of its Creator to be patentable then an Innovation Disclosure Form must be completed and returned to TRS at the earliest possible opportunity. All Creators have an obligation to make timely disclosures to TRS. The Creator must also refrain from publishing any information in any form regarding such Intellectual Property until TRS have come to a decision on whether to pursue the grant of a patent and thereafter if deemed in the opinion of TRS necessary.
- 12.4 All Creators shall provide such assistance with regard to any Intellectual Property Right protection procedure as is necessary in the circumstances including but not limited to disclosure of all material facts and information surrounding such Intellectual Property as is required to secure said Intellectual Property protection in the name of The University and as is additionally required in the opinion of TRS and shall do all such acts and things and deliver such documents as are necessary in connection with any assignment, registration, licensing or dealing with any Intellectual Property or Intellectual Property Right dealt with hereunder.

13. Provisions Relating to Academic Information

Anyone undertaking research within The University should record research results in a hardbound laboratory notebook in accordance with University policy. Failing this it is sufficient that research results be recorded using electronic media, so long as the date of recording thereon can be independently verified.

14. Provisions Relating to the Commercialisation of Intellectual Property

- 14.1 If the possible creation of any Intellectual Property by a Creator is brought to the attention of TRS then the following procedure shall apply:
- (a) TRS staff shall provide a timely and courteous service to that Creator.
 - (b) TRS staff shall provide that Creator with:
 - (i) an Innovation Disclosure Form ('IDF');
 - (ii) a copy of The University Policy on Intellectual Property, Confidential Information and Commercialisation;
 - (iii) a Commercialisation Case Numberwithin twenty four hours of first becoming aware of such possible creation.
 - (c) That Creator shall return a completed copy of the IDF containing a full and frank disclosure of any relevant Intellectual Property they have created within two weeks of receipt.
 - (d) Upon receipt of the completed IDF TRS staff will conduct an initial assessment of commercial potential of the Intellectual Property disclosed including a prior art search and communicate their findings to that Creator within two weeks.
 - (e) Within four to eight weeks of receipt of the completed IDF TRS staff will convene a meeting of the Innovation Exploitation Board ('IEB') where they will present for consideration the completed IDF and their initial assessment of commercial potential. Membership of the IEB shall be decided by TRS and shall be published on the TRS website.
 - (f) Following the presentation to the IEB by TRS staff of the completed IDF and their initial assessment of commercial potential the IEB will decide whether or not to pursue commercialisation of the Intellectual Property disclosed in the IDF. The full details of the IEB's decision will be passed to that Creator within one week of such decision being made.

- 14.2 If the commercialisation of any Intellectual Property created by a particular Creator is undertaken by The University following the decision of the IEB in favour of doing so (a 'Project') then the following procedure shall apply:
- (a) TRS shall appoint a Technology Broker (a 'Broker') to work on the Project immediately following the decision of the IEB and shall inform that Creator of the identity of the Broker within one week of such appointment. The Broker will be solely responsible for all commercialisation activity.
 - (b) The Broker shall draw up a commercialisation plan and forward it to that Creator within four weeks of his appointment.
 - (c) TRS shall progress any patent applications planned in the Project to ready to file status within four to six weeks of the Broker's assignment.
 - (d) TRS shall add a brief non-confidential description of the Project to the TRS licensing web pages and any other appropriate web pages within four weeks of the appropriate intellectual property protection being put in place.
 - (e) At all times during the process of commercialisation TRS staff shall keep that Creator apprised of any progress in the Project and will issue to that Creator a summary of any activity in the Project at bi-monthly intervals in the first year of commercialisation and at quarterly intervals thereafter until the process of commercialisation is complete. Such summary will include details of any costs expended on the Project, any income created by the Project and any known expenses or income relating to the Project which have not yet been paid.
 - (f) The IEB shall review the progress of the commercialisation of the Project within six to nine months of either the date of any patent application being filed or the date of the initial IEB decision whichever is later with a view to deciding whether to continue with the process of commercialisation. They will inform that Creator of their decision within one week.
 - (g) The process of commercialisation shall be deemed to be complete when either the IEB has decided so, a license agreement concerning the Intellectual Property contained within the Project has been signed with a third party or a board of directors has been found for a New Company whose object is to continue the process of commercialisation outwith The University.

