The creation of intellectual property is a major University objective.
The University of Manchester regards the creation of intellectual property (IP) as one of its major objectives, complementary to the core objectives of knowledge creation, scholarship and learning. The University has a duty to develop policies and support services which create the best possible environment for IP to be created, developed and to be transferred into practical use. The central features of these policies are:

> effective and efficient university services which can evaluate and protect IP and then, in the context of each circumstance and opportunity, decide on the most appropriate way to bring about its use; and

> arrangements for sharing any commercial returns from IP commercialisation projects which provide for generous rewards to the originators of the IP.

The University's IP Policy deals with the ownership, protection and commercialisation of IP created by employees and students of the University, as well as the interface with others who may fund or collaborate with the University in the creation of IP. Our IP Policy was particularly praised in a recent government report on IP. It is important that all staff and students have at least a general understanding of what the IP Policy says and how it affects what they do, whether in relation to the IP you create yourself or in relation to your supervision or collaboration with others.

The IP Policy is necessarily quite a detailed document and we recognise that not everyone has the time to read it in full, or may only want to access the detail at a time when they have an issue to address. We have therefore created this Guide to provide you with a brief, user-friendly overview of the key issues relating to the IP Policy. Remember though that this is just a guide and it is not a substitute for looking at the IP Policy when you are dealing with specific issues relating to IP. The University of Manchester Intellectual Property Limited (UMIP), which acts as the University's agent in dealing with IP protection and commercialisation, can provide clarification and advice on any aspects of the IP Policy.

I encourage everyone to read this Guide and to refer back to it whenever you need general guidance on the University's IP Policy and how it affects you. You can access the IP Policy here: http://documents.manchester.ac.uk/display.aspx?DocID=487. The main thing is for you to continue the creative and innovative work for which the University is renowned.
WHAT IS INTELLECTUAL PROPERTY?

What is IP? IP is a term used to describe the various rights which protect your ideas and other forms of intellectual creation. There are several types of IP rights which protect different types of creation. Some of these rights, such as patents, have to be registered to be effective whereas others arise automatically. IP can be split into six main categories as illustrated opposite.

The creators of copyright works have some additional rights called “moral rights”, such as the right to be named as the author of the work. These are personal rights which are not strictly IP, but you may sometimes come across them.

You may also have seen the terms ‘background IP’ and ‘foreground IP’ being used in research contracts. You have to look at exactly how they are defined in the contract, but, generally:

> “background IP” is any IP belonging to one or more of the collaborators which already existed when the project started, but which may be relevant to the subject matter of the project; and

> “foreground IP”, on the other hand, is the IP that is generated by the research and its ownership will be determined by the terms of the research contract.

A more detailed description of the different types of IP, together with some practical examples of the sorts of things that they protect, are set out in the University’s intranet IP Awareness Resource www.manchester.ac.uk/ipresource and ‘IP and Confidentiality: A Researcher’s Guide’ which is available via the Resource and the UMIP website www.umip.com.

Patents
protect inventions for products or processes. The invention must not have been thought of before, must be inventive and must be capable of industrial application. You have to apply to the Intellectual Property Office (IPO) to register a UK patent. Patents can last for up to 20 years.

Copyright
protects things like written works, diagrams, charts, computer source code, photographs, music or even performances. Copyright arises automatically once your idea/knowledge has been recorded in some permanent form. There needs to be some element of creative effort involved and the work must not be copied (substantially) from another work.

Database Rights
protect a collection of works or data (e.g. results, samples or patient information) which have been systematically arranged and are accessible electronically or by other means. Database rights arise automatically and there is no need to register them.

Know-How
is any secret, technical information or knowledge which is valuable and identifiable, including results, experimental techniques, scientific methods or formulae, chemical structures, etc. This is not strictly a form of IP, but is equally important.

Design Rights
protect the shape and appearance of 3D objects and the surface decorations applied to them, e.g. laboratory equipment, the design of a teapot and designs on textiles or wallpaper. Some design rights can arise automatically and others can also be registered with the IPO.

Trade Marks
protect brands. KELLOGG’S, MARS, ORANGE and BLUETOOTH are all successful trade marks. Their value lies in their ability to guarantee the origin and quality of the products they relate to. Trade mark rights can arise automatically and can be registered with the Trade Marks Registry at the IPO.

Today’s communication technology is based on the work of Tom Kilburn and Freddie Williams, who developed the world’s first modern computer at The University of Manchester.
Many people may be involved with the work that leads up to the creation of IP and the work that subsequently reduces it to practice. They can be University staff and students or collaborators from elsewhere, such as other universities, NHS Trusts or commercial companies. Many of the people involved in the process will not own any of the IP that is eventually generated. Just supervising someone else’s work, for example, will not in itself give any rights to IP.

The legal rules about ownership of IP are different for employees of the University and non-employees such as students, consultants and employees of other bodies. This Guide therefore looks at the ownership of IP in three sections, dealing with University employees, students and others separately. You can, of course, go to the section which is directly relevant to you. However, it may be that, if you are supervising students or collaborating with others, you need to look at the other sections as well.

It is your responsibility to ensure that any arrangements which you may have with others about IP you have created do not conflict with your obligations to the University under the IP Policy. This will apply in particular to consultancy agreements and sub-contracting arrangements with other institutions and to any arrangements which you make with third party publishers.

