

Intellectual Property Policy

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Target Audience

People who need a detailed knowledge of the document	Any employee or student who has or may develop new intellectual property, in particular where that intellectual property could be protected by a patent
People who need a broad understanding of the document	All employees and students who have a particular role in creating new intellectual property, in particular researchers
People who need to know that the document exists	All employees, students, consultants and third parties working with LSTM

Annex of Modifications

Version	Date of issue	Details of modification from previous version
4.0		Transfer to new policy template, numbered paragraphs.
5.0		
6.0		Addition of new section describing LSTM strategy for IP, arrangements for IP Governance Panel, amendments to Revenue Share, inclusion of comments from Education team.
7.0		Minor amendment as requested by Management Committee. Adjustment of language following Equality Assessment.
7.0	08.04.2020	Paragraph 4.2.1. Addition of missing word 'be' to the second sentence.
7.0	15.04.2020	Paragraph 3. Addition of link to Policy on Use of Copyrighted Material

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1 Introduction, context and scope

- 1.1 This document sets out the policy of the Liverpool School of Tropical Medicine Group (LSTM) relating to intellectual property and know-how (IP). IP protects ideas and the expression of such ideas in various ways. It is made up of a bundle of different rights. Some of these rights have to be registered to be effective, whilst others arise automatically.
- 1.2 This IP Policy applies to all LSTM employees and students as well as any visiting academics of LSTM. This IP Policy sets out:
- who owns relevant IP and obligations of confidentiality;
 - LSTM's process for protecting, disseminating and taking IP to market;
 - how financial rewards of IP commercialisation are to be shared on a discretionary basis by LSTM.
- 1.3 It is adopted with effect from 31 July 2019. This Policy is a living document and may be subject to change by LSTM. When a policy change occurs, details of it will be included in the Minutes of the next meeting of the IP Governance Panel. Questions on the interpretation or the current status of this Policy may be addressed to the office of the Director of Strategic Operations.
- 1.4 This IP Policy does not deal with the use within LSTM of material which is protected by copyright (in particular the use of third party material) which is dealt with in the [Policy on the use of Copyrighted Materials](#).

2 Intellectual Property Protection at LSTM

- 2.1 IP underpins LSTM's mission and is an essential tool to strengthen the impact of LSTM's activities.

There are a number of reasons why LSTM may decide to invest in patent protection to support its strategic objectives and mission. These include:

- ensuring freedom to operate
 - creating a commercial case to support global access
 - ensuring that the benefits of translational research are brought to market
 - where patent protection supports its research projects and associated applications for funding
 - the generation of surplus to fund further LSTM innovation
- 2.2 LSTM has a gated process to ensure that investment in patent protection is consistent with its strategic objectives.

2 Intellectual Property ownership

2.1 Employees

- 2.1.1 It is anticipated that LSTM employees will create IP in the course of their employment, in particular through research. Ownership of IP (including copyright) created by LSTM employees (including LSTM students who are also LSTM employees) will generally automatically belong to LSTM as a result of IP

legislation. (Nothing in this Policy overrides Sections 39 to 43 Patents Act 1977 (as amended).)

- 2.1.2 Each LSTM employee grants to LSTM an irrevocable, free-of-charge, non-exclusive licence to use their performer's rights in any copyright materials, owned by LSTM, for administrative, promotional, educational, teaching and research purposes of LSTM, together with the right to sub-license.
- 2.1.3 If an LSTM employee creates IP outside the course of their employment or duties, with more than incidental use of LSTM funds, facilities or resources (including employees), they agree to transfer such IP to LSTM.
- 2.1.4 The terms of any agreements between LSTM and external organisations that concern LSTM IP shall prevail over the terms of this IP Policy.

