

| <b>Intellectual Property Code</b> |   |
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| <b>Operational Owner:</b>         | Head of Technology Transfer   |
| <b>Executive Owner:</b>           | Pro-vice Chancellor for Research and Innovation   |
| <b>Effective date:</b>            | 18 <sup>th</sup> December 2020  |
| <b>Review date:</b>               | 18 <sup>th</sup> December 2023  |
| <b>Related documents:</b>         | <ul style="list-style-type: none"> <li>• The <a href="#">Technology Transfer Office</a> website</li> <li>• The <a href="#">Invention Disclosure Form</a> online submission system</li> <li>• The University's <a href="#">Technology Publisher</a>: an online database of all licensable IP available to 3rd parties</li> <li>• The <a href="#">Inventor Guide</a>: a frequently-asked-questions document about the Technology Transfer Office</li> <li>• The <a href="#">Collaborator Guide</a>: a frequently-asked-questions document about collaborating with industry</li> <li>• The University of Surrey <a href="#">Copyright Policy</a></li> <li>• The University of Surrey Library web-page with information on <a href="#">how to embargo a PhD Thesis</a></li> <li>• The University of Surrey guidance on <a href="#">Ethical Conduct</a>, <a href="#">Ethical Conduct Policy</a>, and <a href="#">Declaration of Interest Form</a>.</li> </ul> |

### Approval History

| <b>Version</b> | <b>Reviewed by</b> | <b>Brief reason for review</b>   | <b>Approved by</b> | <b>Date</b>                |
|----------------|--------------------|--|--------------------|----------------------------|
| 1.0            | Final sign off     | Revised for alignment with University's Research and Innovation Strategy | Executive Board    | 25 <sup>th</sup> June 2020 |
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# Intellectual Property Code

This Code sets out the University's rules regarding intellectual property (IP) which has (or may have) commercial value (hereafter termed commercially valuable IP) and provides guidance on the University's policy and procedures on matters of creation, protection, and exploitation of such IP and remuneration to its creators. The Code comes into effect on 18<sup>th</sup> December 2020 and supersedes all previous IP Codes.

## Guiding principles

In all matters relating to the flow of commercially valuable IP, services and technology out of, and into, the University of Surrey, our thinking and position will be guided by three principles:

### 1. Value for Society

That the University's collective decision-making on IP should create positive impact and be for the public benefit.

### 2. Primacy of the creator(s)

That the creator(s) responsible for the IP will be the primary influence on the negotiations necessary to (i) fund the research, (ii) agree ownership of the invention or arising IP and on (iii) how that invention should be used for the public benefit.

### 3. Empowerment, efficiency and accountability

That University professional services will enable researchers and other creators of IP to efficiently engage directly with outside bodies on the understanding that they adhere to University policies and provide the University with visibility of their activities to ensure that Principle 1 is respected.

## What is commercially valuable IP?

Commercially valuable IP refers to any IP which will (or may) create income for the University. It encompasses any discovery, invention, document, design or research result and includes, but is not limited to, algorithms, software, chemical compounds, processes, and data arising from experiments. The [Technology Transfer Office](#) manages intellectual property which has (or may have) commercial value.

The University Library oversees policies that are concerned with managing IP which has no commercial value, such as most copyright on published works. Doctoral or other students can ask the [Technology Transfer Office](#) to authorise the [embargo of a thesis](#) from being published by the Library in order to preserve commercial value.

**Warning!** The University will not be able to fully protect an invention if knowledge of that invention already exists in the public domain.

## Ownership of IP

### IP created by employees

The University owns all IP created by its employees unless it is created in a private capacity that is inconsequential to the employee's role.

### IP created by students

A student owns all IP they create, unless it is created as a result of being an employee of the University. As they participate in University research programmes and contribute to inventions or other creative aspects of the outcomes, they are joint inventors or creators of any resulting IP. The University may ask a student to enter into a binding agreement under which the student agrees to assign to the University any commercially valuable IP that they generate, so that the University can commercialise the complete package of IP arising from the research programme. In return, the University will treat the student as an employee for the purposes of the University's revenue sharing policy for staff inventors. The revenue sharing policy is described elsewhere in this Code.

Download our '[Inventor Guide](#)' for helpful information on how to commercialise your research

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## **IP created by employees/students in partnership with, or sponsored by, another organisation**

IP created from research which is paid for by an industry partner may be owned by the partner.

