



Innovation Alliance - Innovation & Industry Engagement - Principles and Policy

Industry Engagement Principles

1. The purpose of research in our Universities is three-fold:

- generation of scholarship for teaching and training;
- satisfying the human need to understand our environment and ourselves;
- generation of a socio-economic return to society.

2. Socio-economic return is normally by commercialisation of knowledge in the form of intellectual property (whether or not protected by patent or copyright) and also by the deployment of the skills of trained graduates in enterprise, both public and private. The Universities' mission is further advanced by embedding researchers within industry, facilitating knowledge transfer and upskilling in both directions and we recognise that this can lead to interesting outcomes beyond the commercial.

3. In the commercial deployment of research-derived intellectual property, cognisance must be taken of the background core mission of the universities, the interests of those who generate the knowledge and the interests of the sponsors of the research.

4. The sponsors of research in Ireland almost always include the Irish State / public sector and oftentimes industry and other forms of public and private enterprises.

5. In the case of research that is exclusively publicly funded, our economic purpose is to deploy any intellectual property that arises for the benefit of Irish society in the first instance and to do so as quickly and efficiently as possible. The benefit to the University needs to be appropriately considered and the return to those individuals responsible for originating the research also needs to be clarified. Our starting point for such commercialisation of Irish-funded research relates to the holistic benefit for Ireland.

6. The State can achieve maximum return through our Open Innovation policy approach provided that there are sufficient national policy safeguards to ensure commercialisation occurs in Ireland directly or indirectly. Our approach is based on defining and protecting intellectual property – but only so that it can accrue value and realise delivery of the highest return – we will always endeavour to fully assess the commercial potential of our intellectual property before moving to protect.

7. In collaboration or through partnership, any outward flow of IP should be counterbalanced by either an inward revenue or investment flow linked to licensing, or to agreements to create a related new spin-in or spin-out venture.

8. We accept that our most immediate return from partnership will be through enhancement of our core mission in the quality of education and research – provided that the full costs of the research are recovered with appropriate recompense to render engagements meaningful and more than just subcontracted service. The wider return to the Irish State and to the University follows from a community of companies who have benefited from the IP and who are inclined to assume support for on-going research or to philanthropically support the University in the long term.

9. The return to the individual consists of satisfaction in being able to engage in excellent research and international recognition for that excellence. It also consists of creating avenues for the employment of graduate students, postdoctoral researchers and undergraduates in the enterprises that benefit and that need high quality skills. Finally, there is the opportunity to participate directly in the commercialisation of the intellectual property and to realise personal and financial gain in the process.

10. Our Universities have the responsibility to ensure that useful knowledge is appropriately protected and that efficient mechanisms for the deployment of IP are in place and consistent with our Open Innovation objectives. We recognise that ownership of intellectual property does not necessarily convey an ability to derive value from that intellectual property and accordingly we are open to models for onward assignment of ownership of IP so as to best meet its commercial potential and ensure future return from same.

11. In the case of research sponsored by enterprise, any public funding part (including the fully costed input of our state-funded academic staff) will have the same purpose as above and the criteria that the research promotes the core mission of the University will also apply. The balancing objective in this policy is how best to satisfy the needs of the fourth stakeholder in a way that promotes the rapid deployment of IP and that generates a long term economic return for Ireland.

12. Our goal is to position our Universities as partners of choice in joint / collaborative research with industry. We intend that industry will have sufficient confidence to bring its most important problems to the table. We recognise and accept that industry will feel that it should always have some right to the IP whether or not the IP can be couched as coming wholly from the academic side in the joint research. We accept that in such instances the sponsoring /collaborating industry partner(s) will be better placed to commercialise output than the academic institution. Accordingly in such cases, we stipulate that industry shall have the first right of refusal on all IP from such programmes and if it cannot exercise that right, provision must be made so that the IP can be opened for deployment by other means – ideally through the creation of new Irish-based ventures.

13. We undertake, in cases where the full costs of the research are carried directly or indirectly by our industry partners and the core mission of the institution is advanced by the research, that the translation of knowledge to the participating industry will be the primary goal and should be achieved as efficiently and quickly as possible.

14. We contend that, subject to national policy and contractual obligations to sponsors, the return to our Universities derived from commercialisation led by industry partners should be couched in the following order of priority:

- advancing the core mission of the University in excellent education and research while satisfying the professional needs of our academic staff;
- ensuring a long term productive relationship with the industrial partner;
- ensuring financial return through negotiated royalties or other licensing agreements aligned to the core mission of the University.

15. We undertake that all of our research partnerships, commercial agreements, negotiations and expectations and resultant licenses will be developed in keeping with the above core principles, they will be simple in structure and will avoid unnecessary legality, jargon or complexity of language.

Common Policy to underpin participation in 'Open Innovation'

This paper clarifies our institutional stance on commercialisation and places *deal making* as the first priority of our technology transfer and collaborative research activities.

1 - Engagement with Industry

All engagements with industry are informed by the principles stated above.

