

THE UNIVERSITY OF LEEDS

Intellectual Property Policy

This Policy sets out the University's position regarding the ownership of intellectual property (IP) developed by staff, students and certain others, together with the procedures in place for commercialisation of University owned IP. It covers all University related activities, including research and innovation and student education.

Status of this Policy

This Policy is specifically incorporated into all employees' contracts of employment and any legal relationship between the University and its students.

Intellectual Property (IP)

1. There are numerous definitions of IP. In essence, IP may be regarded as 'knowledge and its creative application'. In practical terms all material generated by staff should be regarded as potentially having IP. Examples of IP include patents, copyright, performance rights, design rights and trademarks.

The University's General Approach

2. Subject to certain conditions referred to below:
 - 2.1. Where a member of staff creates IP during the course of their employment the University will own that IP.
 - 2.2. Where a student creates IP as part of their academic programme the student will own the IP.
3. The wide dissemination of IP is fundamental to the work - and indeed the idea of – a university. Subject to conditions referred to below, the University has in this context granted members of staff and students' freedom to publish academic publications.
4. The University encourages active identification of commercially valuable IP, suitable protection and robust commercialisation to the mutual benefit of the University staff and students. It should be noted in this context that commercialisation (for example, on the basis of patents) need not be incompatible with academic activities such as the publication of academic papers.

Ownership of IP and the sharing of benefits

Staff

5. Although the legal position is inevitably complex, the University's position reflects the general law, in that, unless there are specific agreements to the contrary, the University will normally be regarded as owning all intellectual property generated by University staff during the course of their employment.

6. However, not all IP generated by staff during the course of their employment necessarily belongs to the University. There are two exceptions to the general rule set out in above:
 - 6.1. The University may, as a matter of policy, determine that particular categories of IP should be vested in the staff who produce them. Nonetheless, the University's capacity to waive its claim to IP is limited: partly for financial reasons, but also because it is a charitable body (and therefore obliged by law to own IP), the University has to take all reasonable measures to seek to maximise the returns on its

assets (which, of course, include IP). The University has decided not to make any claim over income generated by staff or students from academic publications, for example received through the publication of a book or article.

- 6.2. Some IP is generated on research or other third-party contracts the terms of which may give third parties (usually the funding body in question) rights over some or all of the IP. (In practice, such third-party rights will be negotiated between the University and the funding body before the research contract in question is signed).

Students

7. Where any student generates IP as part of their academic programme they will have sole ownership of this IP unless:
 - 7.1. The IP was generated as part of an activity where a third party requires ownership (e.g., where on a student placement a host requires ownership or where research is sponsored and the sponsor requires ownership).

- 7.2. The student generated IP builds upon existing IP generated by University staff.
 - 7.3. The student generated IP is jointly created with University staff.
 - 7.4. The student is recruited on a specific understanding that due to the particular commercial or IP sensitive environment their IP position is varied.
8. Where the exceptions 7.2 to 7.3 above apply, the University will be the sole owner. However, the University is committed to sharing the benefits from the commercialisation of this ownership with the student in accordance with the framework described below under the heading “Commercialisation Process”.
9. For the avoidance of doubt where a student generates IP outside of their academic programme but has used University resources in the generation of the IP, the University will also be the sole owner. Where the University is to be the sole owner of the IP the student:
- 9.1. May not outside of necessary use of their academic programme use, licence or transfer any of the IP they

have generated without the agreement of the University. Any agreement to be given through the University's Research and Innovation Service (RIS).

9.2. Will complete all necessary further steps to ensure the University can fully enjoy its rights.

10. Where a student is to be the owner of the IP the student grants the University a free, irrevocable non-exclusive licence to allow the University to complete its commitments to the student e.g. relating to the supervision and assessment of the student's work.
11. Whilst the University will retain ownership rights over publications where containing University owned IP in line with the above, the University will not make any claim over income generated by the student from academic publications.

Conditions of ownership, use and ownership of IP

12. The University's conditions on the ownership, use and commercialisation of IP are designed to reflect the general position under the law: the University asserts its right to ownership and use of all IP generated by staff during the

course of their employment, and it likewise asserts its right to ownership and use of all IP generated by staff outside the course of their employment where substantial University resources have been used. Where the University has ownership it is committed to sharing with the staff and students concerned the rewards derived from successful commercialisation of IP that they have generated.

13. Against this background, the following specific conditions apply to the ownership, use and commercialisation of IP:

- 13.1. Except as may be provided in a contract with a third party (for example, a funding body), except in cases where an individual has been employed specifically for the purpose of producing a particular academic publication, and except where publication might result in the loss of an opportunity for commercialisation, the University freely allows members of staff and students to publish University IP in academic publications and to keep all income from those publications. (Cases of doubt or cases requiring interpretation should be referred to RIS).

13.2. Subject to 13.1 above, the University owns and therefore has the right to use without limitation all material that is generated by staff during the course of their employment and any IP that is generated by staff outside the course of their employment but which is based upon substantial use of University resources.

13.3. The University when publishing IP generated by staff and students will wherever practicable give due acknowledgement to the authorship of material.

13.4. Where the University commercially exploits IP generated by members of staff or students it will share a percentage of the income it derives from such commercialisation with the authors/inventors in accordance with below.