Any employee or student who has created IP is obliged to declare that invention or other aspect to the [Technology Transfer Office](#), via an [Invention Disclosure Form](#).

### **Protecting commercially valuable IP**

The University, at its own discretion and at its own cost, will protect its commercially valuable IP (subject to any restrictions in the funding terms). This may include patenting an invention or registering a name or logo as a trademark, for example.

### **Sharing income from IP commercialisation with the creator(s)**

The [Technology Transfer Office](#) will make reasonable efforts to generate income from IP (such as licensing it to an industry partner). Any income received will be shared with the creator(s) of the IP, once the University has recouped any external costs that it incurred in protecting the IP.

Income arising from proceeds of licensing IP is known as royalty income. Royalty income will continue to be paid to the creator(s) of the IP by the University even when they no longer are employees of the University, and to their estate after their death.

40% of the income will be shared with the creator(s) themselves directly.  
30% of the income will be shared with the creator'(s)' department(s).  
30% of the income will be retained within the University centrally.

Sharing your success with your department gives your colleagues more opportunities to engage with innovation.

The creators' department receives a share of the income so they may use these funds on innovation-related activities; e.g., sharing patent costs or supporting the creation of a spin-out company. There is a cap on the total amount of funds allocated to a department in this way in a given year. Once a department's innovation fund allocation has reached its cap, then any additional funds will be allocated centrally.

### **Spin-outs**

The creator(s) of the IP, in partnership with the University, may wish to found a company to commercialise their work. Start-up companies founded by employees/students in which the University has a shareholding (e.g., owns part of the company) are known as 'spin-outs'. The shareholding to the University is given in return for access to University-owned IP, and/or access to University equipment and facilities.

#### **Staff start-ups**

It is permissible for University of Surrey employees/students to found a start-up without the University becoming a partner. These companies differ from spin-outs and are known as "staff start-ups". However, it is important that any aspiring entrepreneurs work with the [Technology Transfer Office](#) from the outset even if they would prefer the University of Surrey not to become a partner in their company. Staff start-ups must establish a formal contractual relationship with the University in order to be permitted to use any University facilities or to access any University-owned IP. Founders of staff start-ups must also complete a [Declaration of Interest Form](#).

Our ['Inventor Guide'](#) contains more information on how we support founders create spin-outs.

#### **Managing dual interests**

Employees/students of the University of Surrey who own shares in a spin-out or staff start-up must complete a [Declaration of Interest Form](#), as stipulated by the University's guidance on [Ethical Conduct](#). The University will help those employees manage their dual interests in an ethical way.

#### **Formal approval**

The University must formally approve all University spin-outs and staff start-ups. Aspiring company founders must seek the approval of their Heads of Department, the Head of Technology Transfer, and the Executive Dean of their Faculty before formal approval from the University is sought. The [Technology Transfer Office](#) will help founders through this process.

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## Determining the University ownership in a spin-out

The [Technology Transfer Office](#) negotiates the percentage ownership that the University will agree with the founders of a spin-out company. The minimum University ownership is 7%; the maximum is 40%.

The [Technology Transfer Office](#) will consider the following elements to arrive at the University's initial negotiating position:

- The total amount of public and University funds which have been spent over a meaningful time period on any activities which supported the creation of the spin-out. Public funds include research grants, patent costs and any form of financial support the University has made available to the founders in support of the research. For every £250,000 of funds spent, the University will claim an additional 7% ownership (on a pro-rata basis);
- The terms sought for the spin-out relating to access to University-owned IP; and
- The dependency of the spin-out on University facilities, equipment, resources or "know-how" from other University employees, and over what period of time the dependency is expected to last.

### Spin-out Example 1

A PhD student in their final year aspires to form a company. The University files a patent application, and supports them with funding to validate their idea in the market.

#### Outcome:

The University negotiates 8% equity in the spin-out

### Spin-out Example 2

An academic undertakes 2 years of publicly funded research, leading to a new biomarker. The TTO protects the invention globally over the same 2-year period, and financially supports substantial market research activities.

#### Outcome:

The University negotiates 30% equity in the spin-out

### Spin-out Example 3

A group of academics create a company whose principle business is consulting and carrying out testing in Labs for clients. They rent the Labs from the University at market rates.

#### Outcome:

The University chooses not to make a claim for equity. A "staff start-up" is created.

