1.0 Introduction

The purpose of this booklet is to describe and explain relevant aspects of research commercialisation at the OU and to briefly illustrate what intellectual property (IP) is, why it is important and how the Research Strategy and Quality Office (RSQ) will support this area.

The Open University recognises the importance of the successful commercialisation of intellectual property generated by the research activities of its staff and the principles governing The Open University’s position and approach to IP may be found in the OU IP Policy. The Enterprise Team seeks to optimise the benefits of IP exploitation created by the University research staff and where appropriate, secure protection of such IP.
1.0 Introduction

2.0 Knowledge exchange
   2.1 Why is knowledge exchange important?

3.0 Intellectual property
   3.1 What is intellectual property?
   3.2 Intellectual property rights (IPR)
   3.3 Copyright duration
   3.4 Intellectual property disclosure
   3.5 What is a patent?
   3.6 What is a design?
   3.7 What is a trade mark?
   3.8 What is a copyright?

4.0 Open access intellectual property

5.0 Intellectual property ownership
   5.1 Postgraduate research students
   5.2 Undergraduate and taught Masters students

6.0 Revenue sharing/distribution of income

7.0 Confidential agreements
   7.1 Disclosure
   7.2 What is a material transfer agreement (MTA)?

8.0 Publications (commercial considerations)

9.0 What is a collaboration agreement?

10.0 What is a research agreement?

11.0 What is a licence?

12.0 Contact
2.0 Knowledge exchange

Knowledge exchange can be described as:

"Activities that are concerned with the generation, use, application, and exploitation of knowledge and other University capabilities outside academic environments".

Formerly known as 'technology transfer,' 'knowledge transfer' and 'out-reach', knowledge exchange is a two-way transfer of knowledge and skills between the University, business and the wider community. Knowledge exchange sits alongside teaching and research as a core function of the University and examples of knowledge exchange include applied and collaborative research, consultancy, sponsored students, licensing and spin-out of intellectual property, non-accredited taught programmes and open access dissemination of research.

2.1 Why is knowledge exchange important?

Universities have an important role to play in the process of stimulating economic and social growth. Our world-class research activity generates a wealth of new knowledge and technologies that may be commercialised and disseminated to the benefit of the economy and the community at large. Equally, there is knowledge as well as skills in industry and other organisations that can benefit the University when transferred to us.

Two broad trends are reshaping the way that companies are undertaking research around the world. The first is that they are moving away from a system in which most of their research and development (R&D) is undertaken within the boundaries of the company, to one in which they are actively seeking to collaborate with others in a new form of open innovation. The second is that business R&D is going global. Multinationals are locating their research centres in their most important markets, especially if those markets happen to contain centres of outstanding research. Their home country is no longer the automatic first choice for their R&D investment.

These two trends have major implications for universities, which are potentially very attractive partners for business. Good academic researchers operate in international networks: they know what cutting-edge work is going on in their field around the world. University laboratories are constantly being invigorated by the arrival of new people.

The Open University is in a good position to capitalise on these trends, with our excellence in teaching and research, our strong links with the business community government bodies and the third sector.

3.0 Intellectual property

3.1 What is intellectual property?

The generic term intellectual property (often abbreviated to ‘IP’) is used to describe the output of all creative or innovative human activities. Such outputs might carry commercial value and be used for commercial purposes. Such intellectual property can include, for example, knowhow, results, copyright, patents, images, design, software, data, plant varieties, industrial processes, and inventions. This intellectual property can arise from many
different activities within the University, including unfunded and publicly funded research activities. Furthermore, it can be divided into intellectual property that existed prior to initiating a specific project (‘Background IP’) and intellectual property that is created from initiation of a specific project. (‘Foreground IP’).

3.2 Intellectual property rights (IPR)

These are the legal rights that protect the owners of the intellectual property and enable them to control its commercial exploitation. Intellectual property can be protected by patents, Confidential Know-how, copyright, trade marks, and registered design rights.