2.2 Students

- 2.2.1 The ownership of IP created by LSTM students, who are not employees of LSTM, is with the students. However, in certain specific circumstances LSTM will need to own that IP, so that it can meet contractual obligations, deal with related bundles of IP or comply with its obligations as a charitable institution. Moreover, LSTM will usually be better placed to protect and exploit IP.
- 2.2.2 IP created by LSTM students will belong to LSTM in any of the following circumstances:
 - they participate in a project under which a sponsor, collaborator or funder of the project has rights relating to the arising IP (meaning LSTM needs to own the arising IP in order to satisfy those obligations).
 - their studentship is sponsored and under its terms the sponsor has rights relating to the arising IP.
 - they create IP which builds upon existing IP created by, or jointly created with LSTM employees or LSTM Affiliates (see Honorary/Visiting Appointments below).
 - IP created with more than incidental use of LSTM funds, facilities or resources (including LSTM employees).
- 2.2.3 Students will assign such IP to LSTM when asked to do so and hold it in trust for LSTM pending such assignment. They will be treated as if they were LSTM employees for the purposes of revenue sharing on the commercialisation of IP created by them which is so assigned to LSTM.

Students grant to LSTM an irrevocable, free-of-charge, non-exclusive licence to use the IP created by them in the course of their studies with LSTM, for administrative, promotional, educational and teaching purposes of LSTM and the right to sub-license. Any thesis or dissertation submitted to LSTM for the award of a degree may be placed in LSTM's institutional repository in electronic or other format and for PGR students the [Process for Arrangements for a Postgraduate Research Thesis](#) will apply.

2.3 Honorary/Visiting Appointments

- 2.3.1 Members of LSTM academic staff may have honorary academic appointments or be visiting academics at other institutions. An agreement must be put in place between LSTM and the other institution in relation to IP and the HR team can assist with this. Similarly, when LSTM makes an honorary academic appointment or hosts a visiting academic/researcher (Affiliate) then an appropriate agreement should be put in place with the Affiliate (and/or their employer) and such Affiliates will be subject to this Policy. Where necessary, Affiliates (or their employers) may be required to assign or license

to LSTM the rights to any IP they create in the course of the activities they undertake for LSTM. Where such IP is assigned to LSTM, Affiliates will be treated as if they were LSTM employees for the purposes of revenue sharing on the commercialisation of IP created by them.

2.4 New/Departing Employees

- 2.4.1 Any new LSTM employee shall notify LSTM before the start of their employment with LSTM of any IP (including IP in teaching materials) which they wish to bring with them and use at LSTM and confirm the basis of their ongoing rights to use them.
- 2.4.2 Once an individual ceases to be an LSTM employee their rights to use any LSTM IP (including IP in teaching materials) will end. Such individual may enter into negotiations with LSTM with a view to permitting them to retain a single copy of teaching materials, which they created for their personal use, for teaching and research purposes which are non-commercial. If the departing employee wishes to be able to continue to use other IP which belongs to LSTM for other purposes at the departing employee's new employer, then the new employer will need to discuss what rights it can have in relation to such IP and an agreement must be put in place between LSTM and the new employer in relation to such IP.
- 2.4.3 On request, and in any event before leaving LSTM's employment, each employee of LSTM must deposit with LSTM any physical representation of IP, which that employee has created. Such physical representations would include (without limitation) original (or, if lost, copy) drawings, diagrams, recorded know-how e.g. laboratory notebooks, and biological materials.

2.5 Consultants

- 2.5.1 Where LSTM engages consultants, it is LSTM's position that LSTM will own any IP created by those consultants in the course of carrying out their duties for LSTM. LSTM managers engaging consultants should ensure that an appropriate agreement is put in place to deal with IP ownership. LSTM's standard consultancy agreements deal with this.

3 Using other's Intellectual Property

Where IP owned by someone other than LSTM is copied, reproduced or used by employees of LSTM or by LSTM students (including via any IT system owned or administered by LSTM), such use must be lawful or within the terms of any applicable licence. If any employee of LSTM or student is unsure as to what use can be made of any particular IP, then they should refer to the Policy on the Use of Copyright Materials (in draft) in the first instance and where necessary seek advice from the Director of Strategic Operations.