## Distributing income from sales of University-owned shares in spin-outs

The University may financially benefit from the sale of its shares in a spin-out. The department which created the spin-out will receive a share of the income received in the form of a contribution to the Department's innovation fund. Either 50% of the proceeds of the sale of shares will be allocated to the Department, or the amount needed to fill the Department's innovation fund to its maximum allocation, whichever is the smaller amount. The remaining income is retained centrally within the University and used at the discretion of the senior management team (the Executive Board).

## Patents

Patents are the formal legal method by which some inventions can be protected. In some research areas (such as biosciences and oncology), it can take many millions of pounds of investment by a commercial company to bring a new drug, or cure for a disease, to market. They can only hope to recover this investment, and will only license from the University, if the core invention (e.g., the drug, or molecule, or biomarker) is properly protected.

It can take more than 3 years for a patent to be granted. Find out more about Patents in our '[Inventor Guide](#)'

### Filing a new patent

The [Technology Transfer Office](#) evaluates all inventions submitted to us and decides whether or not patenting is a realistic option. Please see our [Inventor Guide](#) for information on the process we follow. If we decide not to proceed with a patent application, then in some circumstances the creator(s) (including the inventors and contributors) may request that ownership of the invention is assigned to them. The [Technology Transfer Office](#) will not unreasonably deny such a request, but we may reasonably require that the patenting decision is delayed subject to the researcher producing more data or more evidence for us to examine.

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### **Dropping an existing patent**

Obtaining a granted patent costs a minimum of £12,000, with costs increasing with the number of countries in which protection is sought. There are also ongoing costs involved in maintaining the patent. The University of Surrey will continue to pay for an invention to be patented only if we believe we can recoup our patenting costs at a later stage via commercialisation activities. If we believe there is a slim chance of a patent being granted, or if circumstances change, then we will stop the patenting process. In this situation, if requested by the creator(s), we will freely assign the IP associated with the patent to the creator(s).

### **Assigning or selling an existing patent**

Under some circumstances the University may wish to sell, or assign, a patent to a 3rd party. This may be because the 3rd party has previously negotiated a right to purchase the patent (perhaps as part of a research contract) or because the University no longer wishes to maintain the patent costs. In this situation, the University will make best efforts to contact the creators(s) associated with the patent and advise them of the actions about to be taken before they are taken. If the creator(s) object to the proposal to assign the patent to a 3rd party, then the creator(s) may appeal. The appeal process is described elsewhere in this Code.

## **Software**

Software source code is deemed as a document with commercial value and, as such, the University of Surrey has automatic protection under copyright. If you have created software which you think may have commercial value, then it should be declared to the [Technology Transfer Office](#) via our [Invention Disclosure Form](#). Our team will work with you to identify potential licensees.

### **Distributing software in a non-commercial manner: shareware, or open source**

You may decide that your software can be of most benefit to society if it is made freely available via the public domain (as shareware, or freeware, or open source). In this case, please also declare it to the [Technology Transfer Office](#). We will help you put your software into the public domain, marking it as copyright University of Surrey, and helping you track the positive impact it is creating. This may in the future lead to a strong impact case study for the University.

## **Managing IP created by visitors to the University**

Visitors from other academic institutions or industry partners who work on site at the University of Surrey are not employees of the University and therefore many aspects of this code do not apply to them. However, any contract or agreement signed between the University and a visitor must include reference to this Code.

The visitor must be presented with a copy of this code and this specific paragraph should be brought to their attention. If the visitor contributes to an invention, or creates new IP, by collaborating with employees/students of the University or using University of Surrey facilities, then they are obliged to declare this invention to the [Technology Transfer Office](#), or be named as a co-creator of the IP on an [Invention Disclosure Form](#). The [Technology Transfer Office](#) will work with the visitor and, if appropriate, their employer to determine if the University of Surrey has a reasonable claim of ownership over the IP they created.

## **Managing IP created by our staff/students who are visiting other organisations or working on secondment**

Employees/students of the University of Surrey, who work within other organisations, as either visitors or on secondment, are likely to be asked to sign legal agreements or abide by the policies issued by the host organisation. These agreements are likely to contain clauses that explain how the host organisation would prefer to manage any new arising IP created. For this reason, please check with the [Technology Transfer Office](#) before finalising any such agreements so that we can advise you on whether the rights of the University, and your rights as the creator of IP, may be negatively affected.