<table>
<thead>
<tr>
<th>IPR</th>
<th>Type of protection</th>
<th>Application required</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patent</td>
<td>Technical inventions</td>
<td>Yes</td>
<td>20 years</td>
</tr>
<tr>
<td>Copyright</td>
<td>Books, technical reports, manuals, databases</td>
<td>No</td>
<td>Varies, see table below</td>
</tr>
<tr>
<td>Registered designs</td>
<td>Protects shape or configuration in 3D and/or pattern or ornamentation for 2D</td>
<td>Yes</td>
<td>25 years</td>
</tr>
<tr>
<td>Trade mark</td>
<td>Any sign which is capable of distinguishing the goods or services of one undertaking from another i.e. Name, Logo, Slogan, Colour Theme, Shape Theme, Domain Name, Music</td>
<td>Yes</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Knowhow</td>
<td>Unpublished secret information</td>
<td>No</td>
<td>Unlimited</td>
</tr>
</tbody>
</table>

3.3 Copyright duration

<table>
<thead>
<tr>
<th>Media type</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literary, musical, artistic and dramatic works</td>
<td>Author’s lifetime plus 70 years</td>
</tr>
<tr>
<td>Films</td>
<td>70 years after the death of the last of: director, composer, author of the screenplay or scriptwriter</td>
</tr>
<tr>
<td>Sound recordings, TV and radio broadcasts and cable programmes</td>
<td>50 years from first broadcast</td>
</tr>
<tr>
<td>Publishers’ right (typographical layout etc.)</td>
<td>25 years</td>
</tr>
</tbody>
</table>
3.4 Intellectual property disclosure

3.4.1 I have a great idea but I am just about to publish!

It is essential that you inform the Enterprise Support Team before you wish to publish something which may contain commercially exploitable intellectual property. This gives the University the opportunity to establish whether there is a need for a patent application, or other form of IP registration, to protect the intellectual property and ensure that the information about to be published does not compromise future IP registration.

The process of intellectual property protection must take place before any of the research results are placed in the public domain. Therefore, the Enterprise Support Team must be advised of any intention to place papers for journal publication or to give talks at external seminars or conferences or to present poster presentations of all or any aspect of the work if there is any potentially exploitable research.

Please contact the Enterprise Support Team to initiate discussions about intellectual property protection and registration, and to obtain the necessary forms to support the evaluation process.

3.5 What is a patent?

Patents are legal documents which protect the features and processes of an invention. They cover how things work, what they do, how they do it, what they are made of and how they are made. If a patent application is granted, it gives the owner the ability to take a legal action under civil law to try to stop others from making, using, importing or selling the invention without permission and this may involve taking legal action against the patent infringer.

Patenting an invention enables the University, in collaboration with the inventor, to realise the commercial potential of intellectual property arising from research at the Open University. Furthermore, protecting intellectual property ensures researchers’ freedom to continue working in their specific area of expertise and if the intellectual property is commercialised it can be a powerful means of raising the profile of research and stimulating further funding for it.

A patent creates legal rights, and is granted by a national patent office for an invention which fulfils certain criteria.

The invention needs to:

- be new
- have an inventive step that is not obvious to someone with knowledge and experience in the subject
- be capable of being made or used in some kind of industry.

Patents cannot be granted for:

- a scientific or mathematical discovery, theory or method
- a literary, dramatic, musical or artistic work
- a way of performing a mental act, playing a game or doing business
- the presentation of information, or some computer programs
- an animal or plant variety
- a method of medical treatment or diagnosis
- anything which is against public policy or morality.

If granted, patents provide a monopoly to use the invention for 20 years from the date of filing providing renewal fees are paid.

Patents do not apply just to major technological advances, but they can be applied to improvements as well, as long they are novel and original.

Patents cover a wide range of subjects such as agriculture, medicines, paints, electronics and photography – anything in fact from a small detail in an electric switch to a new form of transport like the first hovercraft.

Depending by the number of territories of interest, costs can hugely vary. Therefore, the University considers patenting activities as an investment from which a financial return is expected. Consequently, it is very important that any patented ideas or inventions have high commercial potential. The Enterprise Support Team will assist you with both the commercial and technical assessments, and will prepare the case for the University investment.

Patent opportunities will be assessed by the Intellectual Property Research Advisory Group (IPRAG), who will also approve the funding and commercialisation plan. In its evaluation IPRAG will consider a variety of parameters, including the commercial opportunity, the technical opportunity and feasibility, the scope of the protection, the investment needed, the expected return (and its timescale), external interests and market opportunity.

3.5.1 Patent process and costs

In order to ensure that patent applications are written in accordance to the Intellectual Property Office rules and regulations and format, and in order to minimise costs in the long terms, patents are written in close collaboration with a patent agent, who acts on behalf of the University. The costs of having an initial UK patent application written by professional patent agents tend to be in the region of £5,000 - £8,000. The variation in cost is determined by the field of the invention, by the complexity of the document and complexity of invention.

