



# **INTELLECTUAL PROPERTY POLICY**

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# Document Information

## 1. Document Details

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**Important Note:** If the 'Status' of this document reads 'Draft', it has not been finalised and should not be relied upon.

## 3. Relevant Existing/Related Documents

<b>Title</b>	<b>Status</b>	<b>Relevance to this Document</b>
CIT IP Policy 2011	Approved	Original Document
CIT Spinout Policy 2017	Approved	Being incorporated in to this new document
CIT Policy on Conflicts & External work	Approved	Referenced in this document
HEA Letter to Presidents 5/3/2018		Changes requested to policies

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*This document has been prepared in consultation with the following bodies:*

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*This document requires following approvals (in order where applicable):*

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## INTRODUCTION

Intellectual Property (“**IP**”) is an area of substantial importance to Cork Institute of Technology (“**CIT**”). CIT is dedicated to encouraging entrepreneurial endeavour and the creation of IP and spinout companies.

CIT recognises the principle that IP developed at CIT should be used for the greatest public benefit and that commercialisation is often the most efficient means of promoting the widest possible dissemination and use of IP.

CIT is committed to promoting the generation of IP in the context of the Government’s drive to create a “smart”, knowledge-based economy and to increase the level of IP being created by third level institutions and to transfer that technology into viable commercial entities.

This Policy regulates the protection, management and commercialisation of IP at CIT and provides guidance on IP related matters and spinout companies.

### 1 SCOPE

This Policy applies to:

- a) All full-time and part-time post-graduate students enrolled at CIT (“**Students**”);
- b) All full-time and part-time employees of CIT regardless of whether they are on contracts of a permanent, pro-rata, casual, fixed-term or indefinite nature, and post doctoral or other researchers (“**Staff**”); and
- c) All individuals other than Students and Staff who engage in research or other IP related activities at CIT including visiting students, visiting researchers, other visitors, consultants, and independent contractors (“**Relevant Third Parties**”).

The categories of persons listed above are referred to collectively in this Policy as “**Personnel**”.

IP relating to Personnel based temporarily outside of CIT shall be owned and managed on a case by case basis with the third-party organisation where the Personnel is/are based.

IP relating to Personnel who is dual appointed by CIT and a third-party organisation shall be owned and managed on a case by case basis with the other third-party organisation.

This Policy forms part of both Staff and Student regulations of CIT.

#### 2.1 POLICY REVIEW

This Policy shall be reviewed at least every four (4) years and within six (6) months of new or updates to the national IP Protocol or Code of Governance or any other significant change in national policy or guidance.

The Policy shall record all dates upon which the policy was reviewed and/or revised and the date of the next scheduled review.

The Policy shall also detail the body within the Institute that has approved the latest version of the Policy and the title of the policy owner.

## **2 WHAT IS INTELLECTUAL PROPERTY?**

IP is property that derives from original creative thought. It can subsist in a variety of tangible and intangible forms such as poetry, music, art and technological or scientific inventions. The most commonly known types of IP include:

- Copyright;
- Patents;
- Trademarks;
- Database Rights;
- Software;
- Trade Secrets;
- Plant Breeders Rights; and
- Design Rights.

A detailed definition of IP and further guidance in relation to the different types of IP are contained in APPENDIX 1 - **DEFINITIONS** to this Policy.

General guidance in relation to matters of interpretation under this Policy and definitions of other important terms such as “**CIT Resources**”, “**Know-how**” and “**Confidential Information**” are also included in Appendix 1.

## **3 AIMS OF CIT & THIS POLICY**

The specific aims of CIT in relation to IP are as follows:

- To create an environment that encourages the generation of new knowledge and IP;
- To ensure equitable returns on IP to the Creator(s) of the IP and to CIT.
- To encourage the recognition and identification of IP within CIT and promote an entrepreneurial culture among Personnel that fosters the development of potentially commercial IP arising from the activities of Personnel at CIT.
- To provide an efficient process by which the commercial potential of IP can be assessed by CIT and its advisors and to ensure that the process of IP evaluation, protection and commercialisation is carried out in a timely manner.
- To provide administrative assistance in commercialising IP.
- To provide support and supervision for the creation of economic structures through which IP is developed at CIT and used commercially.
- To maximise the earnings potential from commercialisation and to utilise financial and other returns to advance and encourage research at CIT.
- To encourage strategies of commercialisation and knowledge transfer that provide the greatest benefit to the Irish economy.

- To encourage public use and commercialisation of IP by facilitating its transfer from CIT to industry and business where appropriate.
- To continue to recognise the traditional CIT practices with respect to education, publication and scholarly works.
- To ensure that the financial return from the development of IP does not distort decisions and operations of CIT in a manner contrary to the mission of CIT.
- To give due regard to the non-financial benefits (e.g. non-cash consideration, benefit of strategic relationships between CIT and third parties, access to IP and Confidential Information) that will accrue to CIT and to the Creator(s) in pursuing the goals of this Policy.
- To develop and continually improve a long-term strategy that enables the development of IP, related commercialisation and technology transfer, together with maintenance of high standards of education.
- To foster the general awareness of Personnel of this Policy through dissemination and information campaigns, and to provide specific training to research active Personnel.

The objective of this Policy is to provide a consistent framework within which CIT can seek to achieve these aims.

This Policy has been drafted to take account of relevant legislation, funding agency requirements and Ireland's National IP Protocol 2019.

#### **4 INNOVATION & ENTERPRISE OFFICE (IEO)**

The Innovation and Enterprise Office (“**IEO**”) is the unit within CIT responsible for managing and overseeing IP related matters. The roles of the IEO include:

- Processing IP applications submitted using an Innovation Disclosure Form (See Section 8 for further details in this regard);
- Assessing the technical and commercial viability of IP and/or inventions;
- Drafting and negotiating IP agreements (such as non-disclosure agreements, material transfer agreements, research contracts, collaboration agreements, etc) with industry and/or other research organisations regarding contract and collaborative research projects;
- Advising on disclosures and publications;
- Protecting IP through patents, confidentiality agreements, etc;
- Commercialising IP;
- Facilitating a fair and equitable return to those involved in commercialisation of their research/work through royalty and equity share agreements;
- Nominating negotiators (if required) to negotiate with third parties and ensuring, in so far as practicable, a reasonable financial return to the Creator(s) involved (where appropriate) and to CIT;
- Proactively engage with CIT Personnel to identify and develop opportunities for the formation of Spinout Companies;
- Identify suitably qualified Personnel to lead Spinout Companies;
- Advise CIT management on measures and initiatives to increase and incentivise company formation by CIT Personnel;

- Facilitate the effective engagement between Spinout Companies and CIT before, during and after the formation of the company;
- Provide mechanisms to evaluate and support the business plans and company promoters involved in Spinout Companies;
- Work with relevant Spinout Company promoters (both internal and external) to navigate and to facilitate timely compliance with CIT policy and procedures during the establishment process.
- Provide template, and/or input into, shareholders agreements used by the promoters of the Spinout Company that reflect CIT's position as a shareholder in the Spinout Company.
- Negotiate license/assignment terms for IP into the proposed Spinout Company and provide licence/assignment template agreements.
- Negotiate CIT shareholding in the proposed Spinout Company to reflect CIT input.

The Innovation & Enterprise Manager is responsible for approval of all Term Sheets. The authorised signatory is the VP for External Affairs.

The importance of appropriate outside professional assistance is acknowledged. The Innovation & Enterprise Office will avail of these resources when appropriate.