4 Intellectual Property Dissemination/Commercialisation Process

4.1 Confidentiality

- 4.1.1 LSTM employees must maintain the confidentiality of any confidential information which is made available to them during the course of their employment and only use it

for purpose for which it was supplied. They must keep good and comprehensive records of any agreements or understandings with which they are involved or associated including lists of information received or disclosed and minutes of meetings where oral disclosures are made.

- 4.1.2 All LSTM information which is confidential should be treated sensitively and LSTM employees must keep secret all LSTM confidential information and only use such information for the proper purposes of their employment and ensure that any valuable or potentially valuable information is protected by a suitable agreement before disclosure to others who are not LSTM employees.
- 4.1.3 Non-confidential disclosures of IP created during the course of research and other activities at LSTM may prejudice future research and/or prevent appropriate dissemination of IP. For instance, non-confidential disclosure of an invention before a patent application has been filed often means that it cannot be patented: without the exclusivity given by a patent, it may not be possible to develop a life-saving medicine.
- 4.1.4 If anyone is concerned about inadvertent disclosure, they should notify the office of the Director of Strategic Operations as soon as possible. Obligations of confidentiality and non-disclosure do not end because an individual is no longer an employee of LSTM.
- 4.1.5 LSTM students and Affiliates must keep secret any confidential information to which he or she has access and only use it for the purpose for which it was supplied, in each case as if he or she were an employee of LSTM.

4.2 Publication

- 4.2.1 Seeking protection through a patent application should not present a bar to publication. However, where IP is created that may be inventive and protectable by a patent application, it is essential that LSTM staff and students take advice prior to the publication. Recommended best practice in relation to confidentiality is that, whilst it is reasonable to allow time for a patent to be filed, for instance, before a paper is published, such period of delay should not usually extend beyond 6 months.

4.3 Intellectual Property Disclosure Process

- 4.3.1 LSTM employees, students and Affiliates must disclose all IP, which they create, which belongs to LSTM and may be commercialisable, and any associated materials, to the IP Governance Panel.
- 4.3.2 Where there is any doubt whether any IP belongs to LSTM or whether it may be commercialisable, then it must be assumed that it does or is. All such disclosures shall be made on LSTM's IP Initial Disclosure Form which is available [here](#) or from david.worrall@lstmed.ac.uk.
- 4.3.3 LSTM recognises that commercialisation of IP may not always be appropriate and sometimes it is in the best interests of knowledge transfer to place IP in the public domain or to make the IP open source. If an LSTM employee or student believes that this is appropriate, then he or she must discuss and agree this with the IP Governance Panel, as set out above.

- 4.3.4 Where IP is being created with the support of an external organisation which has rights relating to the arising IP, then any such action must not contravene the agreement with such external organisation.

4.4 Intellectual Property Review

- 4.4.1 Upon receipt of the IP Initial Disclosure Form or having proactively identified relevant IP, LSTM will review the information. If LSTM believes it requires further information to make a decision about whether the disclosed IP is suitable for protection, it will ask the creator(s) of the IP. LSTM may take such other steps as it believes are reasonably necessary to find out any other information it requires to make a decision. This is likely to include assessing the strength of the IP and assessing the rationale for investing in protecting the IP. The creator(s) of the IP may have to complete an IP Full Disclosure Form.
- 4.4.2 All those who may create IP as part of their work should make and keep clear and accurate records in a retrievable format. This is necessary not only in order to comply with proper research practice but also to support a claim to any IP that arises. All those engaged in research at LSTM must comply with all applicable codes of practice and regulation and follow good laboratory practice.
- 4.4.3 LSTM will notify the creator(s) of the IP whether it believes there is an appropriate case for protection of the IP. If LSTM does not believe there is an appropriate case for investing in the IP (or in continuing to invest in the IP) (e.g. if LSTM does not believe there is potential for profitable commercialisation, or is unable to commercialise all or any part of such disclosed IP), then all of the creator(s) of the IP in question may ask for it to be assigned to them. LSTM will then assign all its right, title and interest in such IP to the creator(s) of such IP, to the extent it is possible under the terms of any agreement that supported or related to the creation of such IP.
- 4.4.4 Such assignment will include a licence back for use by LSTM and be subject to tax and liability indemnities. Such creator(s) of such IP and their transferees will not use LSTM's name in any way and will pay to LSTM any expenses already incurred by LSTM in connection with such IP (including patent attorneys' fees) out of any income or capital realised by them or anyone connected with them from the commercialisation of such IP, and a small royalty payment.
- 4.4.5 LSTM will operate a gated review process for the management of its patent portfolio. Key decisions will be made by the IP Governance Panel. The membership of the IP Governance Panel will be set by Management Committee. The initial membership will consist of: Director, Director of Strategic Operations, Chair of Research Committee, CEIDR Director and Legal and Intellectual Property Adviser.