13.5. If a member of staff or student is in dispute about IP issues e.g. wishes to claim ownership of IP and that is not accepted within their School they should in the first instance approach RIS. RIS will then consult with others where necessary, such as the relevant Pro-Dean for Research and Innovation. Any dispute that cannot be resolved will then be referred for

resolution to a panel consisting of the Deputy Vice-Chancellor for Research and Innovation; either the Pro-Dean for R&I of the relevant Faculty or the Pro-Dean for Student Education of the relevant Faculty; a nominee of the Leeds UCU; and a lay member of the University Council appointed by the Council.

Commercialisation Process

14. For the purposes of this Policy commercialisation is where the primary purpose of an activity falls outside the education and core academic research missions of the University.
15. The protection and commercialisation of IP is undertaken on behalf of the University by RIS. All invention disclosures, formal IP protection and the review and approval of all transactions that grant third parties rights and/or access to University IP must be reviewed and managed by RIS who will obtain all appropriate University approvals.
16. Where the University and members of staff wish to seek the commercialisation any IP owned in whole or in part by the University, they must do so through RIS who will

obtain the appropriate consents as per the University's Scheme of Delegation. The precise mechanism for commercialisation will vary: in some cases it may be through a new company, licensing, or through revenue share or assignment of IP to a third party.

17. Decisions on the sharing of any benefits from the commercialisation of IP will be made within the following framework:

- 17.1. The individuals concerned (hereinafter referred to as the 'inventors') will be required at the outset to warrant that they and only they have contributed to the generation of the IP in question (i.e. the specific IP that will form the basis for any subsequent licence, IP sale or spinout company), and to agree between themselves the distribution of the inventors' share of any income or capital gain arising from the commercialisation of that IP. Those who are identified as inventors may include academic and related staff, support staff and postgraduate and other students of the University.

- 17.2. Where a financial return is generated through licensing, assignment or revenue share agreements

the inventors will receive a proportion of the net proceeds from commercialisation (after meeting any costs, including University overheads), the residue accruing to the University. The maximum proportion paid to the inventor is 40% of net proceeds. Where a third party (e.g. a funding or research/commercial partner organisation) has the right to receive a proportion of proceeds from commercialisation, unless otherwise specified, the third party proceeds will be deducted prior to the University and inventor distributions.

17.3. In cases where a new spinout company is formed to exploit the IP in question, the inventors, will receive a fair economic interest in that company (in most cases through a shareholding). The initial split of interests prior to external investment will be:

17.3.1. Inventors who take an active role in the spinout company will receive no more than 50% of the founder shareholding.

17.3.2. The University will receive no less than 30% founder shareholding (with anticipated additional income from licensing, assignment or

revenue share agreements solely going to the University). Where a formal commercialisation partner is involved in the development of the opportunity the University may allocate a proportion of its interests to that partner.

17.3.3. A performance-based share incentive allocation of 20% will be created to incentivise management and key technical staff within the spinout company who do not receive a shareholding through 17.3.1. The allocation of this shareholding will be agreed between the University, the inventors and any formal commercialisation partner.

17.3.4. Where inventors do not take an active role in the spinout and do not take a shareholding in a spin out company, the inventors may receive a share of any licensing, assignment or revenue share agreements received by the University. The proportion received by an inventor will be agreed on a case-by-case basis and will not exceed 40% of the net income received by the University.

17.4. Where the University makes further investment into a spinout, either through cash or contribution of facilities or discounted services, this will convert solely in to additional University equity.

17.5. The University's share of the net revenue and any capital gain arising from the commercialisation of IP will, in general, be shared with the resource area (Faculty/School) in which the IP was generated. The share will be determined by the guidelines laid down from time to time by the University's Executive Group, but revenue and capital gains arising from the commercialisation of IP will in any event be subject to a contribution to the University's Enterprise Fund and other central funds designed to facilitate the commercialisation of IP.

17.6. Any disputes about the sharing of benefits that cannot be resolved by RIS will be referred for resolution to a panel consisting of the Deputy Vice-Chancellor for Research and Innovation; either the Pro-Dean for R&I of the relevant Faculty or the Pro-Dean for Student Education of the relevant Faculty; a

nominee of the Leeds UCU; and a lay member of the University Council appointed by the Council.

18. With the consent of the Dean or nominee members of the University are entitled to use IP for the purposes of carrying out consultancies in accordance with current University policy on consultancy.
19. Members of staff are expected to take all reasonable steps to ensure that the University's IP is properly protected, working with the Research Innovation Service.
20. For the avoidance of doubt, the University acknowledges and accepts that in the case of any inconsistency, it is bound by its legal responsibilities and obligations to staff contained within the general law that cannot be varied by these conditions.

Visiting Academics

21. Unless agreed to the contrary visiting academics or researchers will be treated as members of staff, in terms of any intellectual property that they develop whilst at the University i.e. the University claims ownership of IP and

rewards inventors in the same manner as University members of staff.

22. Many researchers or academics who are visiting the University have access to University facilities and research information that may be confidential to a third party collaborator, or during the course of a research project where the IP arising from it is committed to a collaborator or funding body. The University needs to ensure that it acts in compliance with any terms to funding and any other agreements (such as confidentiality agreements) that have been signed with a collaborator or funder. Faculties should have more formal procedures for visiting academics to deal with these issues. Contact the RIS contracts team for further information and advice.

Model Publication Scheme

23. Staff and postgraduate researchers are subject to the University's Model Publication Scheme, details are provided at <https://www.leeds.ac.uk/freedom-of-information/doc/model-publication-scheme>.