## **5 GENERAL PROVISIONS**

### **6.1 OWNERSHIP OF IP**

This Policy is applicable to IP that is owned by CIT, including (without limitation) for any of the reasons outlined below:

- It is created by Staff in the course of their employment with CIT. This is a condition of Staff's employment with CIT. The Copyright & Related Rights Act 2000 (as amended) also provides that when a copyright is created by an employee in the course of employment, the employer is the first owner of any copyright in the work unless specifically agreed to the contrary.
- It is developed by Personnel in the course of their normal or specifically assigned duties to CIT either when IP could be reasonably be expected to result from the carrying out of those duties and/or, at the time the IP was developed, there was a special obligation on the relevant Personnel to further the interest of CIT.
- The IP arises out of funded or non-funded research where such research has, in the opinion of CIT, made use of CIT Resources, Know-how or Confidential Information (except where ownership of such IP is otherwise provided for in a prior agreement between CIT and third parties).
- It is a condition of the engagement of a Student to perform research that CIT shall own any IP arising from the research performed by such Student.
- It is a condition of the appointment of a Relevant Third Party to perform research, that CIT shall own any IP arising from the research performed by such

Relevant Third Party. In such cases, CIT will seek to ensure that the ownership of IP is addressed in an appropriate agreement prior to the commencement of the research project.

## **6.2 SPONSORED RESEARCH**

Ownership of IP arising from research which is partly or wholly financed by any external party shall be subject to the provisions of any agreement related to the grant or the contract covering that research between CIT and the external organisation (“**External Research Agreement**”).

Where an External Research Agreement requires IP to be assigned to a private company, entry level or “background” IP belonging to CIT shall be defined so that ownership of it is retained by CIT and not inadvertently assigned to the private company as part any new IP that is created, also known as “foreground” IP. In the event of any inconsistency between this Policy and the terms of an External Research Agreement the provisions of the latter shall prevail provided that it has been reviewed by the Innovation & Enterprise Office (who will seek external advice if necessary) and it has been properly executed by CIT.

For the avoidance of doubt, where IP is generated from research that is 100% funded by monies provided directly by the State, or by any not-for-profit organisation or individual, and awarded through a public service organisation charged with the granting and dissemination of research funds, the IP will be exclusively and absolutely owned by CIT.

CIT will endeavour to follow any national guidelines, rules and procedures, relevant to external funding for IP including Ireland’s National IP Protocol 2019.

## **6.3 IP CREATED BY RELEVANT THIRD PARTIES**

This Policy also extends to Relevant Third Parties. Such parties may be required to enter into an appropriate agreement with CIT to regulate their relationship with CIT.

## **6.4 AUTHORISED SIGNATORIES**

The list of authorised signatories for all agreements relating to IP and Spinout Companies is available from the IEO or [here](#).

## **6 IP AGREEMENTS AND ASSIGNMENTS**

When required by the specific circumstances of a project, Personnel will be required to:

- (a) Enter into appropriate IP agreements and/or assignments with CIT and/or other parties that CIT may determine;
- (b) Execute all IP agreements, assignments or other documentation required by CIT including agreements to assign or transfer IP and to protect CIT's rights, title and interests;
- (c) Do anything that may reasonably be required to assist any assignee of any patent application or other IP to obtain, protect and maintain its rights, title and interests; and
- (d) Use all reasonable endeavours to do or procure to be done all such further acts and things and execute or procure the execution of all such other documents as may be reasonably required by CIT from time to time.

## **7 LABORATORY NOTEBOOKS**

The use of laboratory (lab) notebooks is mandatory for all personnel engaged in research. Their use will ensure that CIT is sufficiently protecting its inventions, research, and products, so that discussions or allegations during disputes or litigation are based on documented fact.

This includes such things as the date of an invention, a description of the invention or research, the dates or research techniques that were used, and the like. In order to do this, the lab notebook, in whatever format, must be an honest representation of the research work done by CIT, and must be acceptable to a court, the European Patent Office, the U.S. Patent and Trademark Office, and other offices whose charge is regulating statutory protection of IP.

Guidelines on using laboratory notebooks can be obtained from the Innovation & Enterprise Office.

## **8 DISCLOSURES, CONFIDENTIALITY & EVALUATION OF IP**

In order to enable CIT to ensure that it fulfils its obligations to organisations such as Science Foundation Ireland, Enterprise Ireland, Forfás, Health Research Board, Higher Education Authority, FIRM, Industrial Development Agency, Department of Business, Enterprise and Innovation, companies and other third parties in both the public and private sectors, who are funding research at CIT, all Personnel must disclose any IP arising from research or projects to CIT through the Innovation & Enterprise Office as soon as possible after such IP becomes apparent. Further details in relation to the disclosure procedures are contained in Section 9.1.

The IP should be kept confidential for a period of time until a timely evaluation of the case (including, without limitation, patentability) has taken place. No written, oral or other public statement relating to IP (“**Publication**”) should be made prior to disclosure to CIT. Confidentiality agreements and/or non-disclosure agreements will be used where appropriate.

### **9.1 IP DISCLOSURE PROCEDURES**

IP should be disclosed using CIT’s Innovation Disclosure Form (“**IDF**”) as follows:

- Personnel should complete an IDF in relation to any discovery or invention made that might be useful, patentable or otherwise protectable;
- The IDF includes a section that describes the contributions made by multiple Creators which is to be completed by the Creators when the discovery or invention has multiple Creators.
- This IDF, a copy of which is available from the Innovation and Enterprise Office or which can be downloaded [here](#) should be submitted to this office within one month of making a new discovery.
- Any reason for urgency in evaluating the proposal should be made clear to the Innovation & Enterprise Office.

### **9.2 IP CONFIRMATORY ASSIGNMENT**

After a Creator(s) submits an IDF to the Innovation & Enterprise Office the Innovation & Enterprise Office shall prepare an IP Confirmatory Assignment agreement. The Creator(s) and CIT will sign this agreement.

### **9.3 EVALUATION OF IP**

- An IDF will be assessed by the Innovation & Enterprise Office regarding patentability, protection and/or potential commercialisation.
- The criteria used to assess the commercial value of the IP will include (without limitation):
  - Declaration of ownership status of the technology and IP.
  - Disclosures and Publications (made and planned).
  - Assessment of whether the IP does not just cater for a once-off need but has a potential long-term benefit.
  - Technical feasibility.
  - Commercial feasibility.
  - Proof of concept (business plan, access to finance, etc.).

- Potential for sale or licensing of technology or consultancy.
  - Whether the IP demonstrates a competitive advantage based on differentiated or innovative product or service.
  - Development stage of the subject matter.
  - Commercial focus and profit motive.
  - Study of comparable existing subject matter, licences and commercialisation practices.
  - Proximity to market.
  - Market valuations – “what is the current market willing to pay?”
  - Barriers to entry into markets.
  - Estimated projected sales based on market research.
  - Third party assistance including, for example, input from industry and state agencies.
  - Estimated cost of patent process by stage.
  - Funder of research to date.
  - Future funding planned and secured?
- Whilst the criteria listed above are not exhaustive, it provides guidance to persons submitting an application as well as to those determining the commercial value of the subject matter detailed in an IDF. As it is a complex decision, the Innovation & Enterprise Office may refer a case for further consideration to other experts (internal or external), where necessary, and further criteria may be applied.
  - A decision as to whether to commercialise any IP will be made by the Innovation & Enterprise Office within a reasonable time (usually 30 days) of receipt of the IDF and the Creator(s) of the IP will be notified in writing or by email of the decision made. If deemed necessary by the Creator(s) and the Innovation & Enterprise Office, the Innovation and Enterprise Office will make every effort to provide a decision at an earlier date.
  - If the IDF evaluation is rejected the Innovation & Enterprise Office will offer the opportunity to the Creator(s) to pursue exploitation independently, if appropriate, under agreed written terms. The Innovation & Enterprise Manager will be responsible for this decision.

