



**Manchester  
Metropolitan  
University**

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

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

**Effective as of January 2016. Official review after 12 months.**

### **1. Introduction**

- 1.1. Manchester Metropolitan University is establishing an entrepreneurial culture, whereby its students will have greater opportunities to learn from experienced entrepreneurial academics, it will be a powerhouse of creativity for the regional economy and contribute significantly to public well-being. MMU is therefore investing in the generation and exploitation of Intellectual Property (IP) in order to:
  - 1.1.1. Encourage and support the creativity, innovation and entrepreneurship of employees and students;
  - 1.1.2. Maximise benefits for Greater Manchester and the region;
  - 1.1.3. Strengthen the University's reputation;
  - 1.1.4. 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 Office (RKE) on behalf of the University will manage the University's patent portfolio and will provide appropriate support in the decision making process as outlined in this policy.
- 1.5. This Intellectual Property Policy is based upon MMU's Intellectual Property Principles (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. (Appendix 2) <http://www.mmu.ac.uk/policy/policy.php?id=16>

- 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 Office will be available to advise on IP related matters including policy, process, and awareness. The RKE Office will also lead on the exploitation of University owned IP. The RKE Office 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 will promote the contents of this policy to all Employees, via induction; staff training; awareness-raising events; and internal newsletter articles;
- 3.1.3. The IP Policy, Appendices and Frequently Asked Questions will be made available on the RKE staff intranet at <https://rke.mmu.ac.uk/>

### **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 Office 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 Office 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 their Associate Dean KE and the RKE Office (See Section 3 for RKE Office contact details) who will ensure that the disclosure is logged in the CRM system. The RKE office will provide advice and support on completing the IP Technical Disclosure Form (Appendix 3) available via the RKE intranet. <https://rke.mmu.ac.uk/>

5.4. Students who believe they have developed exploitable IP should contact their Course Tutor and the RKE Office (See Section 3 for RKE Office contact details) who will ensure that the disclosure is logged. The RKE office will provide advice and support on completing the IP Technical Disclosure Form (Appendix 3), which is available via the RKE intranet.

5.5. A central record will be maintained within the RKE office 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. This assessment process is described in the IP Management Process (Appendix 4) and assessed by the IP Evaluation Tool (Appendix 5)

6.2. In the first instance, subject to IP having been assessed as viable, the University may pay for IP protection costs for a maximum of two years from the first date of patent. Beyond this time period IP may only be protected if there is 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 Head of Knowledge Exchange.

- 6.3. In accordance with this policy, all decisions in respect of patenting of IP and the protection of the University's IPR should be made through the RKE office.

## **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. In line with promoting open innovation, the University will endeavour to promote IPR even where a decision has been made not to protect IP and the inventor or author has declined the option of assignment under Section 7 - Waiver of Rights.
- 8.5. All decisions related to patenting, licensing and assignment of University IPR will be the responsibility of The Head of Knowledge Exchange on behalf of the University having taken advice from the University's professional services, inventors, Associate Deans Knowledge Exchange and external experts as required.
- 8.6. If the Head of Knowledge Exchange recommends a spin-out, including a Social Enterprise, is the most appropriate route, this recommendation will be presented to the Directors of Research and Knowledge Exchange and Finance and Legal Services. (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 host Faculty 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. If Inventors and or Authors are unable to agree the percentage split between themselves, then RKE will assist by offering an arbitration support service.
- 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>Net Revenue (after recovered costs)</b>	<b>Inventor/Author</b>	<b>University</b>
Up to £10,000	80%	20%
Greater than £10,000	50%	50%

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

- 9.1.6. The Director of Finance & Legal Services, following consultation with the Director of RKE, and appropriate Associate Dean of KE, 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) of net revenue payments that will be due to the individual and account on an annual basis to the relevant University Employee, Student or Associate for their share of the net revenue apportioned in accordance with paragraphs 9.1.3 above.
- 9.1.8. Alternatively, a University Employee can request that their share of the net revenue is transferred into a budget (with a specific code given by Finance & Legal Services) and used for teaching and/or research purposes within their 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-out Companies**

- 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 there is no appropriate existing business with which to collaborate in IP exploitation or because the work has clear possibilities to generate many products and applications. Where these conditions are met, the Head of Knowledge Exchange will discuss the spin-out route with the relevant individuals.
- 9.2.2. Where the Head of Knowledge Exchange advises a spin-out, including a Social Enterprise, is the most appropriate route, this advice will be presented to the Directors of Research and Knowledge Exchange and Finance and Legal Services, for their consideration. Subject to their agreement, the Directors of RKE and Finance and Legal Services will then submit their proposal for a Spin-out to the University Executive Group, which will then send its recommendation to the Board of Governors for final 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 licencing 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 Directors of RKE and Finance and Legal Services, may decide to make 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 University's Academic Vision. The development of such plans will be supported and reviewed by RKE Office staff who will be responsible, with the Inventors, for presenting such plans to the Directors of RKE and Finance and Legal Services. If the Directors of RKE and Finance and Legal Services propose 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.
- 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:

Spin-out Formation and Support	Equity Share	
	IPR Originators	University
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.

### **9.3. 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 in consultation with the University's Legal Department.

### **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 Legal Department 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 Office 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 Associate Dean of KE. When required, further advice is available from the RKE Office, 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 relevant Associate Dean 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 Associate Dean of KE.
- 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 Deputy Vice-Chancellor for Strategic Planning and Research.

## 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	<b>Author Name &amp; Job Title</b>	Mark Ratcliffe – Head of Knowledge Exchange
Approved Date		<b>Approved by:</b>	
Date for Review:	January 2017		