Collaborative research projects

- All parties disclose all foreground IP in full confidence through implementation of an IP oversight mechanism to track and account for project derived IP and to clearly determine the inventorship in all cases;
- There is an obligation on all Parties to declare relevant enabling background IP required, accordingly the Parties may elect to introduce their background IP with free licence to facilitate the programme of work;
- As appropriate and in keeping with the principles outlined above, any party may afford an option for other parties to acquire royalty-bearing licences to background IP if necessary for exploitation of foreground IP;
- Unless otherwise agreed, all parties have free licence to use foreground IP from the project for internal non-competitive, non-commercial purposes after end of project.

Solely Created IP

• IP which can be shown to be solely-created shall be deemed to be solely owned, with sole right to exploit and/or to licence resting with the owner. Such IP may be assigned to others as appropriate. The institution undertakes not to engage in assignment of solely owned intellectual property arising from collaborative research with an alternate industry partner without first affording options on the intellectual property to the programme collaborative partner – as detailed below. Owners of such intellectual property will pay for and manage appropriate patent protection in perpetuity, or until they grant onward exclusive licences or assign ownership to another party, or until the commercial potential of the IP no longer exists. We commit to engaging with and involving the originators of all sole Institutional IP in a way that respects and values their input to the transfer process

• In collaborative research projects, industry partners can expect IP generating programmes to be executed via discrete, managed workpackages. Such workpackages will be structured so as to avoid potential foreground conflicts between industrial collaborators where multiple partners exist. The institution will offer collaborating industry partner(s) a time-limited exclusive option on any institutional solely created IP: Exercising this option will precipitate an income generating (either upfront fees, royalty-bearing, or both) exclusive licence of the institutional sole IP in the industry party's field of use, with provision made for extension of fields on case by case basis;

• If such option is not exercised within the agreed timeframe then, in keeping with the principles above and aligned, the institution reserves the right to grant an exclusive licence to a third party, with specific emphasis on the transfer of such declined IP to new venture campus company vehicles;

• If within an agreed time limit no exclusive licence has granted on institutional sole IP, the institution will offer non-exclusive royalty free licences to the partner(s) and other third parties so as to ensure the widest possible transfer of knowledge.

Jointly Created IP

- Save where 'safe harbour' status has been conferred on industry partner(s) – linking foreground improvements to established and commercially critical background intellectual properties of the partner, all parties will be afforded reciprocal option to exclusive licence of all other parties rights, to be executed within an agreed timeframe
- If joint ownership is preferable, such ownership will always be governed by an upfront joint ownership and management agreement which states exploitation terms and *pro rata* shares of invention and protection costs, etc
- If no exclusive licence is advanced within a specific timeframe, then all parties will have equal rights to grant non-exclusive, sub-licensable licences without accounting to each other.

Over-arching considerations for all collaborative programmes

In keeping with the core mission of our universities, the institution reserves the right to publish research results after time-limited review of such output by our industry partners, save where explicit 'trade secret' provision has been agreed by the institution with appropriate compensation. In such cases we will make every reasonable provision to facilitate patenting, and in all cases will work to facilitate removal of industry confidential information as required. We do not facilitate restriction on postgraduate thesis submissions, but can and will facilitate 'stay' of publication of theses, subject to suitable NDAs.

In collaborative projects we will always advance fully weighted collaborative budget figures – i.e. inclusive of all direct and indirect costs.

In keeping with the principles above, the terms of any exclusive licences granted pursuant to exercising of industry options will include provision of fair reward to the academic institution.

2 – Creating new Industry – spin outs & spin ins

The definition of a campus-associated company is one where a company is formed for the purposes of exploiting institutional IP. This is both origin and ownership independent and is synonymous with the terms spin-out, spin-off or spin-in. Our approach to campus-associated company formation is based on the following principles:

- Maximising the level of knowledge transfer
- Optimising the rate at which campus companies are formed
- Reducing any real or perceived delays to forming a campus company
- Recognising that the success of the venture is a success for the institution
- Ensuring a fair and reasonable return to the institution over time, linked to the success of the venture
- Companies should derive benefit from the value proposition associated with such status - i.e. being on-campus and continuing to interact closely with the University community
- We stipulate that our initial (foundation) equity share in campus companies shall be agreed between the institutions (this is envisaged to be less than 10%) and this equity will be taken on formation of the company. We will not insist on or include any anti-dilution conditions and will be treated *pari-pasu* with other founding shareholders
- In return we undertake to grant reasonable, commercial (royalty bearing) licencing terms to institutional IP, in line with international best practice and so as to avoid conflict of interest issues and any potential infringement of state aid rules
- No up-front payment is expected from campus companies on execution of an enabling licencing agreement
- Payments relating to commercial licences will only be due once the company is in a revenue generating state – i.e. we will not remove venture funding from the company – deferred payment, without interest penalties, subject to income generation will be the norm.
- All terms of licences will be commercially informed and will not be punitive – they will be structured so as to underpin the value and commercial viability of our ventures and in recognition of our position as founding shareholders with interests in the company. We will afford all reasonable opportunities for sustainable growth and scaling to our campus companies, including consideration of assignment of IP ownership linked to specific milestones and deliverables, while cognisant of state aid considerations.

This Policy is subject to Irish Law and to those terms & conditions stipulated by any associated funding agencies from which we derive research income.