#### **9.4 SUBMISSION OF A PATENT OR OTHER IP APPLICATION**

- CIT shall have the right, but not the obligation, either directly or through an outside agent, to seek patent or other protection of IP and to undertake efforts to introduce the invention/IP into public use.
- Where a decision is made to proceed with a patent application, the Creator(s) is required to cooperate in every reasonable way, to execute all necessary documents and to assist the Innovation & Enterprise Office in completing the patent application form. The application should remain confidential until such time as the process is complete. Confidentiality agreements will be used where appropriate.
- Commercialisation activities should recognise specific terms and conditions in appropriate funding contracts, including any External Research Agreements.
- The cost of the submission of the application shall be paid by CIT. Any expenses incurred will be reimbursed to CIT prior to the distribution of any royalty income (if any) from the IP.
- The Creator(s) and CIT shall take all reasonable precautions to protect the integrity and confidentiality of the IP in question. The Creator(s) should be aware that Publication prior to the filing of patent or other applications may prevent the granting of certain patents/protectations.
- CIT may decide at any stage to withdraw from the process of exploiting a particular piece of IP. This may arise where:
  - Concern exists regarding the technical or commercial feasibility of a particular piece of IP;
  - Unauthorised Publications have been made in relation to the IP;
  - The costs of exploiting the IP are excessive; or
  - External sponsorship of the process is no longer available.
- The Creator(s) will be notified in writing of the intention of CIT to withdraw from the process and the withdrawal will apply with immediate effect. The Innovation & Enterprise Manager will be responsible for this decision.
- In normal circumstances, if legally and commercially appropriate, the IP will be offered to the Creator(s), to be assigned or licensed to the Creator(s), if the Creator(s) so requires, under agreed written terms This offers the opportunity to the Creator(s) to pursue exploitation independently. The transfer of ownership costs, including the legal costs, associated with the assignment/license from CIT to the Creator(s) will be borne by the Creator(s).

- No patent application, assignment, licensing or other agreement may be entered into or will be considered valid with respect to CIT IP except when properly and lawfully executed by CIT.

Please see the diagram contained in Appendix 2 to this Policy which gives a high-level overview of how an invention is managed by the Innovation & Enterprise Office.

## **10 COMMERCIALISATION**

The Innovation & Enterprise Office will assist, provide advice, or procure the provision of outside professional advice in relation to the various options for commercialisation and knowledge transfer that may be appropriate in order to best meet the aims of CIT including:

- Licensing the IP to a third party for a fixed sum and/or a royalty related to future sales;
- Assigning the IP to a third party for a fixed sum and/or a royalty related to future sales;
- Developing the commercial potential of the IP through a campus company;
- Developing the commercial potential of the IP through a joint venture with a third party; and
- Any other arrangements that may be considered appropriate.

The Innovation & Enterprise Office, with input from the Creator(s), will make the decision on which commercialisation route to take. Where the IP is jointly owned with other organisations the Innovation and Enterprise Office will work with the other organisations, with input from the Creator(s), to decide the appropriate route. Where multiple IDFs contribute to a single commercial agreement the Innovation & Enterprise Office, with input from the Creator(s) for each IDF, will decide on the relative contributions of each IDF to the overall IP bundle.

The Creator(s) will support the Innovation & Enterprise Office in the commercialisation of the IP.

The Innovation & Enterprise Office will make the decision on commercial terms. The Innovation & Enterprise Manager will approve these terms.

In making this commercialisation decision, the Innovation and Enterprise Office will give due consideration to the need to retain the right to use and access Know-how and research materials for the purpose of continuing and/or further research and/or other academic purposes.

In line with the National IP Protocol CIT will endeavour to agree IP Agreements with external parties on fair commercial terms. CIT will consider the contributions (if any) made by both the State and collaborating partners when determining these terms.

## 11 LICENSING AND DIVISION OF INCOME

### 11.1 GENERAL PRINCIPLES

The following points should be noted in relation to the licensing and division of income derived from the commercialisation of IP developed at CIT:

The term “**income**” includes revenue derived from IP commercialised by CIT, and also includes (without limitation) up-front licence fees, down payments, minimum annual payments, royalties on sales and is net of any expenses incurred by CIT in commercialising or protecting the IP.

- All direct expenses incurred by CIT in:
  - the patenting or other registration or protections of IP; and
  - the commercialisation of an invention or any other IP;

including (without limitation) administrative, marketing, market research, licensing, legal, and any other expenses and costs and any subsequent investigation, development and promotion, will be deducted from any initial royalty income or lump sum. No royalty income will be made available for distribution until such expenses have been recovered.

- If more than one Creator(s) is involved, any royalty income shall be divided as described in the IDF. If this is not specified in the IDF it shall be divided equally between the Creator(s).
- CIT will seek to ensure that the division of royalty income will be carried out within 2 months of the receipt of such income by CIT or as soon as possible thereafter.
- The Creator(s) share shall continue to be paid the royalty income even though he/she may have left CIT.
- It is a matter for the Creator(s) (even after the Creator(s) leaves the employment of, or completes his/her studies with, CIT ) to inform CIT , and to keep CIT informed, of the Creators(s) contact details and banking details (and any changes thereto) in order that CIT can make the necessary communications and payments to the Creators(s) in connection with the Institute IP concerned
- For the avoidance of doubt, a Relevant Third Party shall not be entitled to royalty income arising from IP to which they have contributed unless this is stated in their contract of engagement or unless CIT agrees otherwise in writing.
- If CIT takes equity (in whole or part) for a licence or assignment to an external company the Governing Body will be responsible for any decisions relating to the equity. The Innovation and Enterprise Manager will make recommendations to the

Governing Body in relation to the equity. The distribution of any income realised from this transaction shall be as described in section 11.2.

- If CIT takes equity in return for cash, use of facilities or other services to an agreed value in a CIT Spinout Company the Governing Body will be responsible for any decisions relating to the equity. The Innovation and Enterprise Manager will make recommendations to the Governing Body in relation to the equity. The distribution of any income realised from this transaction shall not be subject to the distribution policy described in section 11.2.

## **11.2 INCOME FROM IP**

Subject to Section 11 above, income derived from inventions or other IP which are commercialised by CIT will be distributed between the Creator(s), the Creator(s) Department(s) and the CIT TT Fund.

The following scales will apply for CIT IP:

<b>Level of income</b>	<b>Creator(s)</b>	<b>CIT TT Fund</b>	<b>Creator's Department / Centre</b>
<b>Under €100,000 of IP income</b>	70%	15%	15%
<b>€100,000 to €300,000 of IP income</b>	50%	25%	25%
<b>Over €300,000 of IP income</b>	40%	30%	30%

Scales for IP created by non CIT Personnel and commercialised by CIT will be negotiated, by the Innovation and Enterprise Office and the Creator(s), on a case-by-case basis.

For the avoidance of doubt, CIT makes no claim to academic book royalties or any income arising from authoring any academic articles or publications by Personnel.

All income distributed to CIT Personnel shall be subject to compliance with applicable taxation provisions as required by law at the time of distribution.

## **12 IP CREATED OUTSIDE CIT EMPLOYMENT**

CIT will have no interest in any inventions or other IP created by Personnel entirely on their own time without the use of any CIT Resources. The onus shall be on Personnel to prove to the satisfaction of the CIT that the relevant invention or IP was in fact created by them on their own time without the use of any CIT Resources.

## 13 ACADEMIC PUBLICATIONS

CIT encourages Staff and Students to place the results of their research in the public domain either through learned journals or presentation at conferences. CIT recognises that this is a vital factor for academic recognition.

