# Research and Enterprise Intellectual Property Policy

## Contents

1.0 Scope of Research Intellectual Property Policy 2

2.0 Principles 2

3.0 Responsibility and Confidentiality for Research IP 3

4.0 Ownership of Research IP 4

   Students 5

   Affiliated Research Centres 6

5.0 Protection and Exploitation of Research IP 6

6.0 Sharing of Research IP Licensing Income 7

7.0 Open Access Research Intellectual Property 8

8.0 Disputes over Research Intellectual Property 9

9.0 Appendix A 9

   9.1 List of Research IP Referred to in this Policy 9

   9.2 Alignment with existing Policies: 10
1.0 Scope of Research Intellectual Property Policy

1.1 This policy sets out The Open University’s position on the development, protection, exploitation and ownership of Research Intellectual Property (IP), by which is meant IP that arises from all types of scholarship and is not copyright in teaching activities (see para. 1.2). It considers the sharing of net income from licensing activities with the person(s) that generate the intellectual property (“the Originator”) and The Open University (“the University”). This policy applies the widest possible concept of IP from all fields of intellectual activity (literary, artistic, dramatic, industrial, scientific, social and engineering fields) (Appendix A). Two types of IP are referred to in this policy document: newly generated IP that is created in a particular project or activity (“Foreground IP”), and IP that has been created prior to a particular current project or activity (“Background IP”).

1.2 This policy applies to full or part-time students studying for a research degree under a student agreement (“research students”) and all “employees” of the University including academic staff, academic related staff, research staff, support staff and visiting, honorary and emeritus role holders and personnel in collaborating organisations who are under an OU contract of employment, signed agreement or letter of appointment. Research data, except that related to patents, is not covered by this policy (see para. 4.5). Copyright in Teaching Activities is not covered by this policy and reference should be made to Learning and Teaching Solutions (LTS) for guidance in this respect.

1.3 This policy supersedes The Open University Intellectual Property Management Policy and Procedures 2002 and is aligned with existing policies and terms and conditions of employment. Additional information and practical guidance in support of this policy can be found in the revised ‘Open University Research and Enterprise Handbook 2013’.

2.0 Principles

2.1 In accepting public funding the University has an obligation to protect and exploit appropriate IP for social and economic benefit. When working with external organisations, The University will abide by contractual arrangements concerning protection and transfer of IP that are explicit or negotiated conditions of the funding.

2.2 The University’s key objectives regarding intellectual property are to:

a) Optimise the creation of Research IP, encouraging innovation and knowledge exchange that has public benefit;

b) Maximise The Open University’s competitive advantage through its Research IP;

c) Build value (financial and non-financial) from its patent portfolio;

d) Operate a fair system of licensing income distribution that recognises the interests of the Originator and The Open University;

e) Effectively support Research IP exploitation;

f) Ensure that we do not infringe the IP rights of third parties.
When the University’s funds, facilities, personnel and other resources are used for the creation or exploitation of IP, it must ensure that it complies with the rules on State Aid. ¹

2.3 This IP policy will be checked annually and be reviewed every three years, or earlier if there are any external changes in IP law and regulations, to ensure that it is in alignment with the University’s strategic plan and developments in national and international regulations regarding Research IP protection. Oversight of Research IP at the University is vested in the Intellectual Property Research Advisory Group (IPRAG; comprising the Pro Vice-Chancellor (Research, Scholarship and Quality), the Director of the Research, Scholarship and Quality Office, and the Head of Research and Enterprise), which is chaired by the PVC-RSQ.

3.0 Responsibility and Confidentiality for Research IP

3.1 Effective management and exploitation of the University’s IP can take a number of forms: filing and licencing patents, often in conjunction with key commercial partners; making research available through an open source or creative commons licence (see section 7); and negotiating access to IP in collaborative agreements with third parties. The OU’s approach to IP is to ensure a balance in its consideration of economic, social and reputational benefits.