The University of Manchester consistently receives a high number of intellectual property (IP) and invention disclosures from its research and related staff members.
Why the University owns IP

There are many obligations imposed on the University. Some of these arise from its status as a charitable institution which means that it needs to protect its assets (including IP). It cannot just give them away for free, unless it is satisfied that those assets will be used to further its charitable objectives. For example, the University could not simply “hand over” a valuable new invention to a company, but it could give away teaching materials in support of a literacy project. Other obligations may arise through grant conditions imposed on it, or through contracts which it enters into to fund aspects of its operations, such as research.

As a result, the University needs to be able to control the IP which it creates. Of course, what “it creates” is in fact created by you as its employees. There are some situations where it is possible to disseminate IP freely or transfer it to you as its creator, whilst still meeting the University’s objectives. The IP Policy governs all of this.

As a matter of law generally, all the IP which you create in the course of your employment will automatically belong to the University as your employer. The IP Policy simply reflects this. Moral rights also do not arise in relation to works you create in your role as an employee of the University. Performers’ rights are personal rights and you give the University a licence to use these for its administrative, promotional, educational and teaching purposes.

Q - What counts as being in the course of employment?

A - We all have outside interests. The University recognises that not everything you do in life is in the course of your employment. So, what does this legal phrase “course of employment” mean? There is no absolute definition, but it would depend on your job as described in your contract of employment and how that had developed over the years. Deciding what is or is not part of your job description is therefore not just a question of what you do on and off University premises, or what you do from 9am to 5pm. Clearly, if you work as a researcher in the Dept of Chemistry and write a crime novel at home on a Sunday, you have not written that novel in the course of your employment (even if the victim is poisoned).

Since 1895, 25 Nobel prizes have been awarded to University staff and students; most recent laureates are Andre Geim and Konstantin Novoselov for their work on Graphene
There is one specific situation when the University will own IP which you have created even if this was done outside the course of your employment. This is where you create IP in your own time, but make more than incidental use of University resources. As a charitable institution, the University cannot simply allow members of staff to use its resources for their own private purposes. Use of University funds, equipment or consumables, another University employee (during his/her paid working time) or use of the University's name are all likely to count as “more than incidental” use of University resources. In such cases, you must transfer that IP to the University. A sensible approach is taken, though and, for instance, limited use of your PC and personal office equipment will not count as “more than incidental” use.

Most IP which is commercialised by the University is not created by just one individual; it is usually the result of contributions from a team of people. Any one or more of those people could have created the relevant IP. It is therefore much easier logistically when it comes to commercialisation for all the IP to be held by the University. It is also more attractive for outside bodies to be dealing with just one entity. Some collaborators may not even want to deal with the University unless it can offer them some degree of exclusivity over the IP and the University will not be able to do that unless it owns all of the relevant IP.

It is also unlikely that you would have the funding, resources or business contacts to commercialise the IP yourself. The University and UMIP are there to help with this, to ensure that the best possible use is made of valuable IP. The originators of IP are also generously rewarded through the University's revenue sharing policy, which is detailed in 'Revenue-sharing' p30.

The process for assessing IP and deciding whether to commercialise it is detailed in ‘What can I do with the IP I create?’ p22 and 'The Commercialisation Process' p26.

Scholarly Materials

The University recognises that there are some materials that you create in which it does not need to own the IP, despite its many obligations. The main items are what the IP Policy describes as ‘Scholarly Materials’. These are materials which you produce in pursuit of your academic or teaching interests, as supported by the University. Some common examples of Scholarly Materials would be academic journal articles and text books which you write for general publication. The University generally waives its ownership of the copyright in Scholarly Materials.

Q - I have written an article for publication in the International Journal of Nuclear Energy Science and Technology describing my invention for radiation shielding, in respect of which a patent application has been filed by the University. Does this mean I own the patent?

A - The article would usually count as Scholarly Material and so the University would waive its ownership of the copyright in the article itself. However, it does not waive ownership of other IP which may be described in the article, such as the invention or any patent that is granted in respect of it. This would apply equally to an article about software that someone had created: the University would not waive its ownership of the copyright in the software, only in the article.

The only occasions when the University does not waive its ownership of the copyright in Scholarly Materials are when:

> the materials were created with more than incidental use of University resources;
> the materials were created as part of sponsored research or other agreement with an outside body; or
> publication of the materials in question might bring the University into disrepute (as naturally it would wish to prevent this).

In return for its waiver of copyright, you grant the University a licence to use the IP in your Scholarly Materials for its administrative, promotional, educational and teaching purposes. You will need to make this clear to any publisher of the Scholarly Materials since they may ask for exclusive rights over them. If you produce Scholarly Materials in collaboration with individuals who are not University employees (such as academics from other universities), you will need to make sure that those collaborators also grant a licence to the University to use in the same way those parts of the Scholarly Materials that they have created.

You need to be aware, though, that Scholarly Materials do not include Teaching Materials or University Materials.

UNIVERSITY EMPLOYEES
Teaching Materials and University Materials... are owned by the University. So, for instance, if you write a text book which includes text from some Teaching Materials which you created, then that part of the text book will be owned by the University. If you want to do a deal with a publisher relating to the text book, then you would need the University’s consent. It is therefore much simpler not to include any material that is taken from Teaching Materials or University Materials, to avoid problems later on.