However, it is important that any Publication does not compromise the confidentiality of IP or ability of CIT to protect the IP and is not in violation of the terms of any agreement. For example, a Publication may make it impossible to obtain valid patent protection or can weaken the strength of the patent. Information detailed on an IDF or a potential patent application should not be included in a Publication without the prior written approval of the Innovation & Enterprise Office.

During the course of some research projects a patent application will be filed. It is important to note that this is not the final application that will be submitted to the patent authorities and that CIT will have further opportunities to expand the scope and claims of the patent for a further twelve months. This allows CIT to add further applications, improvements, inventions, results, etc that are obtained as the research project continues to the initial patent application, or to file a second patent application. It is crucial that any Publications made only discuss the initial patent application and do not mention any results obtained after the initial filing date until they have been suitably assessed and protected (if relevant) by the Innovation & Enterprise Office.

The placing of a thesis in the CIT library without ensuring that accessibility is restricted constitutes a Publication. Arrangements may be put in place on a case by case basis to ensure that access to sensitive theses is restricted if it contains information relating to IP. This may involve the thesis in question being stored away from the library or such other arrangements as may be necessary, with access to these theses being subject to execution of a non-disclosure agreement.

There are many types of Publication and Personnel should contact the Innovation & Enterprise Office for appropriate clarification and guidance. Any proposed Publication in relation to IP must be approved by the Innovation & Enterprise Office in advance. This office will endeavour to respond to all publication approval decisions within 30 days of the publication being submitted to the Innovation and Enterprise Office. If there is an External Research Agreement in place concerning the publication the Innovation & Enterprise Office will follow the response times agreed in this agreement.

Where entering into an External Research Agreement CIT will seek to retain rights that allow certain Personnel to make Publications in relation to their research, including but not limited to:

- (a) making presentations at seminars, symposia, national, or regional professional meetings;
- (b) publishing in journals, theses or dissertations, or otherwise of their own choosing, the methods and results of research; and

(c) using methods and results of research for teaching purposes or further research.

Such rights may be subject to approval of parties other than CIT that are party to the External Research Agreement. If this is the case, it is possible that such parties can and will veto or amend a proposed Publication.

## **14 DISPUTE RESOLUTION IN RELATION TO EXPLOITING IP**

Personnel may appeal decisions made by the Innovation & Enterprise Office concerning Intellectual Property in which they have an interest, and the exploitation of same, to the VP with responsibility for Research. Depending on the complexity of the appeal, the VP has up to 15 working days to provide a decision. Such Personnel may further appeal decisions of this VP with responsibility for Research to the President of CIT .

The President must respond with a decision within 30 working days. Both parties have the right to engage the advice of external experts (cost to be borne by the engaging party) at both stages of this dispute resolution process.

Any dispute or difference arising out of, or in connection with, the CIT President's decision shall be submitted for mediation by a mediator or other appropriate independent third-party expert agreed by the parties or, in default of agreement, appointed by the Centre for Dispute Resolution in Dublin. The cost of any such mediator or expert shall be borne equally by both parties.

## **15 SPINOUT COMPANIES**

Spinout Companies are an important mechanism for achieving the objective of knowledge transfer and are a key metric for CIT. This activity enhances the economic and social well-being of a region, through the creation of high-potential start-up (HPSU) companies which will potentially lead to the creation of high-skilled employment and further the economic development of the region's business sector.

### **15.1 SPINOUT COMPANIES**

#### **15.1.1 Spinout Company Approvals**

The Spinout Company approval procedure associated with this policy is in the attached APPENDIX 4 - SPINOUT COMPANY APPROVAL PROCEDURE. The purpose of this procedure is to provide transparent structures and procedures around the establishment of an ongoing relationship between Spinout Companies and CIT. In implementing the Spinout Company procedure CIT's prime concern is to ensure that Spinout Companies contribute to CIT's economic impact in a way that enhances the good name and reputation of CIT personnel and its internal and external stakeholders.

#### **15.1.2 Spinout Company Committee (SCC)**

The Spinout Company Committee (SCC) (see definitions for composition) is a key component of the approval procedure for Spinout Companies as outlined in APPENDIX 4 - SPINOUT COMPANY APPROVAL PROCEDURE. An SCC quorum will be in place when a minimum of two CIT representatives and one External Expert are present. A recommendation will be made to the President of CIT to approve Spinout Company status if all SCC members vote unanimously to approve the Spinout Company application.

The SCC functions will be:

- To determine whether an application for Spinout Company status should, based on the selection criteria set out in this policy, be recommended to the President of CIT. (The President reviews the SCC recommendation and makes the final decision on whether or not to seek Governing Body approval).
- To determine any conditions to be attached to the Spinout Company recommendation or resubmission of ancillary information or resubmission of a revised business plan if appropriate
- To assess the availability of CIT resources for support of a Spinout Company (i.e. facilities, human resources, etc.).
- To facilitate the commercialisation of CIT's research outputs.

### **15.1.3 Spinout Company Approval Criteria**

The proposed Spinout Company team will submit a Spinout Company Application Form (available from the Innovation & Enterprise Office) and a Business Plan for review by the SCC. An SCC meeting will take place at least ten working days after receipt of an application. The promoters will be expected to attend this meeting and will present the key aspects of the Business Plan at this meeting. The Business Plan will be evaluated on and should address a list of relevant criteria (APPENDIX 3 - CIT SPINOUT COMPANY SELECTION CRITERIA).

### **15.1.4 Available Resources**

CIT encourages and may facilitate the formation of Spinout Companies by CIT personnel; however, limitations exist on the availability of facilities, equipment and human resources within CIT. CIT's ability to sanction the formation and operation of Spinout Companies is determined by the availability of resources. CIT's decision on the provision of resources will be conclusive in any response to applicants for Spinout Company status.

### **15.1.5 Use of CIT Name**

Approved Spinout Companies will be permitted to use the CIT logo, name and association in their promotion and advertising activities, if written approval is received from the SCC. CIT retains the right to revoke this permission, to protect the name of CIT. The right to use the CIT name may be withdrawn at any time if CIT is dissatisfied with the conduct of the company or its compliance with its legal obligations. Once served with notice of dissatisfaction, a company may no longer use the name of CIT in connection with its business.

The Spinout Company will, at all times, ensure that its trading partners are aware of its limited liability status and CIT is not in any way responsible for its operations. Any employee of the Spinout Company will be informed by company management that their employment contract is with the Spinout Company and not with CIT.

### **15.1.6 Promoters of Spinout Companies**

Subject to CIT regulations and codes of conduct and with the prior (written) permission of CIT, staff members may:

- Own shares or share options in a Spinout Company
- Act as directors of a Spinout Company
- Act as paid consultants to a Spinout Company

CIT Personnel who take up roles as directors of companies should note that directors have legal fiduciary duties to act in the best interest of the company at all times (including duties in relation to managing conflicts of interest). CIT Personnel should seek independent advice on their legal responsibilities.

CIT reserves the right to decline any nomination of specific promoters in response to applications to form Spinout Companies

### **15.1.7 Structure of the Spinout Company**

Although Spinout Companies will generally be designated activity companies, CIT reserves the right to suggest alternative mechanisms which it deems appropriate in the circumstances. Examples include partnerships, joint ventures or any methods of association other than companies incorporated under the Companies Acts.

Regardless of the method of incorporation and the precise corporate structure used for a particular Spinout Company, it must include in its constitution an objects clause which is consistent with the functions of CIT under the Institute of Technology Acts (as amended). The reason for this is that CIT is not permitted under that legislation to hold shares in a company without such an objects clause. CIT will advise of the wording required for the objects clause and its inclusion in the Spinout Company constitution will be a pre-condition to CIT's approval and its signing of the shareholders agreement.