3.2 For potential commercially exploitable Research IP, reasonable steps should be taken to maintain confidentiality prior to registered protection. Whilst copyright and trademarks are unaffected by public disclosure, public disclosure of patentable inventions will limit or preclude the University’s ability to protect them. Adequate records and notes of the development of patentable inventions (reports, notebooks, data, designs etc.) should be kept in compliance with the University’s Code of Practice for Research.

3.3 The key responsibilities are:

a) Research and commercial collaborations with third parties that are conducted under contract will often include a section on research intellectual property rights (“IPR”) and such contracts should be in place before work commences to avoid issues of IP ownership. The need for such contracts is also a general condition of awards from most funders.

b) Employees and research students who have identified potential exploitable IP should contact the Research Scholarship and Quality (RSQ) office to discuss the opportunity, which will lead to a joint decision about how best to exploit the opportunity; this would typically take no longer than 1-2 weeks.

¹ “State Aid” any aid from a public authority (or publically-funded body) that provides an advantage to a selected entity or entities (or which favours the production of certain goods) and which has the potential to distort competition and affect trade between member states of the European Union. Please note that “aid” is not limited to the provision of financial assistance and can include the provision of goods or services at below market value. Should you have any concerns around State Aid rules, please contact Commercial Legal Services (mailto:finance-comm-legal@open.ac.uk) for guidance.
c) Successful exploitation of IP will depend on joint promotion and support from the Originator and RSQ office in attending meetings with potential licensees or investors, and advising on further development opportunities.

d) It is important for the University to understand what ‘Background’ IP is being used in specific projects, particularly if we need to assign our IP to a third party, and that the necessary permissions or licences for usage are in place. RSQ will support employees and research students to ensure that there is a clear picture of IP for their projects.

e) If there is the potential for patentable ideas emerging from your research, detailed research information should not be provided to third parties except under a non-disclosure agreement (NDAs). The RSQ office will support researchers in the preparation of NDAs.

4.0 Ownership of Research IP

4.1 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. In alignment with the OU’s “employees’” terms and conditions (Section 19 a-c)/terms and conditions of service for visiting academics (Section 9 a-c) the following policies apply:

a) 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.

b) 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 ‘Foreground’ 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.

c) In the case of academic related staff (ARS), copyright in all material written during the course of his/her duties are owned by the University (sections 17-19 of the ARS terms and conditions of service).

d) For Open University academic staff who may have an honorary appointment at other institutions, it is important that, where appropriate, an agreement is in place between the OU and the other institution concerning intellectual property.

2 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.
4.2 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 accords with the University’s terms and conditions of employment for “employees” (Section 22; Appendix E for support staff)/terms and conditions of service for visiting academics (Section 12).

4.3 When the University decides that it will not file a patent or maintain registered protection of its IP, the Originator may request a ‘release of invention.’ If such release does not violate the terms of external funding agreements and is in the best interests of the University, it may agree to waive all rights that it holds to the Originator. This will be conditional upon:

   a) Reimbursement to the University of a reasonable proportion of associated expenditure and fees incurred by the University;

   b) Granting a royalty free non-exclusive licence to the University to use the invention for research and teaching purposes.

4.4 When a member of staff leaves the University’s employment, ownership of patented inventions created during the period of employment will normally be retained by the University. However, the University will not seek to restrict the use of patentable inventions which it has not previously exploited, and permission to exploit such IP will not normally be withheld upon written request. Where IP is transferred to a new owner (“assignee”), any contractual obligations with respect to dissemination, use and granting of access rights will also pass to the assignee.

4.5 Employees, in conjunction with the University, are responsible for collection, management and retention of research data in compliance with the University’s requirements for research data management. In the case of data retained in support of patent applications, the data must be retained for the lifetime of the patent (up to 20 years or until the patent is lapsed).

4.6 Ownership of IP is clearly defined in contracts and collaboration agreements and will cover:

   a) Ownership of Foreground and Background

   b) Licences to Foreground and Background IP where appropriate

   c) Assignment of rights to commercialise IP where appropriate

The terms of such agreements may be negotiable, but many collaborators and funders will not deviate from their standard conditions relating to IP.