15. Provisions relating to New Companies

- 15.1 If at any point it is thought by a Creator and the IEB that a New Company would be the best method by which to commercialise a particular piece of Intellectual Property they have created, and if a New Company is formed by any Member of Staff in order to exploit Intellectual Property created or knowledge gained during their employment with The University then the provisions contained in Regulation 42 (Formation of New Companies) of the University Regulations and the provisions of this Clause shall apply.
- 15.2 The University shall create the New Company and take an initial equity stake of around twenty four percent (24%). The University shares will normally have the same rights as those held by the Creator. No equity stake shall be held by any Member of Staff who is not involved in the management of the New Company or the creation of the Intellectual Property utilised by the New Company.
- 15.3 The University shall provide the New Company with an exclusive license to exploit said Intellectual Property on at least the following terms:
- (a) reimbursement of all Intellectual Property protection costs incurred by The University.

- (b) royalties to be payable to The University on all income received by the New Company relating to the licensed Intellectual Property. The University may decide that payment of royalties may commence only after the New Company has achieved a pre-agreed milestone. The level of such royalties shall be agreed prior to the date of incorporation of the New Company.
- 15.4 The University may provide the New Company with an option to receive assignation of said Intellectual Property on such terms and conditions as may be agreed. Such terms and conditions may be related to the performance of the New Company and may include reference to levels of investment in, and the turnover and income of the New Company.
- 15.5 The University may offer the New Company first refusal on any Intellectual Property created by said Creator as part of their work with The University or which arises from the research programme or laboratory or area of work within The University which gave rise to the Intellectual Property which forms the basis of the New Company for a period of two years following the date of incorporation of the New Company.
- 15.6 The University may release that Creator if that Creator is a Member of Staff on leave for a period of up to two years, following approval by their appropriate Head of School or Head of Support Service, and the establishment of the New Company, on the following terms:
- (a) On expiry of the period of leave The University shall endeavour to re-employ the Creator if they so choose.
- (b) If the leave granted is on a full time basis The University shall cease all salary, tax, pension, national insurance and other employment related payments made to and on behalf of the Creator. All such costs shall be borne by the New Company from the point of cessation.
- (c) If the leave granted is on a part time basis The University shall not cease such payments but the New Company shall be obliged to reimburse The University for their share of such payments, such share to be determined according to the proportion of the Creator's time spent working for the New Company, plus a reasonable administrative overhead charge.
- (d) If the leave granted is on a part time basis the Creator shall keep two separate laboratory notebooks, one for work done on behalf of The University and one for work done on behalf of the New Company, which shall be signed by an independent third party on a weekly basis, in order to clearly establish ownership of any Intellectual Property which may be created during this period. As an alternative, it is sufficient that research results be recorded using electronic media in preference to a laboratory notebook, so long as the date of recording thereon and the ownership of intellectual property described therein can be independently verified.
- (e) Any leave granted under the provisions of this Clause may be cancelled by either party giving three months notice to the other party.
- 15.7 The University if making available to the New Company facilities and other resources shall charge market rates, provided the health and safety regulations and all other rules of The University are adhered to and the approval of the appropriate Head of School or Head of Support Service has been obtained. The costs of using these facilities shall be repaid to The University by the New Company over a mutually agreeable time period such repayment to commence within 12 months and to be completed within 24 months of their becoming due.
- 15.8 Any direct costs involved in the incorporation of the New Company shall be met in the first place by The University where such incorporation is undertaken by The University but shall be repaid by the New Company over a mutually agreeable time period commencing immediately after the date of incorporation and ending no later than 24 months after the date of incorporation.