Twelve months following an initial UK filing, the patent can undertake an international route, costing approximately another £8,000. Approximately 36 months from the initial filing, the application is examined by individual patent offices in designated countries. At this stage, costs mount up significantly, as they are dependent on the number of countries in which patent protection is sought. Cost for each country vary between £1,000 and £15,000, depending on translation fees, mediation fees, filing fees and the costs of investigating objections that a patent office might raise.

Cumulative patent costs can reach £70k over the first five years, and can reach £150k+ over the lifespan of the patent. Given such investment, the University takes patent application seriously, and a rigorous staged process considers the investment needed at each step against the potential for a return on investment, its likelihood of success and the timescale. Please contact a member of the Enterprise Support Team to seek further assistance, to discuss your idea and invention, and to obtain the relevant forms that support the business case.
3.6 What is a design?

Design is about the way an object looks: its shape, its visual appeal etc. A design can be registered to the UK Intellectual Property Office. A registered design is a legal right which protects the overall visual appearance of a product or a part of a product in the country or countries where you register it. This means that protection is given to the way a product looks. The appearance of your product may result from a combination of elements such as shapes, colours and materials.

A registered design can be a valuable intellectual property right which can be protect against infringement by other parties who wish to create similar designs.

For its registration to be valid, a design must satisfy the following two criteria:

- it must be new
- it must have individual character (meaning that the appearance of the design (known as the overall impression) is different from the appearance of other already known designs.

3.7 What is a trade mark?

A trade mark is a sign which can distinguish your goods and services from those of your competitors (you may refer to your trade mark as your ‘brand’). It can be for example words, logos or a combination of both. The only way to register your trade mark is to apply to the Intellectual Property Office.

You can use your trade mark as a marketing tool so that customers can recognise your products or services. A sign includes, for example, words, logos, pictures, or a combination of these.

To be able to register your trade mark it must be:

- distinctive for the goods or services which you are applying to register it for
- not deceptive, or contrary to law or morality
- not similar or identical to any earlier marks for the same or similar goods or services.

3.8 What is a copyright?

Copyright gives rights to the creators of original literacy, dramatic, musical and artistic works, published editions of works, sound recordings, films (including videos), broadcasts, cable programmes and computer programs. These rights allow you to control how your work is exploited. They cover copying, adapting, publishing, renting, performing and broadcasting. These rights start as soon as the material is recorded in writing or in any other way. There is no official registration system. The rights cover:

- copying
- adapting
- distributing
- communicating to the public by electronic transmission (including by broadcasting and in an on demand service)
- renting or lending copies to the public and
- performing in public.
In many cases, the author will also have the right to be identified on their works and to object if their work is distorted or mutilated.

4.0 Open access intellectual property

The Open University acknowledges that research material is an asset of the University. However, The Open University recognises the need and the desire to make research material (such as database, software, technical information, documents, drawings, diagrams, electronic files, disks, tapes, computer software and documentation, or other records) available for the benefit of the public. Such need is often driven by the necessity to adhere to the funders’ terms and conditions (for example, research councils and charities).

Research material should not be released into the public domain without a licence. Licences ensure the author, the public, the funder and The Open University have a common understanding of the intellectual property rights connected with the release of the work. In addition, licences ensure author flexibility, whilst protecting the users of the research material, indicating permitted and forbidden uses.

‘Open’ licences are ready-to-use licences and already available in the public domain.

For software and related IP, the Open Source licences should be used (Open source software: http://opensource.org/). Non-computer based IP should use a Creative Commons licence (http://creativecommons.org/).

Authors wishing to use open access licences should reference the appropriate licence they wish to use, to make clear to the public which permitted acts the public has (spanning from just use without modification, to commercial use of the material). However, before releasing such material under an open access licence, researchers need to ensure themselves that the terms and conditions of their funded research allow such action.

5.0 Intellectual property ownership

Clarity on ownership of research IP is essential to enable it to be effectively exploited and is usually determined by: who created the IP, the nature of the IP, under what circumstances the IP was generated, and whether there are contractual conditions that affect ownership.

Patentable inventions created by the University’s employees and visiting academics during the course of their normal duties or in work specifically assigned to them or through externally funded work (including research/laboratory notebooks) belong to the University. This is in alignment with the University’s terms and conditions of employment for academic staff and terms and conditions of service for visiting academics.