**Students**

4.7 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.
4.8 Copyright in scholarly work such as journal articles, personal notes (excluding Research/laboratory notebooks), theses, dissertations, books and monographs is owned by the student.

4.9 IP created by research students purely in a personal capacity without use of the University’s facilities or resources is owned by the student.

4.10 IP 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 IP to the University so that it can be exploited for the benefit of all concerned. Taught students will benefit from the same licence income revenue distribution as employees and research students if the IP is subsequently licensed to a third party.

**Affiliated Research Centres**

4.11 Ownership of Background IP remains the property of the partner institution (“Party”) that contributes it to the OU Research Degree Programme (“Programme”). It is expected that each Party grants the other a royalty-free, non-exclusive licence to use its Background IP for the purpose of carrying out the Programme.

4.12 Students based at Affiliated Research Centres are required to make a written declaration on registration with their Affiliated Research Centre whether they will be assigning any IP generated during the course of their work on the Programme to the Affiliated Research Centre or to the University.

4.13 Where IP is assigned to an Affiliated Research Centre and the University has contributed either financially or intellectually to any exploitable IP, then the Affiliated Research Centre will negotiate with the University a suitable revenue share agreement which will reflect the contribution of each Party to the IP.

4.14 Each Party grants to the other Party a royalty-free, non-transferable, non-exclusive licence to use its Foreground IP arising from the Programme for their own non-commercial activities such as teaching and scientific or clinical research. If commercial use of a Party’s Foreground or Background IP is required, then the Party will grant a licence on fair and reasonable commercial terms to be agreed.

**5.0 Protection and Exploitation of Research IP**

5.1 The University will only exploit IP that it recognises, in conjunction with the Originator, as having commercial potential or social impact; other IP can be made available under an Open Source or Creative Commons Licence providing there are no commercial or ethical reasons for further restriction (see section 7). Commercial potential and patentability will be assessed on the basis of a range of criteria, such as ability to protect, market readiness, demand, impact, competition, public benefit, cultural importance and likely costs versus return. Some forms of Research IP require active steps to be taken in order to obtain protection (e.g. patents, registered trademarks and registered designs). Other forms of Research IP are protected on creation (e.g. copyright) but still require appropriate management in order to maximise the protection available (proprietary material made publicly available should include a copyright notice).
5.2 Routes to IP protection and exploitation are as follows:

a) Research IP may be commercially exploited by a number of vehicles such as: joint ventures, spin-out companies, consultancies, contract research, collaboration agreements, licencing agreements, Knowledge Transfer Partnerships/Knowledge Exchange Vouchers, or through CASE studentships or similar industry-related schemes.

b) Decisions concerning whether to file a patent will be made promptly to ensure that publication opportunities are not restricted, but can take up to 12 weeks when external advisors/patent agents need to be consulted, and will be in line with our Open Access requirements.

c) In the case where Research IP is jointly owned by the University and a third party, the University, in consultation with its Originator, will negotiate with the third party to agree the terms of IP protection and exploitation.

6.0 Sharing of Research IP Licensing Income

6.1 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 IP belongs to the University. However, there is a commitment to grant an equitable share of the net IP income to the Originator.

6.2 The allocation of net income will be calculated based on income bandings. The percentage of net IP income allocated to the University will increase as net income increases. This will enable the University to attribute IP income to the appropriate University Faculty/Institute.

6.3 Net income from research patent or software licensing activities is calculated as gross IP income recognised for that activity over a defined period less all associated attributable costs over the same period. The costs may include, but are not limited to, expenditure for external advice, patent fees, income tax deductions, employer and employee national insurance contributions, recovery of University investment, associated university indirect costs, any other committed costs used in the commercialisation of the IP and any payment due under a revenue sharing agreement to a third party involved in the research leading to the invention.

6.4 The University will complete an annual review calculation and apportionment of IP income for each on-going licenced IP. On apportionment, each banding will be applied, in turn, against the net IP income until the total available net income has been fully apportioned.