Teaching Materials... are materials which are primarily intended to be used or accessed by students for the purposes of any course of study they are following. It does not matter what format the materials are in. They can include demonstration equipment or models. Nowadays, as the University is using more electronic delivery, it will include not only hard copy materials such as lecture notes, but also things like software supporting a teaching resource and audiovisual materials. Teaching Materials are dealt with below in more detail.

University Materials... are those which are produced for administrative purposes, such as student and staff recruitment, or any other University purpose. They also include any item created by an employee of the University whose job description specifically includes the creation of printed or electronic materials.

Teaching Materials... When you are creating Teaching Materials, it is up to you to identify copyright material that belongs to someone else and to get their permission to use it. Alternatively, if the University agrees, you can give the University enough information so that it can get the permission itself. The University can also require you to omit any such material from your Teaching Materials if there are any issues relating to its ownership. There are some exceptions under copyright law which allow “fair use” of other people’s copyright material for certain purposes. The best practice rule, however, is to always seek the copyright owner’s permission first. It is also advisable to keep a record of all materials used and their sources, in case these need to be checked later.

Case Study...
Dr Canterbury has put together a package of Teaching Materials. As part of the Teaching Materials, he has downloaded and copied various items from the BBC News and Sky News websites to show how history develops. Dr Canterbury is not worried about the copyright in them as he knows there are exceptions permitting educational use.

There are certain exceptions for educational use, but they have various rules and conditions that go with them. There are also limits on the amount that can be copied in any particular quarter. Another rule is that the exceptions do not apply if licences are readily available from the copyright owner, which they would be from the BBC and Sky. The exceptions are complicated and it is dangerous for Dr Canterbury to rely on them unless he is completely sure that they apply. Otherwise, the University and Dr Canterbury could both be infringing copyright, which is a serious matter.
**Starters/Leavers**

Remember that if someone is arriving at the University, they may bring with them IP that has been created elsewhere. In some cases, that IP could even be one of the main reasons for recruiting the individual. Similarly, if someone leaves, you need to think about the IP which they have already created, to ensure that it is not “lost” when they leave if it belongs to the University. Supervisors and Heads of School should therefore be alert to such issues. There are also provisions in the IP Policy to address these situations.

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Case Study...

You are a Head of School. Prof Burkhardt has decided to leave the University. You are in luck, however, as the renowned Prof Grosvenor (an up-and-coming academic from Northland University) has agreed to replace Prof Burkhardt when she departs later this month. What needs to happen under the IP Policy?

Before leaving the University, Prof Burkhardt must give you, as her Authoriser, any physical representations of IP that she has created during her time at the University. This will mainly be one copy of written materials but could include things like examples of any equipment she has devised. She will also need to hand over any research materials such as her lab notebooks. This would also cover any Teaching Materials and University Materials she has created. If the University agrees, she may retain a single copy of the Teaching Materials for her own personal use and non-commercial teaching and research purposes (perhaps in her new teaching role). However, if the Teaching Materials are subsequently updated by someone else, she cannot use the updated version.

Prof Burkhardt must deposit a copy of any Scholarly Materials she has produced, in all formats in which they have been produced (such as hard copy and electronic copy).

Prof Grosvenor will no doubt have created some teaching materials at Northland University and may wish to continue to use these in his new role. The University does not own them, so it needs to be sure that Prof Grosvenor has the right to use them. They might belong to Northland University, or to someone else.

Before he starts at the University, Prof Grosvenor must complete a Teaching Materials Declaration form which is set out in Annex 5 of the IP Policy. This will:

- give details of any teaching materials that he is bringing with him and ask him to confirm that he is authorised to use them at the University; or
- ask him to confirm that he is not bringing any such materials with him for use at the University.
The starting point is always that you own the IP which you create as a student of the University. If you are also an employee, because, for instance, you are a Knowledge Transfer Partnership Associate, then the rules relating to employees will apply to you in that regard.

If you are being sponsored through your course by an outside body, or you are employed by an outside body which is paying for you to do your course, then you need to check the terms of the contract between you and the outside body. It could be that such contract gives the outside body ownership or other rights over your IP.

There are some circumstances where the University needs you to transfer ownership of the IP which you create to the University. These are relatively limited and mainly relate to circumstances where the University has to enter into a contract with another body to secure the investment or contract that is necessary to fund your work.

This will apply, for example, where you wish to have any form of sponsored studentship and the sponsoring body is to have rights in relation to the IP which you might create (such as under an Engineering Doctorate Programme). Before the University can allow you to take up the studentship, you must agree that the IP arising out of it will initially belong to the University. You will do this by transferring that IP to the University using a standard form of IP Assignment, which is set out in Appendix 2 of the IP Policy. Likewise, if you want to participate in a wider research programme or project which will be funded by an outside body, you will have to agree to transfer your IP arising from that programme or project to the University before you can participate in it.

The University also recognises that, from time to time, a student may work in collaboration with University employees on research (whether externally or internally funded). If commercialisable IP comes out of the research, it would not be fair to the other participants if one person was able to stop potentially valuable commercialisation by “hanging on” to their share of the IP and refusing to cooperate. For this reason, before you participate in such research, you must agree to transfer any IP you may create to the University.
Transferring your IP to the University does not mean that you lose out. If you do happen to create some IP which can be commercialised, any return which the University is able to make from that IP will be shared with you in the same way as the University shares profits from IP are set out in ‘Revenue-sharing’ p30. Ultimately, the University’s priority is to secure the sponsored studentship or research programme or project for you and there may not be any other (financial) returns on the IP.