The Spinout Company may organise its internal operations as it sees fit, in accordance with its constitution.

The company will be required to comply with the provisions of the Institute of Technology Acts (as amended) and the Companies Acts 2014 with regard to company registration, filings and legal obligations.

### **15.1.8 CIT Shareholding in Spinout Companies**

CIT will receive an agreed equity share or retain an option to acquire an equity holding at nominal value in all Spinout Companies. This equity share will typically be 10% of the ordinary share capital of the company.

CIT may dispose of its shares in line with the company Constitution and/or the Shareholders Agreement, but it cannot be forced to do so against its wishes by the promoter(s) of the Spinout Company or any other party.

Disposal of shares shall be carried out in accordance with the Code of Governance for Institutes of Technology. Dilution of CIT’s shareholding needs to be communicated to Governing Body.

CIT is accepting equity in the Spinout Company because the new venture is a high-risk route to commercialisation for CIT IP. The equity received by CIT:

- Compensates CIT for licensing IP to an early stage company and not as a substitute for royalty payments. The equity stake that CIT is agreeing to the other participants owning, recognises and should reflect, the risk they are taking on in establishing the Spinout Company and the contribution they will be making to its success.
- Recognises the value of the right to be called a CIT Spinout Company
- Recognises the value of CIT permitting its resources, particularly staff but also potentially other resources described in this policy, to be made available to the new venture.

Whenever CIT is in a position to realise any value from its equity holding in a spinout company, which realisation shall be at the sole discretion of CIT, CIT will share the income received from such realisation, after the deduction of any patent, legal or other costs previously incurred, with Creators(s) and Departments/Centres as follows.

<b>Level of Net income</b>	<b>Creator(s)</b>	<b>CIT TT Fund</b>	<b>Creator’s Department / Centre</b>
<b>Under €100,000 of equity income</b>	70%	15%	15%
<b>€100,000 to €300,000 equity of income</b>	50%	25%	25%
<b>Over €300,000 equity of income</b>	40%	30%	30%

For the avoidance of doubt, a Founder Creator(s) shall not be entitled to share in the proceeds of any equity realisation by CIT under section 15.1.8.

### **15.1.9 Spinout Company Observer/Director**

CIT will have the right (but not the obligation) to appoint a board observer or director to any CIT Spinout Company.

CIT will have no other involvement in the operational management of the Spinout Company and will engage with the Spinout Company on an ‘arm’s length’ basis.

## **15.2 IP IN SPINOUT COMPANIES**

The Spinout Company will be subject to the procedures outlined in this Policy.

A separate agreement to licence Intellectual Property Rights to the Spinout Company will be required.

Where a Founder Creator elects, at his/her discretion, to take an equity share in any spinout or other private company to which CIT IP is licensed, it is important to note that the Founder Creator will in such circumstances be deemed to have forfeited, and will forfeit, their right under this CIT IP Policy to share in the distribution of any income howsoever generated by and paid to CIT as a result of the commercialisation of that CIT IP. Any forfeited income will be used to support further CIT activities in Technology Transfer.

Where a Creator does not take an equity share in any spinout or other private company to which CIT IP is licensed, the Creator will receive their share of income as described in the section 11.2.

## **15.3 REVOKING OF SPINOUT COMPANY STATUS**

CIT has the right to revoke Spinout Company status and support for the company, should any of the following circumstances occur:

- Concerns about the legal liability of CIT.
- Concerns about reputational damage to CIT.
- Substantial change in the activities of the business in that it is no longer in accordance with the remit of CIT.
- Unethical practices, including equality issues, bribery, fraud or other financial malpractice.
- Concerns regarding the commercial viability of the company.

Revocation of Spinout Company status will, as a consequence, preclude the promoters of the company from using CIT facilities and resources. They would be required to immediately vacate any CIT premises occupied and would have no claim against CIT for any resultant costs.

## **15.4 FINANCIAL REPORTING REQUIREMENTS OF THE SPINOUT COMPANY**

The finances of a Spinout Company are separate from those of CIT. CIT does not receive any Government funding for research (apart from postgraduate studies / programmes), and funds received for mainstream activities will not be utilised to support Spinout Companies.

The preferred approach is that Spinout Companies seek external funding for their operation. The management skills and financial support of an external company should enhance the chances of success of a Spinout Company.

A written agreement covering time and payment issues, between the Spinout Company and CIT will be required for the use of CIT facilities, equipment and services. Agreements will be reviewed annually by the Innovation & Enterprise Office.

Once established, CIT will engage with the Spinout Company on an ‘arm’s length’ basis.

Spinout companies are required to present to the Innovation & Enterprise Office:

- a copy of any business plan that the Spinout Company may develop from time to time,
- the quarterly management accounts of the Spinout Company, and
- the audited financial statements including balance sheets and profit and loss accounts in respect of each financial year of the company.

## **15.5 CHANGE IN BUSINESS FOCUS BY SPINOUT COMPANY**

Once a Spinout Company is in operation, any significant change in the approved focus of their business should be reported to CIT.

## **15.6 PUBLICITY**

CIT reserves the right to use non-commercially sensitive information about a Spinout Company for publicity and promotion purposes.

## **15.7 SPINOUT COMPANY EQUITY MANAGEMENT**

The Innovation and Enterprise Office manages equity in Spinout Companies.

## **16 CONFLICT OF INTEREST**

Personnel are required to adhere to CIT’s Policy on Conflict of Interest and External Work and disclose to CIT potential and existing conflicts of interest and to open discussions in relation to any such conflicts at an early stage. Such disclosures should be made to the relevant line manager in the first instance. CIT will endeavour to help Personnel to recognise where conflicts may occur and to manage and resolve these conflicts as appropriate.

If CIT determines that there is a conflict of interest or a potential conflict of interest, it will put in place such measures as are deemed appropriate to address the conflict.

A conflict of interest arises when an individual holds a personal interest, whether direct or indirect, which in the opinion of a reasonably-informed and well-advised person is sufficient to call into question the independence, impartiality and objectivity the individual is obliged to exercise in the performance of his/her duties. Conflicts of interest may be financial or non-financial or both.

The existence of an actual, perceived or potential conflict of interest does not necessarily imply wrongdoing on anyone’s part. However, any private, personal or commercial

interests which give rise to such a conflict of interest must be recognised, disclosed appropriately and either eliminated or properly managed.

Conflicts of interest that may arise in connection with IP commercialisation include, but are not limited to, the following:

- An individual using his/her CIT position to:
  - influence a contract or other favourable terms for a company in which he/she, or a relative or friend, had a financial interest;
  - obtain financial or non-financial benefits for him/herself or for a relative or friend in return for providing advantage, or potential advantage;
  - use CIT resources or confidential information for personal financial or non-financial benefit, or benefit to a relative or friend.
- Conducting business, employment or activity outside of CIT , which adversely affects the individual's ability to perform his/her duties.
- An individual compromising research objectivity or independence in return for financial or non-financial benefit for him/herself or for a relative or friend.
- A researcher having a financial interest in the company sponsoring research, this being exacerbated if the value of the researcher's interest may be affected by the outcome of the research.
- An individual is a Creator of patents or Creator of other IP whose value may be affected by the outcome of research in which they are involved.
- An individual holds a position in an enterprise (e.g. as director) that may wish to restrict (or otherwise manage) adverse research findings for commercial reasons or not wish to publish the results of the research.
- An individual having a financial interest or other personal interest in a spin-out company or may have personal IP with which they are intending to create a start-up company.
- An individual having a financial interest in the licensee (or proposed licensee) of CIT IP .
- An individual taking part in the negotiation of a contract between CIT and a company, where the individual or his or her family or a close personal friend has a financial or non-financial interest (e.g. a directorship) in that company.
- Where a researcher holds shares in a Spinout company, but may also be in a position to influence decisions relating to ongoing collaborative research between CIT and the Spinout.
- Where it is proposed to license CIT technology to a company which is owned by a family member of the Creator of that technology.
- Where a decision is being made on distribution of equity in a Spinout company between CIT and the Creator, but the Creator is part of the normal decision-making process for Spinout approval.

