

OXFORD UNIVERSITY GAZETTE



INTELLECTUAL PROPERTY POLICY: CHANGES IN REGULATIONS

SUPPLEMENT (1) TO NO. 4625

WEDNESDAY, 5 JUNE 2002

CHANGES IN REGULATIONS

Pursuant to Decree (1) of 6 June 2002 (*Gazette*, p. 1290), Council has made the following regulations to replace the existing decree governing the administration of the University's Intellectual Property Policy (Ch. VIII, Sect. XI, *Statutes*, 2000, p. 550). The regulations will come into effect (i.e. will be formally enacted) on **21 June** and will be effective (i.e. will apply in place of the existing decree) from **1 October 2002**.

Council Regulations 7 of 2002

REGULATIONS FOR THE ADMINISTRATION OF THE UNIVERSITY'S INTELLECTUAL PROPERTY POLICY

Made by Council on 5 June 2002

1. (1) Where any person who is subject to the provisions of Part B of Statute XVI (a 'researcher') creates intellectual property specified in section 6 of that statute which is capable of commercial exploitation, he or she shall report its existence to the Head of Department (or equivalent) and, in the case of intellectual property arising from research, to the Director of Research Services or, in the case of all other intellectual property, to the Director of Legal Services; and shall provide the relevant Director with all necessary information concerning the provenance of the intellectual property and the circumstances in which it was created.
(2) The next step shall depend upon the source of funding:
 - (a) the conditions of research council grants may require the assignment of intellectual property to the research council or its nominee, or to industrial collaborators; and there may be similar requirements in agreements with other parties for the sponsorship of research;
 - (b) Isis Innovation Limited ('Isis') shall be entitled to and responsible for the exploitation of research funded with research council grants the conditions of which do not include such a requirement;
 - (c) in all other cases, the University's preferred route to exploitation is through Isis: a researcher who wishes to exploit the intellectual property by some other means may apply to Council for permission to do so by contacting the Director of Research Services in the first instance: Council shall consider in particular the question of whether the alternative means of exploitation are likely to result in a reasonable return to the University from royalties or equity, or from such other means of sharing profits as may accrue.
2. (1) In the event of a dispute between the researcher and the University concerning the ownership of the intellectual property, the matter shall be referred to the Vice-Chancellor for informal determination under section 2 of Statute XVII.
(2) Without prejudice to his or her ability under section 3 of that statute to consult also any other person he or she thinks fit, in this instance the Vice-Chancellor shall consult a barrister specialising in intellectual property law, who shall be nominated for the purpose by the then Chairman of the General Council of the Bar.
(3) The barrister's fee shall be paid by the University, but shall constitute a first charge on any profits which may accrue, whether to the researcher or to Isis or the University, whichever party or parties is or are held to be the owner of the intellectual property.
(4) If a party to the dispute is dissatisfied with the Vice-Chancellor's decision, that party shall have the right of appeal which is explained in section 5 of Statute XVII.
3. (1) Where the University decides to seek exploitation of intellectual property to which it lays claim, discussions between the interested parties shall be held to determine the appropriate action to be taken.
(2) This may include one or more of the following:
 - (a) control over disclosure;
 - (b) the filing of a patent application, with the researcher as named inventor;
 - (c) the identification of potential licensees;
 - (d) the formation of a company to exploit the technology.

4. Notwithstanding paragraph (2)(a) of regulation 3 above, Isis and the University may consult appropriate experts in the field of the intellectual property in question, on a confidential basis, in order (for example) to assist with an assessment of innovation or commercial potential.

5. (1) Where the University decides to seek exploitation, the researcher shall provide reasonable assistance in the exploitation process by (for example) providing information promptly upon request, attending meetings with potential licensees, and advising on further development.

(2) The University shall ensure that researchers do not become personally liable for product liability claims arising from the University's exploitation activities.

6. (1) Where exploitation is through the medium of a company formed for the purpose, royalty or sales fee income received by Isis or the University from the company shall be treated in accordance with regulation 7 below.

(2) The respective shareholdings in the company of the researchers and the University (or Isis) shall be negotiated at the time of formation or capitalisation; and unless otherwise agreed, revenues generated by the shareholdings (both capital and income receipts) shall be retained by the shareholders, and shall not be subject to distribution under regulation 7 below.