In the case of copyright and design rights in ‘academic work’ produced by an employee or visiting academic, except copyright and design rights in course material or work related to administration of the University and its courses, belongs to the employee. However,

*‘Academic works’ refers to all works prepared by academic staff in the course of their scholarship and research including journal articles, books, book reviews, design drawings and illustrations, but excluding works prepared in connection with University courses.
copyright and design rights in any other works, including but not limited to computer programs, produced by an employee or visiting academic in the course of their employment, belong to the University. Furthermore, whenever the University is required to assign or licence ‘forefront’ IP to a third party for use outside the project, IP assignments will be requested from participants in the project. The contractual arrangements for such projects cannot be concluded until the appropriate IP assignments have been made.

Further information on IP can be found in the University’s Intellectual Property Policy.

5.1 Postgraduate research students

Upon registration, research students including CASE studentships or students in any other industry-related scheme are asked to assign research IP generated during the course of their studentship to the University, except where the student is bound by an intellectual property agreement with a third party (such as employer, or sponsor). This allows the University to invest in and exploit the intellectual property for the benefit of the University and the inventor. copyright in scholarly work such as journal articles, personal notes (excluding research/laboratory notebooks), theses, dissertations, books and monographs is owned by the student and intellectual property created by research students purely in a personal capacity without use of the University’s facilities or resources is also owned by the student.

5.2 Undergraduate and taught Masters students

Intellectual property created by undergraduates and taught Masters students is the property of the student. However, the University is prepared to discuss the potential assignment of such intellectual property to the University so that it can be exploited for the benefit of all concerned.

6.0 Revenue sharing/distribution of income

This policy aims to encourage the identification and exploitation of research IP supported through the provision of a financial incentive for staff and students. Income from the commercialisation of the University’s intellectual property belongs to the University. However, there is a commitment to grant an equitable share of the net intellectual property income to the originator.

The apportionment of net intellectual property licensing income is shown in Table A.

Table A Apportionment of net IP licensing income

<table>
<thead>
<tr>
<th>Band</th>
<th>Net IPi</th>
<th>Originator’s share</th>
<th>Faculty/Institute’s share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band 1</td>
<td>Up to £5000</td>
<td>100%</td>
<td>nil</td>
</tr>
<tr>
<td>Band 2</td>
<td>£5001 - £50,000</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Band 3</td>
<td>£50,001 - £100000</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Band 4</td>
<td>Over £100,000</td>
<td>25%</td>
<td>75%</td>
</tr>
</tbody>
</table>

February 2015 Page 9 of 13
7.0 Confidential agreements

7.1 Disclosure

If intellectual property is to be protected and registered by the Intellectual Property Office, it is crucial that there have been no prior disclosures in the public domain. Prior disclosure would include discussions with third parties not under a confidentiality agreement, academic and other publications, conference papers, seminar presentations, poster presentations, emails, web sites, formal discussions (such as meetings) and informal discussions (such as discussions with friends in the pub). If a disclosure is made, this might invalidate any official registration, resulting in the lack of a possibility of securing the IP position.

7.2 What is a material transfer agreement (MTA)?

Materials transfer agreements usually relate to the supply, exchange or transfer, by industrial companies and other research institutions, of specific material(s). Such material is usually of an experimental nature with actual or potential commercial value, and usually it is exchanged for further research, testing or evaluation. Examples of material could include cell cultures and cell lines, plasmids, nucleotides, proteins, bacteria, transgenic animals, pharmaceuticals and other chemical compounds. Such material is supplied free of charge, so that the suppliers may benefit from information discovered from the further testing of the materials in research; usually the supplier expects to receive such information free of charge and with further commercial obligations.

For the research community, the benefit is being able to use new materials in research, which may result in new discoveries and might further contribute to the scientist’s research. Within this context, the University has to ensure that both parties’ (the researchers and the suppliers) expectations are reasonable and that the University does not enter into conflicts with existing agreements.

MTAs are key legal documents aimed to manage risks and expectations in a research environment. Failure to have an MTA in place can expose both the researchers and the University to legal risks and potential serious consequences. The Enterprise Support Team can assist in the preparation / assessment of MTAs.