In the event that an Innovation and Enterprise Office staff member identifies a potential, actual or perceived conflict of interest related to IP commercialisation, it shall make the individual(s) concerned aware of the conflict and advise them to follow the process outlined in CIT's Policy on Conflict of Interest and External Work.

## **17 DISPOSAL OF ASSETS**

Disposal of all assets (IP and Shares) shall be done in accordance with the Code of Governance for Institutes of Technology.

## **18 ADMINISTRATION, MONITORING AND TRAINING**

This Policy will be administered and monitored by the Innovation and Enterprise Office on an on-going basis. The Policy may be amended by CIT from time to time. Amended versions of the Policy will be posted on the CIT Intranet and such amendments shall be fully valid and effective from the date of posting.

The Innovation and Enterprise Office will seek to promote the general awareness of this Policy amongst Personnel.

The Innovation and Enterprise Office is responsible for providing specific training on this IP Policy and its day to day application and relevance to Personnel.

Please contact the Innovation and Enterprise Office if you have any queries or feedback in relation to this Policy.

## APPENDIX 1 - DEFINITIONS

<b>“CIT”</b>	means Cork Institute of Technology;
<b>“CIT Resources”</b>	means all equipment, facilities, premises, Know-how and Confidential Information owned, held under licence or otherwise controlled by CIT.
<b>“Confidential Information”</b>	means information that is expressly marked confidential or which is manifestly of a confidential nature.
<b>“Creator”</b>	means a CIT Personnel member who, alone or in collaboration with others, conceives or creates CIT Intellectual Property. In the case of patents, Creators are those who meet the legal standard for inventorship, and in the case of Copyright Materials are the authors of the work in question.
<b>“Founder Creator”</b>	Creator of IP which is licensed to a Spinout Company and owns an equity stake in this Spinout Company.
<b>“Intellectual Property”</b>	means patents, patent applications, inventions, Know-how, trade secrets, Confidential Information, rights in design (registered and unregistered), copyright (including, without limitation, rights in computer software), data, database rights and sui generis rights, rights affording equivalent protection to copyright, semiconductor topography rights, trademarks, service marks, logos, domain names, business names, trade names, brand names, certification marks, assumes names and other indicators or origin, rights in any drawings, designs, plans, specifications, manuals, computer software, assets, Creator’s certificates and invention disclosures, writings and other works, whether copyright or not, bills of material, moral rights and all other industrial or intellectual property or other rights or forms of protection of a similar nature or having similar effect in any part of the world and rights in relation to them and, where appropriate, applications of any of them in any country or jurisdiction, rights in the nature of unfair competition rights, rights to sue for the tort of “passing off”, the right to apply for any of them and all other information necessary for the technical exploration of any of the same and all registrations.
<b>“Know-how”</b>	means unpatented, unpublished, technical information (including, without limitation, information relating to inventions, discoveries, concepts, methodologies, models, research, development and testing procedures, the results of experiments, tests and trials, manufacturing processes, materials, formulae, formulations, processes, research or experimental results, techniques and specifications, quality control data, analyses, reports and submissions) that is not in the public domain.

- “Promoter”** means CIT Personnel and/or external business partner(s) initiating the formation of a Spinout Company;
- “Spinout Company”** means a new, registered business based primarily on knowledge and/or intellectual property (“IP”) originating from CIT in which CIT holds equity and/or has licenced or assigned CIT Intellectual Property to the company. A Spinout Company will generally be a private designated activity company (DAC) (or other CIT approved company structure) which may be promoted by CIT Personnel and/or external business partners to trade in an agreed range of goods or services and formed in accordance with the policy and procedures outlined in this document.
- “Spinout Company Committee” or “SCC”** means a CIT committee whose role is to evaluate the application for the formation of a Spinout Company and to facilitate the establishment of the company. This committee will consist of the following members:
- VP for External Affairs (Chair);
  - VP for Finance & Administration (or nominee);
  - Head of Department(s)<sup>1</sup>;
  - Innovation and Enterprise Manager (Secretary); and
  - External Expert with relevant domain expertise.
- “Term Sheet”** means non-binding summary document outlining the material terms and conditions of a licence agreement.

## **GENERAL INTERPRETATION**

Headings used in this Policy and the documents attached in Appendices are for ease of reference only and shall not affect their construction.

Unless the context otherwise requires, any reference in this Policy to any gender includes the other and to the singular shall include the plural and vice versa.

Words not otherwise defined in this Policy that have a well-known and generally accepted technical or trade meaning in the IP industry in Ireland are used in this Policy in accordance with such recognised meaning.

Any reference in this Policy to any law or legislation is to the same as such may be amended, modified or replaced from time to time.

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<sup>1</sup> One Head of Department from the academic department of each academic promoter if multiple departments are involved or Head of Centre if relevant.

## **FURTHER GUIDANCE IN RELATION TO THE DIFFERENT TYPES OF IP**

### 1. Patents

Patents are intended to protect new and improved products and processes that have some technical innovation and are capable of industrial application. Patent protection can be obtained at national and multinational levels.

#### *Ireland*

A patent under Irish law is a monopoly granted by the State in respect of an invention as an incentive to innovate. Patents are governed primarily by the Patents Act 1992 and the Patents (Amendment) Act 2006. Under this legislation, patents are granted for a term of 20 years. However, there is a provision for the grant of short term patents which have a term of 10 years.

#### *Europe*

The European Patent Convention (“EPC”) established a common system of law for the grant of patents in European countries (including some non-EC members). An application to the European Patent Office can lead to the grant of a single European patent which takes effect as a bundle of national patents in selected states designated by the applicant. Articles [52](#) and [53](#) of the EPC) stipulate what can and what cannot be patented. European patents are granted for inventions that are new, involve an inventive step, and are susceptible of industrial application. An invention can belong to any field of technology.

#### *US*

A patent for an invention is the grant of a property right to the Creator, issued by the United States Patent and Trademark Office (“USPTO”). Generally, the term of a new patent is 20 years from the date on which the application for the patent was filed in the United States or, in special cases, from the date an earlier related application was filed, subject to the payment of maintenance fees. U.S. patent grants are effective only within the United States, U.S. territories, and U.S. possessions. Under certain circumstances, patent term extensions or adjustments may be available. The right conferred by a patent under US law is “*the right to exclude others from making, using, offering for sale, or selling*” the invention in the United States or “*importing*” the invention into the United States. What is granted is not the right to make, use, offer for sale, sell or import, but the right to exclude others from making, using, offering for sale, selling or importing the

invention. Once a patent is issued, the patentee must enforce the patent without the aid of the USPTO.

## 2. Copyright

Copyright is governed under Irish law by the Copyright and Related Rights Act, 2000-2007. Copyright gives the right to control use of certain material such as books and other literature, art, music, sound recordings, computer programs, films and broadcasts. However, copyright does not protect inventions (see patents) or brand names (see trademarks). Most, but not all, uses of copyright material will require permission from the copyright owner.

Copyright protection is automatic in Ireland in that there is no official application or recording system. Ireland is also party to a number of international treaties relevant to copyright including the GATT/TRIPS Agreement and the Berne Convention for the Protection of Literary and Artistic Works.