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## Managing IP in collaborations with academic and industry partners

The University understands that part of the benefit for industry partners of collaborating is their wish to access background (pre-existing) or foreground (new, arising) IP created by researchers at the University. Commercial companies very often want exclusive access, or ownership of University-owned IP so that they can create a competitive advantage for themselves in their market. This desire to create an advantage for a single company sometimes runs counter to the University's charitable mission to benefit society as widely as possible.

Read our  
['Collaborator Guide'](#)  
for helpful tips  
for working with  
industry partners

### Initial University positions regarding ownership of IP in academic and industry collaborations

To help researchers navigate this complex environment, the University has developed a number of pre-defined initial positions with regards to IP and commercial partners. Four are listed here as examples:

#### Example 1

##### Collaborative research with academia

A collaboration between multiple Universities, based on established University-owned background IP

##### Initial position:

Each party owns the IP created by its employees/students. IP ownership may be shared if it was jointly created. Collaborator(s) granted access to any University-owned background IP on commercial terms.

#### Example 2

##### Contract research part-funded by industry

A collaboration part-funded by the collaborator, based on established University-owned background IP

##### Initial position:

University owns the foreground IP and is responsible for protecting that IP. Collaborator granted a non-exclusive license to foreground IP, and access to University-owned background IP on commercial terms, with some constraints on when academic papers can be published.

#### Example 3

##### Short impactful collaboration

A collaboration, funded through a specific research council scheme and state aid compliant. Designed to create 'impact' based on established University-owned background IP.

##### Initial position:

Collaborator owns the foreground IP, University granted educational license & right to publish. Collaborator granted access to University-owned background IP on commercial terms.

#### Example 4

##### Contract research fully funded by industry

A collaboration fully funded by the collaborator at fEC rates, based on established University-owned background IP

##### Initial position:

Collaborator owns the foreground IP. Collaborator granted access to University-owned background IP on commercial terms, with some constraints on when academic papers can be published.

**Warning!** If you choose not to adopt one the University's initial positions with regards to managing IP in industry collaborations, and choose to embark on a 'bespoke negotiation', then you risk significantly lengthening the time required to produce legal contracts and possible delays to the start of your collaboration.

### Senior management executive mandate

The University senior management team (the Executive Board) reserves the right to alter the University's pre-defined initial positions in order to create, sustain, or grow a major corporate relationship with prospects to deliver, or delivering substantial benefits to the University. For example, a major corporate partner may wish to own all arising IP outright and not permit the University to license back the IP for educational or research purposes. In this situation, the senior management team permits this to take place because the major corporate partner is financially or otherwise supporting the University in other significant ways.

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## Your right to appeal

The University understands that in the course of commercialising your invention you may not agree with all the decisions made. You have a right to appeal if you feel a decision is unfair, as follows:

- Write to the Head of Technology Transfer (HOTT) with details about the decision you wish to challenge.
- The HOTT will invite you and one other person of your choice to a meeting with the HOTT and one other person of their choice.
- If agreement is not reached at this meeting, then the matter will be referred to a second meeting attended by the original meeting participants as well as the Pro-Vice-Chancellor Research and Innovation (PVCRI) and a second person of your choice.
- If agreement is not reached at this meeting, then the matter will be presented to a final meeting between the PVCRI, one person of your choice, and either the Provost or the Vice-Chancellor. Their decision will be final.



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## ***Annex 1***

### **Rights and obligations relating to performer's rights**

#### ***Definitions***

"Author(s)" shall mean academic staff, research associates, technicians, or any other members of staff of the University who are employed under a contract of employment (whether fixed term or permanent); Visiting staff who develop, adapt or otherwise contribute to copyright materials as part of their engagement with the University; students on paid placement with the University; contractors employed (directly or indirectly) specifically to develop or adapt materials.

#### ***Title to rights***

- A.3 The University hereby agrees and acknowledges that all performers' rights in any video or other recording of the Author(s)'s own lectures or presentations or similar works are owned by the Author(s). The Author(s) grant to the University and its authorised users an irrevocable royalty-free non-exclusive licence to use such material for administrative, educational, teaching and research purposes.
- A.4 Nothing in this agreement shall constitute a waiver by the Author(s) of any moral right under the Copyright, Designs and Patents Act 1988, and nothing therein shall constitute an exclusive recording contract within the meaning of Part II of that Act or consent by the Author(s) to the exploitation of any qualifying performance for the purposes of that Part.