The University is a charitable institution, which means that it has a duty to protect its assets and resources and cannot just give them away for free. If you want to use the University’s resources or facilities, otherwise than for your course work, then they have to be paid for, or the University has to get some other form of return. Therefore, if you create IP outside your course work using University resources (other than incidental use), then that IP must be transferred to the University. The use of University funds, equipment, consumables, employees or the University’s name all count as use of University resources.

Case Study...
Peter is studying English at the University. He could do with some extra cash to meet his beer bill. He has a great idea for a social networking site. Using the University’s IT system and equipment, he sets up a website. Other students who become members on his website will get discount vouchers for certain evenings at some local bars. He has done a deal with the bars to sponsor his website and pay him based on their increased profits on the “voucher” evenings. Peter’s business features in the Manchester Evening News.

Peter has been very entrepreneurial, but he has used University resources to create the IP in the website and so it will belong to the University. He will need to speak with UMIP so that this can be resolved.

As you usually own your IP, the University needs your permission to be able to use it in certain circumstances. For instance, the University may want to use extracts from student works to promote the University. To allow the University to do this, the IP Policy provides that all students give the University a licence to use the IP they create in the course of their studies, for the University’s administrative, promotional, educational and teaching purposes. For example, this licence allows the University to place your degree thesis or dissertation in its institutional repository. Before leaving the University, each student must also deposit with the University a copy of all materials containing IP which they have licensed to the University.

Case Study...
The University’s Music Department wants to promote its work using music composed by its students. The students own the copyright in their music, but the University can use the music for this promotional purpose as it has a licence to do so. It cannot produce a CD of the music for commercial purposes.

The results of the 2008 Research Assessment Exercise confirm that The University of Manchester, compared with other leading universities, is a genuine research powerhouse both in the UK and further afield.
There is a whole range of individuals who work at or with the University, but who are neither University employees nor students at the University. They will include visiting academics, individuals with honorary appointments at the University, people employed by organisations which are collaborating with the University and independent consultants. It is important that, if you are working with these individuals, you have checked that there is an agreement in place between them, or their employers, and the University. This is to make sure that the parties have agreed who will own any IP created by that individual, so that no problems arise in the future. It is also important that any issues about confidentiality have been discussed and agreed in advance (see ‘Confidentiality’ p28).

Likewise, there may be individuals who split their time between the University and another organisation (such as an NHS Trust) and who are employed by both institutions. The ownership of IP created in these circumstances will generally depend on which course of employment the IP was generated in. So, if a University academic develops a new drug in the course of employment with an NHS hospital, then the IP in the drug will most likely belong to the hospital. On the other hand, if IP is created by a University researcher who is on sabbatical leave at another organisation, but who receives a salary from the University, then that IP would usually belong to the University. This may not always be the case though, so it is always helpful to have something in writing to clarify and confirm the position.

By 2015, The University of Manchester aims to be among the best universities in the world
WHAT CAN I DO WITH IP THAT I CREATE?

For IP to be of any value, you need to consider whether it is adequately protected and how it can best be put to practical or commercial use. Remember that even the most brilliant new inventions and ideas will only make a difference to innovation and lead to economic impact once they have been "brought to life" through effective commercialisation or knowledge transfer. Revenues earned from such IP can also be re-invested into the Schools that generated it, which benefits all members of the University.

The University therefore actively encourages the commercialisation of IP, although it will not support any IP-related project or contract which contravenes its social or ethical policies or which might adversely affect its reputation.

UMIP

The reputational and financial rewards from commercialisation can be substantial, but the process requires careful management, often over a long period. UMIP plays a central role in identifying potentially commercialisable IP to UMIP (this does not include Teaching Materials). UMIP will assist you in completing a Disclosure Information Form which is set out in Part 1 of Appendix 1 of the IP Policy. If you are not sure if the IP is commercialisable, then just assume that it is and make a disclosure. The Disclosure Information Form is very short. A more detailed form (known as an ‘Invention Record’ and which is set out in Part 2 of Appendix 1 of the IP Policy) will only need to be completed if UMIP thinks your IP has commercialisation potential.

The University recognises that it is not always appropriate to commercialise IP. Sometimes, it is in the best interests of the University’s social mission or knowledge transfer to make it public. The key is always to check first. Where you have created IP which is owned by the University and you want to publish it, you must discuss and agree the position with the person who is your ‘Authoriser’ under the IP Policy. For most people, this will be your Head of School. If the IP has been created with the support of an outside body, then you must also agree the position with UMIP or the University’s Contracts Team. This gives the University the opportunity to check the contract with the outside body to make sure that there are no issues with publication (such as in relation to confidentiality).

Disclosure

Under the IP Policy, all employees have to disclose any potentially commercialisable IP to UMIP (this does not include Teaching Materials). UMIP will assist you in completing a Disclosure Information Form which is set out in Part 1 of Appendix 1 of the IP Policy. If you are not sure if the IP is commercialisable, then just assume that it is and make a disclosure. The Disclosure Information Form is very short. A more detailed form (known as an ‘Invention Record’ and which is set out in Part 2 of Appendix 1 of the IP Policy) will only need to be completed if UMIP thinks your IP has commercialisation potential.