## 3. Trademarks

A trademark is a word, name, symbol, or device that is used in trade with goods to indicate the source of the goods and to distinguish them from the goods of others. A service mark is the same as a trademark except that it identifies and distinguishes the source of a service rather than a product. The terms “trademark” and “mark” are commonly used to refer to both trademarks and service marks. Trademark rights may be used to prevent others from using a confusingly similar mark, but not to prevent others from making the same goods or from selling the same goods or services under a clearly different mark.

Trade mark law in Ireland is currently governed by the Trade Marks Act 1996. Trademarks can be registered at national level at the Irish Patents Office, Wider protection can be obtained by filing registrations at the Office for Harmonisation in the Internal Market (“OHIM”) in Spain, under the Madrid Protocol and through selective filings in individual countries.

## 4. Designs

Designs are concerned with the appearance of a product, either the whole or a part, resulting from such features as lines, contours, colours, shape, texture or materials of the product itself or its ornamentation. A ‘product’ in this context means any

industrial or handcraft item, including parts intended to be assembled into a complex packaging, get-up, graphic symbols and typographic typefaces, but excluding computer programs.

The Industrial Designs Act 2001 governs this area under Irish law. A design right is obtained by registration at the Irish Patents Office. It gives the owner the right, for a limited period (up to 25 years, with renewals every 5 years), to stop others from making, using or selling a product to which the design has been applied, or in which it is incorporated.

It is possible to obtain a registered community design through OHIM covering all member states of the EU. An unregistered design right is also available at EU level. The right comes into existence automatically by the mere fact of making the product incorporating the design available to the public within the EU. Protection is limited to 3 years and to preventing the use of copies of original designs. It is important to note that a Registered Design gives exclusivity whereas an unregistered design right can only be enforced where copying can be proved.

## 5. Domain Names

A domain name is a unique address on the internet. Addresses can be registered on various generic top level domains (“TLDs”), such as .com and .biz, as well as country code TLDs such as .ie. The Domain Name System (“DNS”) is the international system that co-ordinates the allocation of domain names. The DNS is run by the Internet Corporation for Assigned Names and Numbers (“ICANN”). A trademark could be infringed by a domain name. Disputes in such cases as dealt with under the Uniform Domain Name Dispute Resolution Policy (“UDRP”). The resolution provider under the UDRP is the World Intellectual Property Organisation (“WIPO”).

## **APPENDIX 2 - CIT INVENTION PROTECTION PROCESS**

The diagram on the following page gives a high-level overview of how a new, patentable, invention is managed by the Innovation and Enterprise Office. The research and publication stages, with timelines, are shown in parallel to the IP protection process.

See the following links for information on patenting processes:

Irish Patents

<https://www.patentsoffice.ie/>

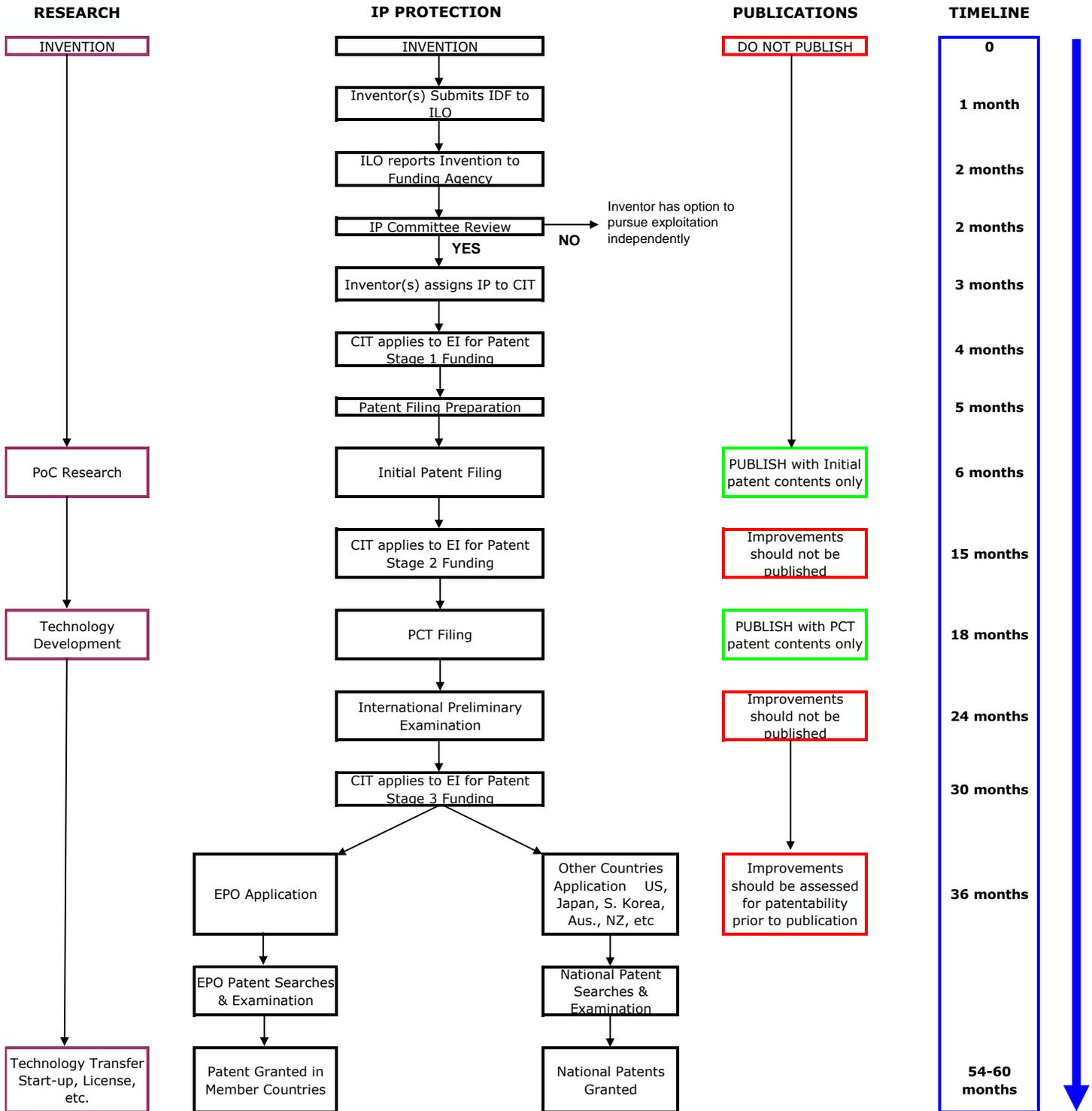
European Patents (EPO)

<https://www.epo.org/>

US Patents

<http://www.uspto.gov/>

## CIT IP Protection Process



**PLEASE NOTE THAT PROGRESSION THROUGH THE PROCESS IS NOT AUTOMATIC. THERE ARE A NUMBER OF SEQUENTIAL DECISION POINTS IN THE PROCESS WHICH DEPEND ON IP QUALITY, FUNDING AVAILABILITY, TECHNICAL VIABILITY AND COMMERCIAL VIABILITY OF THE INVENTION.**

**PLEASE CONTACT THE IEO IF MORE INFORMATION IS REQUIRED.**

## **APPENDIX 3 - CIT SPINOUT COMPANY SELECTION CRITERIA**

The Business Plan should address each of the following topics:

- **Proven demand for product or service.**

Issues to consider include: What problem is the proposed product/service solving? Is the product/service available elsewhere? Does the product/service have a long-term benefit and not just meet a once-off demand? Is it an innovative idea? Is this a mass or niche market?

- **Commercial viability and business model of the Spinout Company**

Issues to consider include: Is there a commercial focus and profit motive? Is the proposed business commercially viable? Does the anticipated market volume justify the decision? Who is going to buy the product/service, and how does the company plan to get them to make that purchase decision?