There are two types of MTAs:

7.2.1 Out-going MTAs

These concern the transfer of materials from the University to an external organization. In this case, the University needs to ensure that the University has the legal rights and titles to transfer the material and that any third party interests and rights are not infringed.
7.2.2 In-coming MTAs

These concern the transfer of materials from an external organization to the Open University. It is generally expected that the supplier of the material will provide a first draft of the legal document. Once received, the University will assess such documents taking into consideration:

- the nature of the material(s)
- the research activities in which the materials are to be used, and whether other researchers are involved
- which funding bodies are financing the research
- Intellectual property ownership, and whether any OU intellectual property of identified commercial potential is likely to be incorporated in the results arising from the use of the materials
- restrictions on the recipient’s use of the material
- recipient’s obligation to confidentiality and freedom to publish
- provider’s rights to recipient’s inventions and research results
- provider’s access to reports and publications
- liability, indemnity and warranty implications
- transport of materials
- health and safety aspects
- ethical aspects if appropriate.

MTA agreements are legally binding documents, meaning that they might be enforced in court. MTAs are legally binding documents and are prepared with the OU as the legal entity and not with the individual researcher. These agreements are assessed and signed by Commercial Legal Services, but the Enterprise Support Team can assist you in their preparation.

8.0 Publications (commercial considerations)

Information received in confidence cannot, without specific written permission, be used in publications and released into the public domain. This includes research articles, thesis work, conference presentation and information for websites. To prevent the disclosure of confidential information, sponsors may wish, and might already have, legal rights, to review and amend publications before they are submitted for dissemination, to ensure the proposed publication will not compromise future ability to secure such rights and jeopardise business confidentiality.

Sponsors may wish to keep certain information confidential and this can raise issues for the publication of research theses. Whilst it is possible to restrict access (embargo) theses for a certain period of time, this will need to be discussed on a case-by-case basis. Often such positions are mediated by finding a compromise, such as agreeing to delay publication for a specific period, or omitting certain results, or re-phrasing paragraphs of the proposed publication. The Enterprise Support Team will can advise on the best possible solutions and assist with the negotiation with third parties.

It is very important that everyone working on a project understands the arrangements for confidential information and for publication. These arrangements are often formalized via a legal agreement, signed by both the OU and the sponsor, at the beginning of the project.
If you are planning to have discussions involving confidential information please contact the Enterprise Support Team who will support you in putting a confidentiality agreement in place. Please note that all agreements must be signed by the Commercial and Legal Services team (CLS), which has signatory authority on behalf of the University. If a legal agreement is signed on a personal capacity, it will not be recognized by the University and will be invalid.

9.0 What is a collaboration agreement?

Collaboration agreements are legal documents which govern the formal relationship and expectation of two research organizations, in the context of a research project. Such documents are important where academic researchers from different institutions engage in discussions about their research and projects and may include the exchange material, information, personnel (e.g. postdocs, students PIs), for a short period of time. These agreements involve no direct funding, as each party contributes to the project with its own resources, or when the funding body awards individual awards as part of a collaborative project to multiple institutions, as part of a jointly submitted proposal.

Collaborative agreements should be implemented at the early stage of collaboration to set expectations. collaboration agreements typically include the following broad sections:

- scope of work
- intellectual property provisions, including confidentiality, background and foreground ownership and management, publication
- indemnity, warranties and liabilities and other legal provisions.

Commercial Legal Services can provide assistance with the drafting and negotiation of a suitable agreement, tailored to your project, context and needs. As all the University legal agreements, MTA agreements will be made with the OU as the legal entity and not with the individual researcher. Such agreements are drafted, negotiated and signed by Commercial Legal Services, but the Enterprise Support Team can assist you in this activity, especially in assessing the intellectual property risks, implications and impact on the wider research. Setting up agreements that have not been signed by approved University signatories will result in the agreement not being recognized by the University.

10.0 What is a research agreement?

A research agreement is a legal agreement between an external party and the University, where the external party is directly funding a new piece of research. As with other legal documents, research agreements set the framework of work, and legal and financial expectations among the involved parties.

11.0 What is a licence?

A licence is a ‘permission’ to do certain acts, under certain terms and conditions.

Licences can be issued free of charge or upon payment. Licences can be issued on an exclusive basis to only one licensee, or on a non-exclusive basis, to a number of licensees. An exclusive licence will generally attract higher fees than a non-exclusive one, as it creates an advantageous monopoly position for the exclusive licensee.
A licence deal might include a single financial transaction (such a lump sum) or a complex financial arrangement, including, for example, milestone payments, patent fees and renewals payments, royalties on production, sales, or distribution. The financial structure needs to be tailored to the project, context and future commercial expectations.

When licensing intellectual property from the University, the University strives to retain the right for academics to continue to use their own intellectual property for teaching, research and other academic purposes.

**12.0 Contact**

The Enterprise Support Team is available to provide you with more information on any topic covered in this handbook.

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