7. (1) In this regulation the expression 'net revenue' means gross revenue less professional fees and expenses and other outgoings in protecting the intellectual property, obtaining approvals, and making arrangements for exploitation.

(2) 'University milestone payment' means a payment which is referable to the progress of research or development by the University, but which is not covering or supporting the cost of such research or development: the expression does not include a payment for the right to use intellectual property, or a payment referable to the progress of research or development by a party other than the University (such as a licensee).

(3) Where there is a receipt by the University which is in the nature of a university milestone payment, no part of the net revenue shall be distributed to Isis or the researcher: the net revenue shall be distributed as to 40 per cent to the General Revenue Account and as to 60 per cent to the department(s).

(4) Where responsibility for the exploitation of intellectual property is given to a research council, industrial collaborator, or sponsor under paragraph (2) (a) of regulation 1 above, any net revenue received by the University shall be distributed as follows, unless otherwise specified in arrangements for commissioned works:

<i>Total net revenue</i>	<i>Researcher(s)</i>	<i>General Revenue Account</i>	<i>Department(s)</i>
Up to £50K	90%*	10%*	0%
Band from £50K and up to £500K	45%	30%	25%
Over £500K	22.5%	40%	37.5%

(5) Where responsibility for the exploitation of intellectual property is given to Isis, any net revenue received by Isis shall be distributed as follows, unless otherwise specified in arrangements for commissioned works:

<i>Total net revenue</i>	<i>Researcher(s)</i>	<i>General Revenue Account</i>	<i>Department(s)</i>	<i>Isis</i>
Up to £72K	63%*	7%*	0%	30%
Band from £72K and up to £720K	31.5%	21%	17.5%	30%
Over £720K	15.75%	28%	26.25%	30%

(6) Where responsibility for the exploitation of intellectual property is given to the University, then, unless some other arrangement is approved by Council under regulation 1 (2) (c) above, any net revenue received by the University shall be distributed as stated in paragraph (5) of this regulation, save that the 30 per cent share payable to Isis shall be passed instead to the General Revenue Account.

(7) The percentages asterisked above are intended to put the University in funds to pay the employer's National Insurance Contribution(s), but otherwise to leave the General Revenue Account out of the allocation of the bands in question: these percentages shall be adjusted to match this intention, as and when the rates of National Insurance Contribution vary.

(8) Where intellectual property benefits from a grant by the University of Oxford University Challenge Seed Fund ('the Challenge Fund') the distribution of net revenue shall follow the table in paragraph (5) of this regulation, save that the shares payable to the General Revenue Account (or an appropriate proportion of those shares, where the grant by the Challenge Fund represents only a part of the funding for the development of the intellectual property) shall be passed instead to the Challenge Fund once the University has discharged its obligation to pay the employer's National Insurance Contribution(s).

(9) Whenever the intellectual property in question consists in courseware, or in commissioned works for incorporation in or conversion into courseware, the percentages in paragraphs (4) and (5) above, in all but the lowest bands, shall be adjusted so that the aggregate of the percentages allocated to the General Revenue Account and to depart-

ments shall be divided as to one-third to the General Revenue Account, one-third to departments, and one-third to the e-learning Development Fund.

8. (1) The University shall account to researchers for their entitlements under regulation 7 above on a monthly basis.
(2) A researcher's entitlement under regulation 7 above shall continue to be paid to him or her should he or she leave the University; and in the event of a researcher's death, the entitlement shall continue for the benefit of his or her estate.
9. Where more than one researcher contributes to the creation of the intellectual property, the distribution of their share of the income between themselves shall be a matter for them to determine (and to notify in writing to the Director of Research Services); save that where there is failure to agree, the distribution of income shall be prescribed by the Vice-Chancellor, taking into account each individual's contribution.
10. If the University decides not to seek to exploit intellectual property to which it lays claim, or if, after the University has initiated or sanctioned exploitation, the University decides (in consultation with Isis) that the process of exploitation be abandoned, the University shall not unreasonably withhold or delay an assignment of the intellectual property to the researcher (at the researcher's expense).