The University recognises that it is not always appropriate to commercialise IP. Sometimes, it is in the best interests of the University’s social mission or knowledge transfer to make it public. The key is always to check first. Where you have created IP which is owned by the University and you want to publish it, you must discuss and agree the position with the person who is your ‘Authoriser’ under the IP Policy. For most people, this will be your Head of School. If the IP has been created with the support of an outside body, then you must also agree the position with UMIP or the University’s Contracts Team. This gives the University the opportunity to check the contract with the outside body to make sure that there are no issues with publication (such as in relation to confidentiality).

Tangible Research Materials

Each Head of School controls the development, storage, use and distribution of Tangible Research Materials made in the course of research activities within their School. This is of course subject to any agreements governing such research. If any Tangible Research Materials are to be transferred outside the University for use by others, this should be done under the terms of a materials transfer agreement negotiated through UMIP.

Tangible Research Materials include biological materials, engineering drawings, computer software, integrated circuit chips, computer databases, prototype devices, circuit diagrams, equipment and associated research data.
Case Study...
Prof Ashburne wishes to make software which she has created available via an educational resource website. The website is subject to an open source licence agreement. Prof Ashburne wants to know whether there are any issues with this under the University's IP Policy and what needs to be done before proceeding.

Software is one of the many things automatically protected by copyright and that copyright is not waived by the University. The normal rules about commercialisation will apply to it and Prof Ashburne must disclose the software to UMIP by filling in a Disclosure Information Form. Before an open source licence is entered into, she must discuss with her Head of School (her Authoriser) whether this is the best way to put the software into practical use. If Prof Ashburne's research was supported by an outside body, then she also needs to discuss it with UMIP.

Prof Ashburne should bear in mind that:

> granting an open source licence of the software is likely to allow it to be copied, modified and redistributed by others on a virtually unrestricted basis;

> the terms of the various open source licences can be very different. One always needs to check their terms in detail to make sure the licence will not cause problems in the future;

> it is worth checking if a patentable invention has been created before making it public (even though software itself is not technically patentable); and

> non-open source commercialisation of the software might in fact get the software more widely circulated and used and therefore be of greater benefit to society.

There is no requirement for you to disclose IP which you own yourself, although you may of course do so if you wish. If, say, you are a student and you would like UMIP to help commercialise IP which you own, then feel free to disclose it to UMIP in confidence. UMIP will let you know if it can help with commercialisation. You should bear in mind, though, that if you are in contact with UMIP, the University Contracts Team or any of the University's other authorised agents, their responsibility is to promote the best interests of the University and not those of individual staff members or students. Although they can give general guidance, you should seek your own independent legal advice to ensure that your interests are looked after.

Protection
Once IP has been disclosed to UMIP, if it thinks that there is potential for the IP to be profitably commercialised, UMIP will take steps to protect it by patenting it or through other means (generally at its own expense). Some IP, such as copyright, cannot be protected by registration, but needs to be safeguarded in other ways. There is information in "IP and Confidentiality: A Researcher’s Guide" (available via the UMIP website – www.umip.com) and on the University’s intranet IP Awareness Resource (www.manchester.ac.uk/ipresource) telling you how the different types of IP are protected and suggesting tips as to things you can do yourself to protect the IP.

An impressive 65% of our research activity is judged to be ‘world-leading’ or ‘internationally excellent’
If the decision is made to commercialise the IP you have created, then obviously there is quite a lot of work involved. This will involve research of the markets for the IP, discussions with potential licensees or collaborators, development of a business plan and negotiating appropriate licences or other agreements. There are Researchers’ Guides dealing with IP Licensing and Spin-Out Companies (available via the UMIP website – www.umip.com) which will give you more information. There is also information relating to these on the IP Awareness Resource (www.manchester.ac.uk/ipresource), including accounts from University staff giving details of their own experiences of both.

The diagram opposite shows how the Commercialisation Process works.

The timescale for protecting and commercialising IP varies and the process can be very costly. The discussions which you have with UMIP should set out a reasonable initial timetable and regular review points. However, circumstances may change as the process develops. Your involvement with the process will be extremely important, whether it is in providing additional information or attending meetings with potential licensees/investors.

In the course of commercialising IP, the University may be asked by project partners or sponsors to give warranties or indemnities in relation to the IP. These are basically promises or guarantees about the IP which, if they turn out to be untrue or inaccurate, could make the University liable for substantial sums of money. As a charitable organisation, the University cannot expose its assets to unnecessary risk. You should therefore bear in mind that it is not the University’s policy to grant IP warranties or indemnities. This is detailed in Appendix 4 of the IP Policy.

It may of course be that, having examined the IP you have created, UMIP decides not to commercialise it. If you are able to show that, for whatever reason, UMIP is not progressing the commercialisation in a timely manner, then it will be deemed to have decided not to commercialise that IP. In these cases, you (together with any other creators of the IP) can ask for it to be transferred to you. The University will agree to do so, but it will need a licence to use such IP for its administrative, promotional, educational and teaching purposes.

In some cases, it may also be that the University employee who has created IP is actually better placed than UMIP to lead its commercialisation because, for instance, they have access to particular resources or industry contacts. In cases where UMIP does not agree with such an employee request, it is possible to apply to the Vice President for Research and Innovation asking for the IP to be assigned to its creator(s). The decision will be taken by the Registrar and Secretary, who will take into account the creator(‘s)’ commercialisation experience and their network of prospective external partners.
Case Study...
Dr Ellis meets with representatives of Dalton Engineering Limited. They may ask Dr Ellis to sign a confidentiality agreement for the University so that they can discuss the funding of the project. What should be done?