- 15.9 Any Creator employed in whatever status by a New Company, or who receives a payment from a New Company arising from their role as a director of or consultant to a New Company, or who holds any equity in a New Company, shall not be entitled to any share in any income distribution relating to the Intellectual Property utilised by that New Company that may arise under Clause Eight of this policy provided that such payment or equity received by the Creator from the New Company is deemed in the opinion of The University to be of similar value to the share of income that the Creator would have received from The University had they not been employed by the New Company.
- 15.10 If such shares are materially different The University shall be entitled to make whatever arrangements as regards the payment of any share by The University to the Creator under Clause Eight as it may deem in its own opinion suitable.
- 15.11 Any share of income which the Creator would have received from The University under Clause Eight but has not due to the payment or transfer of equity made by the New Company to the Creator shall instead be given to the School from which the Creator came.
- 15.12 Any Member of Staff which is employed by any New Company on a consultancy basis shall keep two separate laboratory notebooks, one for work done on behalf of The University and one for work done on behalf of the New Company, which shall be signed by an independent third party on a weekly basis, in order to clearly establish ownership of any Intellectual Property which may be created during this period. As an alternative, it is sufficient that research results be recorded using electronic media in preference to a laboratory notebook, so long as the date of recording thereon and the ownership of intellectual property described therein can be independently verified. The consultancy agreement with the New Company which employs the Member of Staff shall clearly define the areas for which the Member of Staff is employed to provide consultancy.
- 15.13 The New Company is granted a non-exclusive royalty free license in perpetuity to use The University Logo in connection with any publicity, literature, advertising material or such-like provided that such use is always accompanied by the words “a spin-out company of Heriot-Watt University” and in connection with any product developed from any Intellectual Property created at The University provided that such use is always accompanied by the words “developed from work at Heriot-Watt University”. The University shall retain the right to cancel the license granted hereunder on the provision of one months written notice to the New Company.

16. Provisions Relating to other Agreements

- 16.1 Members of Staff should not sign agreements relating to Intellectual Property originating from outside The University including but not limited to confidentiality agreements, license agreements, intellectual property assignments, and research and joint venture agreements without first having the agreement checked by TRS.
- 16.2 Any Student or Visitor or Consultant who has signed or is required to sign an agreement originating from outside The University relating to either Intellectual Property or Confidential Information is under an obligation as a condition of their work within The University to inform TRS of such agreement at the earliest possible opportunity.
- 16.3 Any agreement relating to Intellectual Property or Confidential Information signed by a Member of Staff shall only bind that Member of Staff personally and no liability under said agreement shall be incurred on behalf of The University. The University shall only be bound by agreements signed by an authorised signatory of The University.

17. Provisions Relating to Conflicts of Interest

- 17.1 Any Member of Staff or Creator who benefits in a financial or other manner from any involvement with any licensee, assignee or user or potential licensee, assignee or user of any Intellectual Property in which The University has any rights shall not have any role in any

negotiations with that licensee, assignee or user regarding the use, sale, licensing, disposal or otherwise of that Intellectual Property.

- 17.2 Any actual or potential conflict of interest concerning any person involved with the invention, protection or exploitation of any Intellectual Property in which The University has any interest must be declared by such person to TRS before such protection or exploitation commences.

18. Miscellaneous

- 18.1 This document is not intended to affect any rights which may arise under Section 40 of the Patents Act 1977, nor does it constitute a 'relevant collective agreement' within the meaning of Section 40(3) of the Patents Act 1977.
- 18.2 Reference is made to the Code of Practice for Commercialisation which outlines the commercialisation process in The University and the levels of commitment expected and given by those involved in the commercialisation process which is incorporated as part of this policy.
- 18.3 Any disagreement arising from the interpretation of this policy will be dealt with under The University's grievance procedure.