4.5 Intellectual Property Protection/Commercialisation

- 4.5.1 If LSTM believes there is potential for profitable commercialisation, it will, where applicable, try to protect LSTM IP by patenting or other means at its own expense or from funds made available for that purpose via an applicable grant, sponsorship or the relevant research collaboration. LSTM will identify and enter into discussions with potential licensees or collaborators, develop a business plan and negotiate appropriate licences or other agreements. The timescale will depend upon market conditions and the state of development of the IP.
- 4.5.2 Each creator of IP will need to assist with the commercialisation of their IP, including providing additional information or signing a confirmatory assignment on request, attending meetings with potential licensees/investors and advising on further

development. The likely routes for commercialisation are either to license the IP to an existing company or to establish a company established with a view to commercialising IP originating at LSTM (whether on its own or with other IP) (Spin-Out Company). Where an employee intends to work for a Spin-Out Company then the Senior Management Group must approve the secondment or consultancy arrangements.

- 4.5.3 LSTM will not support or commercialise any IP where, in the judgment of LSTM, it might adversely affect its reputation. LSTM is committed to supporting fair access to medicines for those in low income countries and will take account of this when commercialising IP.
- 4.5.4 Although LSTM's and LSTM's employees' and students' interests will often be the same, LSTM employees and students are recommended to seek independent advice at their own cost.

4.6 Revenue Sharing

- 4.6.1 Returns from the commercialisation of LSTM IP belong to LSTM. LSTM has a policy of granting a share of the returns on the relevant IP (other than IP in teaching or administrative materials) to the creator(s) of such IP (Creators) and members of the relevant Principal Investigator's research group (other than Creators) (Group Members).
- 4.6.2 LSTM takes the decision how it wishes to commercialise its IP after consultation with the creator(s) of the IP. LSTM accepts no liability if the return achieved in relation to such IP is not the best financial return which could have been achieved. The best financial return is, in any event, not necessarily compatible with LSTM's main objectives.
- 4.6.3 The Net Income, in relation to any IP or bundle of IP which is commercialised by LSTM will be the aggregate income and capital received by LSTM (or its nominated subsidiary company) from the commercialisation of any such IP or bundle of IP less costs incurred by LSTM such as:
- VAT or applicable sales tax;
 - payments which LSTM is obliged to make to research funders or joint IP owners; and
 - expenses incurred by LSTM (or its nominated subsidiary company) in connection with the prosecution, maintenance, marketing and commercialisation of the relevant IP (including patent costs and all fees of patent agents and lawyers, and an appropriate overhead to reflect a proportion of internal costs including a contribution to costs of supporting IP); and
 - payments which LSTM is contractually obliged to pay to a third party from such sum; and
 - proceeds received in respect of shares in a Spin-Out Company; and
 - payments from a Spin-Out Company for IP, whether pursuant to an assignment, licence or otherwise; and
 - payments for, or on account of, research (whether expressly or which have been taken into account in seeking to recover full economic costs); and

- a proportion of Creator/Group Member salary costs, where those salaries are not covered by research grants; and
- sponsorship or payment made to support a student.