- **Benefits of Spinout Company formation to CIT and Company**

Issues to consider include: How will CIT realise value from the investment? What are the potential benefits from CIT expertise and facilities? What are the advantages of Spinout Company formation over other methods of knowledge transfer for the project concerned, i.e. licence/assignment to an existing company? Is it a knowledge intensive business? Is it necessary to be set up as a Spinout Company?

- **Business plan / Draft business plan prepared**

Issues to consider include: Marketing strategy, key commercial and technical milestones and 3 year forecast financial projections

- **Competitive advantage**

Issues to consider include: Is there a demonstrated competitive advantage, based on differentiated or innovative product or service, proprietary knowledge or a specialised expertise?

- **Proposed management of Spinout Company**

Issues to consider include: Experience and motivation of promotor and management team. Will management be solely focused on this business?

- **Conflict of interest and transfer plan**

Issues to consider include: Is there a conflict of interest with services already provided by CIT? Transfer plan for CIT Personnel to the Spinout Company. Will CIT Personnel have dual roles with CIT and the Spinout Company on a temporary or permanent basis?

- **Capitalisation / financial arrangements**

Issues to consider include: Ability of Spinout Company to obtain external funding. Proposed arrangements regarding direct and indirect costs.

- **Current status, accomplishments to date, timeline and use of funds**

Issues to consider include: What is the current development status of the proposed product/service, what needs to be done to complete development and launch the product? How much funding will be needed to do so?

- **Future plans for the company**

Issues to consider include: Terms of CIT participation in any Spinoff Company which might result from the Spinout Company.

- **Compliance with other CIT policies and procedures**

Issues to consider include: Compliance of proposed Spinout Company with other policies and procedures that apply in CIT (e.g. Ethical issues, Health and Safety issues etc.).

## **APPENDIX 4 - SPINOUT COMPANY APPROVAL PROCEDURE**

CIT's investment and participation in campus companies is a reserved function of its Governing Body. Accordingly, Governing Body approval will be required for each Spinout Company.

Those CIT Personnel acting as shareholders, directors or consultants to a Spinout Company must act in accordance with CIT's External Work, Consultancy Policy and Conflict of Interest Policy.

Spinout Company formation procedures are as follows:

- Formal discussions on the proposed Spinout Company to take place between the promotor(s) and the Innovation & Enterprise Office (IEO)
- Term Sheet for a licence to the technology to be negotiated and agreed with the IEO
- Key terms for a shareholders agreement to be agreed with the IEO – including issues such as equity, team, etc.
- Spinout Company Application form to be completed by the promotor(s) and submitted to the IEO (available from IEO)
- Business plan to be submitted by the promotor(s) to the SCC (A Business Plan Template is available from IEO).
- Presentation by promoters of proposal to the Spinout Company committee (A Presentation Template is available from the IEO).
- Assessment of the proposed company by the SCC, based on the selection criteria identified in this policy
- A recommendation on the proposal is provided by the SCC to CIT President for consideration and permission to seek Governing Body approval
- Final approval on the Spinout Company is sought from the Governing Body
- If approval has been given by Governing Body, execution of agreements relating to the establishment of the Spinout Company

The SCC may make a request for additional information prior to making a final decision, such as:

- Request for re-submission of business plan subject to modifications.
- Request for responses to specific questions raised by the committee.

The SCC may also request a further presentation by the promoters in response to its requests.

Once the SCC has satisfied itself that it has all of the information it needs it will make one of the following recommendations to the President:

- Recommendation to approve the establishment of a Spinout Company with or without conditions
- Recommendation to refuse the establishment of a Spinout Company.

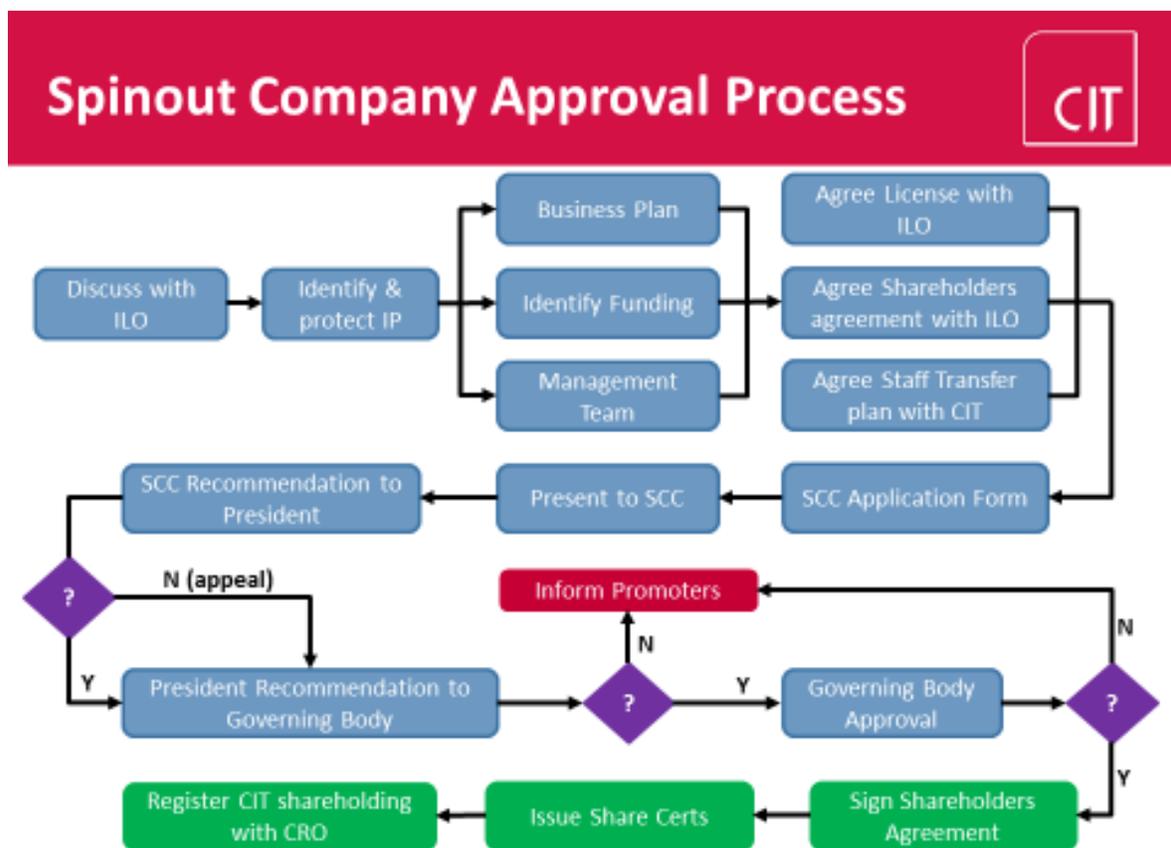
The recommendation will be communicated to the President within five working days of agreeing the recommendation.

The President reviews the SCC recommendation and makes the final decision on whether or not to seek Governing Body approval. This review by the President shall include any recommendation by the SCC to refuse the establishment of a Spinout Company, in which case the promoters will be given an opportunity (normally within 5 working days of request by the President) to make further submissions to the President by way of appeal to seek approval from Governing Body. The President may request further information from the promoters and/or the SSC and has the right to consult with CIT colleagues and external experts as appropriate.

All decisions of the SCC and the President will be reported to Governing body.

The promoter(s) is/are notified, and the Spinout Company signs a shareholders agreement with CIT, issues a share certificate to CIT and registers the Spinout Company in accordance with the Institute of Technology Acts (as amended) and the Companies Acts 2014

A summary of the approval process is shown in Figure 1 below.



**Figure 1 – Spinout Company Approval Process**