

UNDERSTANDING INTELLECTUAL PROPERTY

HOW TO
GUIDE
NO 2

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INTRODUCTION

Your Intellectual Property (IP) is likely to be one of your key assets. Don't underestimate its value! It can be critical in helping you transform your idea potential and creativity into market value and competitiveness.

But what exactly is it?

“Intellectual property refers to creations of the mind”

(World Intellectual Property Organisation)

- ✔ It is often a collective achievement!
- ✔ Intellectual Property Rights (IPR) are the legal rights given to people to control the use of their creations
- ✔ IP is an asset that needs to be protected and can be traded

In this booklet we will be looking at the different types of IPR, how they relate to you as a member of the University and how you might use them to develop a strategy for commercialisation.

THE VALUE OF YOUR IP

YOUR
expertise &
knowhow

YOUR
invention

YOUR
design

YOUR
games &
courses

YOUR
data

YOUR
methods

YOUR
software

YOUR
business
idea

YOUR
media
& photos

YOUR
ways of
working

YOUR
skills

YOUR
brand

MAIN TYPES OF IP RIGHTS

Some types of IP protection are free and some cost money. Some arise automatically and others you have to register for. These are the most common examples:

ARISE AUTOMATICALLY:

- Copyright
- Database rights

NEED TO APPLY FOR:

- Patents
- Plant breeding rights

EITHER:

- Designs (design right vs registered design)
- Trademarks

WHAT DO THEY MEAN?

COPYRIGHT - It is found in everything (almost!) that you create, and arises automatically. It does not protect ideas, only the means by which ideas are expressed. For example, copyright can protect publication papers, reports, tables, databases, websites, computer programs, source code, charts and diagrams.

DATABASE RIGHTS - This is similar to copyright, but also covers the selection and arrangement of data, for example customer records.

DESIGN RIGHTS - These help you to protect the look of your product or packaging.

KNOWLEDGE - Typically defined as 'know-how'. It is also intellectual property and part and parcel of academic research. Know-how can be protected by "Non-Disclosure" Agreements (NDAs).

PATENTS - A patent protects an invention. It gives the holder an exclusive right to prevent others from selling, making and using the patented invention for a certain period. We take a deeper dive further on in the booklet.

TRADEMARKS - They protect organisational/company brands, such as logos, names or jingles.

AN EXAMPLE OF IP RIGHTS

Inventions/How something works, e.g. liquid dispensing technology = **PATENTS**

Designation of origin, reputation of goods & services, e.g. Logo = **TRADEMARK**

Designs, e.g. shape and appearance of bottle = **DESIGN RIGHT**



Expression of ideas, e.g. Coca-Cola Freestyle (mobile phone app) = **COPYRIGHT**

Knowledge, e.g. recipe = **KNOW-HOW**
(can be trade secret)

Collections of data, e.g. customer details = **DATABASE RIGHTS**

WHAT GUIDANCE SHOULD I FOLLOW?

Navigating the nitty gritty of University IP policy can be a complicated process. You may have questions such as:

- ? How do I work out who owns the IP in my project?
- ? When does an idea become know-how?
- ? How do I manage the IP I generate?

As a member of the University of Cambridge a good place to start is Cambridge Enterprise.

Cambridge Enterprise can work with you to help turn your idea, technology and invention into a credible commercial concept. They can advise on all things IP related and provide strategic and practical help.

WHAT IS THE UNIVERSITY IP POLICY?

An employer generally automatically owns the IP created by its employees in the course of their employment duties. The University is no different in this regard: its IP policy states that it has first rights to file any registrable IP, usually a patent, that has been developed by an employee of the University.

It is important to note that although the University owns the IP, it has a very generous policy for sharing any income derived from it - the inventor can receive up to 90% of any licensing revenue generated.

Students are not employees of the University and therefore own the IP in the material they create, subject to any conditions in a funding contract or a wider project they may work on. The situation may also change when a student is working in collaboration with others in a way that gives rise to joint or interdependent creation of IP.

UNIVERSITY REVENUE SHARING

Inventors may choose whether to work with Cambridge Enterprise (Opt-in) or to work independently (Opt-out). There are lots of advantages to going through Cambridge Enterprise who can provide you with specialist advice and support, but it is not mandatory.

OPT-IN

This refers to the revenue share used when researchers work through Cambridge Enterprise to commercialise their IP

Net Income	Inventor(s)	Department(s)	CE
First £100,000 (£196,617 RPI*)	90%	5%	5%
Next £100,000 (£196,617 RPI*)	60%	20%	20%
Above £200,000 (£393,234 RPI*)	34%	33%	33%

OPT-OUT

This refers to the revenue share used when researchers choose to commercialise their IP independently, and the University hands back ownership of the IP to the researchers.

Net Income	Inventor(s)	Department(s)	University
First £50,000 (£98,309 RPI*)	100%	0%	0%
Above £50,000 (£97,793 RPI*)	85%	7.5%	7.5%

*The RPI adjusted threshold, as per direction of the 2005 IPR Policy (that is, adjusted for the period 12/12/2005 to 29/02/2024)

PATENTS – A DEEPER DIVE

This tends to be the IPR that raises the most questions and needs a bit more explanation.

Among the most frequently asked questions are two important ones to remember:

Who owns the patent, not just who is the inventor

This is because your employment contract may mean that irrespective of you being the inventor, your employer or the sponsor of your research may have rights to commercialisation.

Where does it fit in the landscape of the solution that the market is looking for?

Is it central to the solution being devised or is it one of many elements that need to come together to become a worthwhile solution in the market? This will influence the value that can be attributed to the patent.