4.6.7 LSTM will distribute Net Income as set out in the table below, except as set out below or where exceptional circumstances apply or a special agreement has been reached:

Income (£)	Creator(s)/ Group Member(s)	LSTM
Up to 1,000,000	50	50
1,000,001 and over	20	80

4.6.8 Where there is more than one individual who is a Creator or Group Member in relation to the IP or bundle of IP which is being commercialised the Creators and Group Members may decide between themselves as to how they will share their percentage of the Net Income. Where the Creators and Group Members cannot agree as to how to share their percentage of the Net Income, then LSTM will decide in its sole discretion after further consultation with the Creators.

4.6.9 Any share of Net Income given to the Creator(s) and Group Member(s) (or their estates) will be subject to the terms of this Policy. This will apply even where the Creator or Group Member has ceased to be an employee of LSTM for any reason. No individual payment of any Creator's or Group Member's share of Net Income will be paid until it reaches £500.

4.6.10 A Creator may decide not to take their share of any Net Income in further research at LSTM, in which case LSTM will invest it in further research at LSTM, with priority given to research carried out by such Creator's team.

4.6.11 LSTM will decide the initial equity distribution in any Spin-Out Company, both with investors, any third parties and with the relevant Creators on a case by case basis. LSTM will take its view of the following factors into consideration:

- the extent of a Creator's personal contribution to the IP made available to the Spin-Out Company (number of inventions, value of know-how etc.);
- the time commitment which (with LSTM's approval) a Creator proposes to devote to establishing and developing the Spin-Out Company;
- the extent to which the Creator is pivotal in setting up the Spin-Out Company and attracting investment; and
- any equity which LSTM is obliged to give to third parties (such as research sponsors).

4.6.12 Each individual, who may be entitled to payments of Net Income as a Creator/Group Member and who is no longer employed by LSTM or no longer a student or Affiliate, must notify LSTM in writing of their current address to where any Net Income due to him/her may be sent. If LSTM is not given such current address details, then they will be a missing individual and all unclaimed revenue payments for such them may be invested in a deposit account until such revenue payments are claimed. LSTM will not be a trustee of any such unclaimed revenue payments. Any such Net Income remaining unclaimed for 5 years from the date the Net Income is received by LSTM will, after that date, be forfeited and will revert to LSTM, which will distribute such Net

Income, plus any net interest actually earned, between any others entitled to share in such Net Income, excluding the missing individual.

4.6.13 All payments of Net Income to be made by LSTM/shares in Spin-Out Companies to be allotted to a Creator/Group Member will be subject to the deduction of any applicable income tax and employer's and employee's national insurance at source. If a Creator/Group Member is no longer employed by LSTM, then, before LSTM makes any payment to him/her and before any shares in a Spin-Out Company are allotted to him/her, LSTM will require:

- a written confirmation from the Creator/Group Member that they will declare such payment on all relevant tax returns and indemnify LSTM against any tax, national insurance, interest and penalties payable in respect of such payment or allotment; and
- actual payment of any known or reasonably anticipated tax, national insurance, interest and penalties which may arise in respect of such payment/allotment, and LSTM is authorised to deduct from any payment due to such former employee.

4.6.14 If income tax and/or national insurance subsequently becomes payable on payments made, or in respect of shares in Spin-Out Companies allotted, to a Creator/Group Member, then they must indemnify LSTM against any tax, national insurance, interest and penalties in respect of such payments/shares.

5 Interpretation

If there is any disagreement between an individual and LSTM concerning any of the matters contained in this Policy which cannot be resolved by discussion, the disagreement may be referred by either the individual or LSTM to the Director of Strategic Operations for final determination.

6 Equality and Diversity

LSTM is committed to promoting equality of opportunity, combatting unlawful discrimination and promoting good community relations. We will not tolerate any form of unlawful discrimination or behaviour that undermines this commitment and is contrary to our equality policy.

7 Safeguarding

In line with our Safeguarding policy and procedures, LSTM's processes reflect our organisational commitment to keeping children and vulnerable adults safe.