Dr Ellis should get advice from UMIP or the University Contracts Team before any confidentiality agreement is signed. Dr Ellis should certainly be considering whether the confidentiality agreement will also protect the University’s confidential information. If an invention disclosure may be made under the confidentiality agreement, then the agreement must be signed by a representative of UMIP. All other confidentiality agreements must be signed by the Head of School as the relevant Authoriser.

You must make sure that UMIP or the University Contracts Team receives a copy of each confidentiality agreement (sometimes described as a secrecy agreement or non-disclosure agreement) once it has been entered into. This is the only way for the University to ensure that all employees and students who are affected by the agreement are given a copy of it and are aware of its terms. You should read any such agreement carefully, both before and after it has been signed. Some agreements may give the outside body the final decision over whether papers are approved for publishing, which could impact on your career. It is obviously important that you comply with the terms of any confidentiality agreement. If anything does happen, though, which you think may lead an outside body to question the treatment of its information, let UMIP or the University Contracts Team know as soon as possible. This will allow them to take the appropriate action, including informing the University’s insurers.

Similarly, if you become aware that the other party to a confidentiality agreement with the University might be about to disclose the University’s confidential information improperly, let UMIP or the University Contracts Team know. They may be able to take action to prevent or limit the disclosure.

All employees and students of the University must keep secret all confidential information of the University and its subsidiary companies, such as UMIP. They must also keep secret all confidential information of other employees and students of the University. Such information must only be used for the proper purposes of employment or a course of study at the University. It is worth noting that much of the IP created at the University will initially be confidential information, before it is protected in other ways.

If you are disclosing valuable or potentially valuable information to anyone who is not an employee at the University (including a student), you should always make sure that there is a suitable confidentiality agreement in place. Remember that if you disclose an invention before the University has applied for a patent, the disclosure can actually stop the University from getting the patent on the grounds that the invention has become public. A ‘disclosure’ can be telling or making the information available to anyone in any way, such as publishing details of an invention in a journal, presenting it to students, discussing it with a colleague or even chatting about it with friends or family.

The ‘IP and Confidentiality: A Researcher’s Guide’ (available via the UMIP website – www.umip.com) contains tips relating to confidential information and how to deal with it.
Returns earned on the commercialisation of University IP belong to the University. However, the University’s policy is to grant a share of the returns to those of its employees and students who have created the relevant IP. The University takes the decision (through UMIP) as to how it wishes to commercialise its IP. It does not always go for the best financial return as this may not necessarily be compatible with the University’s main objectives.

The University has established the UMIP Premier Fund to support spin-out companies which it creates and to make proof of principle (PoP) awards to them. It is a real benefit to the University, and to those who have created the IP, to have access to this fund which can be of invaluable help in getting new IP to market. In return for its investments in a University spin-out company, whether direct investments or cash injections through a PoP award, the UMIP Premier Fund is given a shareholding in the company.

The University has an extremely generous IP Policy when it comes to revenue sharing with those that create IP at the University. Generally, 85% of the returns from commercialisation will go to the originators of the IP and the University only retains a small 15% share. This is where the involvement of UMIP is limited to an initial review of the IP, investigations as to its ownership and advice on the next steps to be taken. If greater involvement by UMIP or the University Contracts Team is required (such as for the protection of IP, or project management), or if a cash injection is to be made from the UMIP Premier Fund, this will be discussed and agreed with you first to determine how this will affect the percentage of revenue that is retained by the University. The University does need to ensure that its revenue share is sufficient to cover the extra cost of such additional work or investment. However, even in such cases, at least 50% of the profits would still go to the originators of the IP.

Where the IP is commercialised by licensing it, then the originators’ 85% share represents 85% of the revenue received by the University from such licensing. If, however, the commercialisation is through a spin-out company, then the 85% will be represented by 85% of the shares in the spin-out company, which will be owned by the University and the creators of the IP. It can take several years before any returns are received, depending on things like market conditions and how developed the IP is.

Case Study...
UMIP is managing the creation of a new spin-out company which will be dealing with the real time management of diabetes. As part of the establishment of the company, the University will transfer three separate patents to the company. The inventors named on these three patents are different individuals. How will revenue sharing be dealt with?

It does not matter that the spin-out company is receiving three patents. The University’s shareholding in the spin-out company is still based on the 85/15 rule. The inventors’ 85% and the University’s 15% will simply be worth more because the company will own three patents rather than just one patent. The University leaves the inventors to decide for themselves how their 85% of the shares is to be split between them, although it is usually based upon their respective contributions to the invention(s).
If a payment is made for Tangible Research Materials, other than for the IP in them, then such revenue will be shared in line with the above revenue sharing provisions, except that the creator’s share goes into a research account in the creator’s School.

The return on IP is calculated after the deduction of the expenses incurred by the University or UMIP in connection with the registration, maintenance, marketing and commercialisation of the relevant IP. In the case of commercialisation through licensing (other than to a spin-out company), these expenses are simply deducted from the revenue received by the University. Where commercialisation is through a spin-out company, they may have to be dealt with by an adjustment to the percentage of shares which the University receives to take account of the fact the shares will be issued before some of the expenses have to be incurred.