Another key question is: **Is my invention patentable?**

The legal requirements for an invention to be patentable are:

Novelty – at least some aspects of the invention must be new and not described elsewhere in the public domain

Non-obviousness – the invention could not have been predicted by someone working in the field industrial applicability

When an invention is disclosed to Cambridge Enterprise, it assesses its patentability against these criteria. Other elements are taken into account when taking the decision to patent a technology such as analysis of your market, competition and timing.

CAMBRIDGE FILES

258.8

patent applications
per 100,000 residents,
outstripping any other UK city.

TALKING ABOUT YOUR IDEA

No doubt you are excited by your idea and enjoy discussing it. Sharing information is also an important part of academia and university life. All of which means it might go against the grain to think so carefully about what you disclose, **but your information is valuable**. A few points to keep in mind:

- ✓ In discussions with potential **industry partners** or **investors**, stick to talking about what your idea can do and the problem it can solve, rather than how you do it.
- ✓ Do consider putting a **confidentiality agreement** in place if you need to have a more detailed discussion before patenting.
- ✓ Think about patenting before you publish any work, or provide any key details in presentations, conferences, pitches or online posts. Public disclosure of your work can stop you getting a patent, so **make sure you think patenting first!** Also patenting does not stop you publishing – you can do the two in tandem.

Don't inadvertently give away your 'secret sauce'!

THIRD PARTY RIGHTS

You will need to think about third party IP rights for **everyone** who helped develop the IP that will be used by your company. These rights may arise from various sources, such as:

FUNDING AGREEMENTS - If your project has received funding from outside the University, such as a government agency, to conduct research that leads to an invention, the funding agreement may specify how the IPR in the invention are allocated and managed. For example, the funder may retain a nonexclusive license to use the invention.

COLLABORATION AGREEMENTS - If you have collaborated with another institution or organisation to conduct research that leads to an invention, the collaboration agreement may specify how the IPR in the invention are allocated and managed.

EMPLOYMENT CONTRACTS - If you are employed by another entity, such as another university, research institute, or company, their employment contract may specify how the IPR in their work are allocated and managed.

BACKGROUND IP - If your project has used or built upon existing IP that belongs to another party, such as another research institute, or an individual, to create an invention, you may need to obtain permission or license from that party to use their background IP.

COMMERCIALISING YOUR IPR – CONSULTING

There are a few well-worn routes to consider if you want to commercialise your IPR.

You may want to **use your know-how** to provide consulting services to potential clients. The advantage to this approach is you will get into close conversations with potential clients and partners, learn about their needs and earn some income for you and your research group or department. Consultancy can also develop into deeper strategic partnerships with industry, leading to collaborative or commissioned research or other activities.

The University supports academics to do consultancy and provides a managed service through Cambridge Enterprise. Their consultancy team can give advice on how much to charge for your work, as well as support with legal and contractual arrangements.

It's also worth going to a Consultancy 101 workshop at Cambridge Enterprise to learn more.

COMMERCIALISING YOUR IPR – LICENSING

Once you have established your IPR and are sure of the commercial potential of your idea, there are two routes you can take:

- 1 Licence to an existing company**
- 2 Create a spin-out and licence the IP into that**

What is a licence? A licence gives an organisation the commercial rights it needs to develop and commercialise the IP you have developed. Licences can be exclusive, non-exclusive, or restricted to a limited field of use or time.

Under licensing to third parties you can look to Cambridge Enterprise for support. Or it might be that contacts you already have through your research or consultancy are already interested in your idea.

The next booklet will take you through the process of **creating a spinout**

COLLABORATING TO GET AHEAD

To progress your idea, you may well have to think about how you collaborate with other researchers, funders, companies and people all of whom can bring value. Collaboration can mean anything from friendly interaction (no strings), to short-term (paid for) consultancy work, or a long-term research collaboration agreement (using grant or industry funding).

Here are some typical situations:

BACKGROUND IP (patents or knowhow) is provided by collaborators at the very start of a project and clearly identified in the agreement.

FOREGROUND IP all the IP generated during the course of a research project.

POSTGROUND IP (IMPROVEMENTS) is relevant to the partners and collaborators but may well be produced after the project has ended.

Owning an asset such as IP is hugely important and there needs to be **complete clarity** that the company you create will have **full unencumbered rights** to commercialise it.

LEGISLATIVE COMPLIANCE

There are a number of laws you should be aware of that may impact what you do with your IP. The UK government places restrictions on the transfer of IP assets or the right to use them. Amendments to the National Security Act introduced severe penalties for disclosing trade secrets to a foreign power.

Obtaining or disclosing trade secrets:

- ✔ For, or on behalf of, or with the intention to benefit, a foreign power
- ✔ Where a person's conduct is unauthorised and the person knows, or ought to reasonably know that their conduct is unauthorised
- ✔ A 'trade secret' is information which is not generally known to people in the relevant field; has actual or potential economic, commercial, or industrial value that would be affected by it becoming more broadly known.
- ✔ Can be committed in the UK or abroad. Where the conduct is wholly abroad it is an offence only if the trade secret is held by a UK person
- ✔ Maximum penalty of 14 years imprisonment

RESOURCES

More on IP:

IP Tutor delivered by UK Intellectual Property Office

World Intellectual Property Organisation

European Patent Office

US Patent and Trademark Office

Business and IP Centre
at the British Library

For Patent Searches:

Espacenet

Patent Lens

Fresh Patents

Google Patents

Legislative compliance:

Visit gov.uk and search
'National Security Bill'



Use the IE Cambridge support guide to find out about more IP support across the University,



Download the Community App



The complete resource for future
Innovators and Entrepreneurs,
located at: **ie.cam.ac.uk**

 #IECambridge



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