6.5 The apportionment of net IP licensing income is shown in table A.
### Table A: Apportionment of net IP licensing income

<table>
<thead>
<tr>
<th>Band</th>
<th>Net IP Income</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>

**6.6** The University does not accept any liability if the Research IP licensing return is lower than expected. However, the University underwrites all IP losses and will carry forward unrecovered losses on specific IP projects. Apportionment of net IP income can only take place once all attributable costs and carried forward losses have been recovered.

**6.7** In cases where the Originators cannot reach an agreeable allocation of net licensing income based on their relative contributions, the University will decide through IPRAG and after consultation with the Originator, what the allocation will be.

**6.8** Payment entitlement for staff and students under this policy will continue should he/she leave the University. In the event of death, the entitlement will continue for the benefit of his/her estate.

**6.9** It is the responsibility of the Originator or their beneficiaries to notify the University of any changes in address. If a current forwarding address is not available, any unclaimed funds will be retained by the University for a period of 5 years. Any income payments remaining unclaimed after the five year period will be forfeited and revert to the University.

**6.10** Any payment made by the University to an employee, ex-employee, beneficiary or student will be subject to the deduction of income tax and employees’ National Insurance contributions at source as appropriate and VAT and sales tax will be in line with any future changes in HMRC regulations. For payments to individuals residing outside the United Kingdom, further deductions may be applicable subject to country specific legislation.

### 7.0 Open Access Research Intellectual Property

**7.1** In line with The Open University’s mission of making its research publicly available, barring IP that is to be commercially exploited, or is restricted by an assignment/transfer agreement or ethical consideration, all IP may be made available under an Open Source or Creative Commons Licence. The RSQ office can provide advice and support on the most appropriate licence and the suitability of specific research for such dissemination. In the case of patentable discoveries where the market is too uncertain or the risk too high for the University to commit significant early investment, or for patents unlicensed after significant marketing effort (time, money, resources), such IP can be made available to third parties free of charge under an Easy Access IP Licence (managed by the RSQ Office). The University will still enjoy a
royalty-free, non-transferable, non-exclusive licence to use such IP for teaching and research activities.

8.0 Disputes over Research Intellectual Property

8.1 In the event of a dispute over IP between an employee or research student and the University, in the first instance an attempt will be made to resolve the dispute by informal discussion and reference should be made to the Academic Staff Terms and Conditions (employees) or Research Students Agreement/Research Student Handbook (students). If unsuccessful, the Originator or representative of the University may refer the dispute for an appeal meeting to IPRAG, set up in accordance with Academic Staff terms and conditions (section 21). Human Resources will be consulted and informed of the outcome of the informal/formal discussions and, whenever possible, a member of Human Resources will attend the meetings.

9.0 Appendix A

9.1 List of Research IP Referred to in this Policy

For the purpose of this document, IP includes but is not limited to:

a) Patents.

b) Trademarks or Brands arising from research.

c) Registered/Non-registered Designs.

d) Copyright:

i) Research applications such as computer software, programs, algorithms etc.

ii) Databases, datasets, software and its documentation (including micro-code, subroutines & operating systems and circuit topography)

iii) Research information on The Open University website, iTunesU, Facebook and YouTube

iv) Research Films, Videos and Recordings made with or without the aid of University

v) Facilities

vi) Artistic works arising from research including photographs and performances

vii) Plant Breeders’ Rights

viii) New tools/measures (such as the Patient Health Questionnaire [PHQ-9] Depression Screener)

e) Copyright in software emerging from teaching or research activities will be owned by the OU as described in section 4. If there are opportunities for exploiting software other than for teaching, this will be undertaken as described in section 5.
9.2 **Alignment with existing Policies**

University employees should refer to their individual contracts of employment. Research students should refer to the Research Student Agreement, the Research Student Handbook and the Regulations for Higher Degrees. Visiting Academics should refer to the general conditions of service during a visit to The Open University.