The University may alter the revenue sharing arrangements to deal with major overarching initiatives. For example, the establishment of the UMIP Premier Fund would have represented one such initiative. The University may also choose to allocate all of its revenue share to the relevant Faculties where the creators of the IP were based.

Case Study...
Dr Allen is a shareholder in Pronovo Informatics Limited, a University spin-out company. Since the company was established based on a patent and some software created by Dr Allen, Dr Allen has come up with a new invention which Dr Allen thinks the company should also have. How would this be dealt with?

It should be dealt with like any other IP. Dr Allen should complete a Disclosure Information Form and UMIP can then progress its commercialisation. Pronovo Informatics may well be the most appropriate route for the commercialisation of this IP. If that turns out to be the case, then the IP could either be licensed or transferred to the company for a cash payment or royalties, or in return for the issue of new shares in the company. If, say, 100 new shares were to be issued in the company, then Dr Allen would receive 85 new shares and the University 15 new shares, assuming no other adjustments had to be made. The existing shareholdings in the company do not have to be taken into account for this purpose.

Case Study...
In the end, the idea of establishing a new spin-out company is not successful and the University is able to do a deal to license the three patents to Diabetes International Inc. How is the revenue shared in these circumstances?

The three patents are treated as a bundle of IP and the University does not have to deal with the issue of deciding how much it received for each individual patent. From the money it receives from Diabetes International Inc., the University first deducts its expenses (such as patent costs and legal fees) relating to the IP and its commercialisation. It retains 15% of the balance and the rest is for the inventors to split between them as they see fit.

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To avoid any unnecessary administration, the University will not make any individual payment to you until the amount due reaches £500. To meet its obligations in relation to tax and NIC, any payments made by the University as part of these revenue sharing arrangements will be subject to deduction of income tax and employer’s and employee’s NIC at source. If tax might be payable in any other circumstances then, before the University makes any payment to you, it will ask for an indemnity from you that you will reimburse any tax that the University has to pay on your behalf.

Although the University tries to keep in touch with individuals who might benefit from the revenue sharing arrangements, it does happen from time to time that the University wishes to make a payment to someone who has left the University, but is unable to trace them. In these cases, the payments will be invested in a deposit account until they are claimed. If they are not claimed within 5 years of the date when the revenue is received by the University, then they will be forfeited and the University will distribute them between any other creators of the relevant IP.

Teaching and research activities at the University can generate some very valuable IP which has great potential for commercialisation. This is so particularly with the introduction of online teaching tools and electronic theses, which can easily be put into wider practical use. Such materials can bring significant benefits to the University and it therefore actively encourages the commercialisation of Teaching Materials and research outputs.

In relation to Teaching Materials, there are some situations in which the University cannot allow the creator to share in the revenue from them. This will generally be the case where specific time has been made available during paid employment for the Teaching Materials to be created, or the person has been specifically employed to create Teaching Materials. Another situation would be where the content of the Teaching Materials is relevant to a part of the University’s strategy, such as a particular teaching programme. However, even in these circumstances, the University will allow revenue sharing in exceptional cases where it recognises that the Teaching Materials are very important breakthrough materials.

Case Study...
Alex Bowden devises a new method of creating and delivering white board materials. Alex has used this in delivering Teaching Materials on the economics course which Alex teaches. The method has application across a whole range of other types of courses. Might Alex receive a revenue share if the University is able to commercialise this new method?

Not all IP will give rise to returns through commercialisation and even where it does it can often be many years before those returns are received. The key is that all commercialisation is to the benefit of all.

The University of Manchester is currently home to four Nobel prize winners, underlining its reputation as a world-leading centre of research excellence.
Assignment
The transfer or sale of IP by the owner to someone else. An assignment of IP has to be in writing and signed by the owner. For some types of IP, it is possible for the owner to agree in advance that IP which they create in the future will be automatically assigned to another party. The owner can also agree that they will assign any new IP once it has been created.

Commercialisation
The transfer of IP to another owner, in return for some kind of payment. The payment does not have to be in cash. The ultimate aim of commercialisation will generally be to transfer the IP into practical use. Commercialisation can occur in a number of ways, most notably through Licensing and through a spin-out company.

Consultancy agreement
A contract with an external firm or with an individual (who is not a University employee), for the provision of specific services, based primarily on skills and expertise and in exchange for an agreed fee. IP created by a consultant is likely to be owned by the consultant even if they have been paid to do the work, unless stated otherwise in the individual consultancy agreement.

Foreground IP
Usually, IP that arises directly from the work carried out under a project and which is often the principal aim of the project. (Always check the specific definition used in your arrangement.)

Honorary appointment
A fixed term title and position offered to individuals who, due to their expertise and experience, are able to make a contribution to the teaching or research work of the University, such as visiting academics and research fellows. Individuals with honorary appointments are not employees of the University and will generally work on an unpaid basis.

Incidental use
Generally, use of University Resources will be considered ‘incidental’ where:
> only a small amount of unrestricted University funds has been used;
> only a small amount of time has been spent using University Resources or only insignificant resources (such as office space, library resources and personal computers) have been used or, in the case of a student who is also an employee, that use has been in the course of his/her University course work; and
> where the use has been during the personal, unpaid time of the individual.

GLOSSARY OF KEY TERMS

<table>
<thead>
<tr>
<th>Staff member</th>
<th>Authoriser</th>
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</thead>
<tbody>
<tr>
<td>President and Vice Chancellor</td>
<td>Chair of the Board of Governors</td>
</tr>
<tr>
<td>Registrar and Secretary, Deans, Vice Presidents, Director of Finance</td>
<td>President and Vice Chancellor</td>
</tr>
<tr>
<td>Heads of School or Institute Directors</td>
<td>Dean</td>
</tr>
<tr>
<td>Heads of Directorate (other than Director of Finance)</td>
<td>Registrar and Secretary</td>
</tr>
<tr>
<td>Academic, academic-related, research or technical staff or others line-managed by the relevant Head of School</td>
<td>Head of School</td>
</tr>
<tr>
<td>Those who are line-managed by the Institute Director</td>
<td>Institute Director</td>
</tr>
<tr>
<td>Those who are line-managed within an administrative division</td>
<td>Head of Directorate</td>
</tr>
</tbody>
</table>

Background IP
Usually, information or IP which a participant already has at the commencement of a project, but which may be relevant for the purposes of the project. (Always check the specific definition used in your arrangement.)
Indemnity
A promise to compensate the other contracting party on a pound-for-pound basis for loss or damage that it incurs, even if those losses are remote or could have been mitigated against. Indemnities will often apply to losses caused by a breach of a Warranty. An indemnity can give rise to substantial financial liability and it is therefore not the University’s policy to give indemnities.

Licence (in the context of a licence of IP to the University by an employee or student)
In some situations, the IP Policy requires employees or students to grant a licence to the University to use IP which they have created. This means that the IP still belongs to the employee or student who created it, but the University is permitted to use it for the purposes specified in the licence.

Licensing (in the context of commercialisation)
A form of Commercialisation where the owner of the IP remains the same, but the owner gives another party the right to use the IP for a particular purpose, usually in exchange for payment of a licence fee or a series of regular payments known as ‘Royalties’.

Materials transfer agreement (MTA)
An agreement which governs the transfer of Tangible Research Materials to a third party (usually an academic or research institution, or a commercial entity). MTAs are used frequently for biological materials. The recipient of the materials can only use them in accordance with the terms of the MTA (which may not include commercial purposes). The transfer of materials under an MTA is generally free of charge, but the recipient may sometimes be asked to pay a fee.

Moral rights
Personal rights which belong to the creator of a copyright work;
> the right to be identified as the author of the work; and
> the right to object to the work being altered in a derogatory way
> the right not to be falsely attributed as the author of a work.
The first right only applies if it is specifically asserted by the author. These rights cannot be assigned to anyone else, but they can be waived by the author. Moral rights do not arise in relation to copyright works created in the course of employment.

Outside body
Any company in which the University has less than a 50% shareholding, a government body or other entity, or an individual who is not a University employee. spin-out companies established through UMIP are usually outside bodies.

Performers’ rights
The personal right of an individual to control the recording and reproduction of their literary, musical or dramatic performances, certain readings or other types of performance.

Proof-of-Principle (PoP) funding
Early stage funding that is specifically designed to help take a novel idea with great potential to a demonstrable stage, in order to confirm its potential for Commercialisation and attract prospective investors.

Reducing IP into practice
The step that turns an abstract idea or concept into reality through the creation of a new product, process or technique which makes it possible to use the concept or idea in practice.

Royalties
Regular payments that are made to the owner of IP by the person using that IP under a Licensing arrangement.

Scholarly Materials
Materials which are produced by University employees in pursuit of their academic interests, but which are not funded by the University and not intended for use by students at the University, e.g. academic journal articles, theses or dissertations. Excludes any part of such materials which would be classed as Teaching Material or University Material.

Spin-out company
A new start-up company that is set up specifically for the purpose of commercialising valuable University-owned IP that is transferred into it. In return for transferring IP, the University will receive shares in the spin-out company.
GLOSSARY OF KEY TERMS

Sub-contracting arrangement
An arrangement where a contracting party enters into a separate agreement with a third party (the sub-contractor) whereby the sub-contractor agrees to perform some or all of that party’s obligations under the main contract on its behalf. The original contracting party remains liable for performance under the contract and will be responsible if the sub-contractor defaults.

Tangible Research Materials
Materials and equipment that are created or used in the course of research. These include biological materials, engineering drawings, computer software, integrated circuit chips, computer databases, prototype devices, circuit diagrams, and all associated research data.

Teaching Materials
Materials which are primarily intended to be used or accessed by students for the purposes of any course of study they are following. These materials can be in any format or medium, whether hard copy or electronic.

University Materials
Materials in any medium which are produced for the University’s administrative purposes, such as student and staff recruitment, promotion and marketing, internal meetings or any other University purpose. They also include any item created by an employee of the University whose job description specifically includes the creation of printed or electronic materials.

University Resources
Any funds, facilities, equipment, consumables, utilities or other resources of the University or its subsidiaries (including any employee during their paid working hours) unless such resources have been reimbursed in full or paid for separately. Use of the University’s name in the promotion of work is also a University resource.

Warranty
An assurance or promise made in a contract that, for example, a piece of work does not infringe any third party IP or that the University owns a particular patent. If a warranty turns out to be untrue or inaccurate, the party who gave it could be liable for damages for a breach of warranty. A warranty is often accompanied by an indemnity.
If you require further information either regarding this Guide or the University’s IP Policy, please contact:

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