

# **LEEDS TEACHING HOSPITALS NHS TRUST**

**TRUST BOARD – 25 NOVEMBER 2004**

## **POLICY ON INTELLECTUAL PROPERTY (IP)**

### **1. INTRODUCTION**

Trust employees will, from time to time, develop ideas and concepts which have practical applications and commercial potential. Examples are the development of new techniques, devices, software, pharmaceutical products, formulae and writings. Such ideas and concepts are termed Intellectual Property and, like other kinds of property, can be owned and protected.

As part of its commitment to delivering the best possible patient care, the NHS in general, and the Trust in particular, wishes to encourage its staff to develop and exploit Intellectual Property in conjunction with the Trust and the Regional NHS IP Hub (Medipex).

All staff are encouraged to solve problems and to develop new ways of working which benefit patients and their care. Many innovations will not be patentable or copyrightable but nevertheless have enormous potential benefits if successfully implemented. Staff should be given opportunities to pursue their ideas and the Trust has a responsibility to ensure that advancements in working practices are disseminated across the Trust and, if appropriate, nationally.

This policy sets out the rules of ownership of Intellectual Property arising from employees' work, and its protection and exploitation. It aims to maintain a balance between the legitimate needs of the Trust to protect its interests and the provision of a creative working environment for staff.

### **2. OWNERSHIP OF INTELLECTUAL PROPERTY**

As a general rule, Intellectual Property created by any person during the course of his/her employment, or training arising out of his/her employment, belongs to the employer. The Trust's conditions on the ownership, use and exploitation of IP are designed to reflect this position under the law: the Trust, on behalf of the NHS, asserts its right to ownership and use of all IP generated by staff during the course of their employment, and it likewise asserts its right to ownership and use of all IP generated by staff outside the course of their employment where substantial Trust resources have been used. The Trust is however committed to sharing with the staff concerned the rewards derived from successful commercial exploitation of IP which they have generated (see below).

There may be circumstances in which the Trust chooses not to take up its rights to the Intellectual Property, in which case the Intellectual Property rights of ownership (IPR) may be assigned to the employee.

The Trust has agreed that it will not make any claim over income earned by members of staff from academic publications unless an individual has been employed specifically for the purpose of producing a particular publication or where publication might result in the loss of opportunity for commercial exploitation by the Trust.

It is recognised that some IPR is generated on research or other third-party contracts the terms of which may give third parties (usually the funding body in question) rights over some or all of the IP. Such rights are negotiated between the Trust and the funding body before the research contract in question is signed.

### **3. PROTECTION OF INTELLECTUAL PROPERTY RIGHTS**

IP needs to be protected by Patents, Copyrights etc. Acquiring such rights can be costly and is only the first step. Little or no benefit will accrue from protecting the Intellectual Property rights unless they are then developed and commercialised. The NHS has set up IP Hubs to advise Trusts on whether or not the IP has commercial potential and how best to take it forward; this Trust has entered into an agreement with Medipex to undertake this service for the Trust.

### **4. EXPLOITATION OF INTELLECTUAL PROPERTY**

Exploitation of Intellectual Property involves both costs and risks. Consequently, it will by no means always be appropriate or cost effective to seek to protect and exploit potential intellectual property.

In cases where patenting or licensing may be the most appropriate option, Medipex will undertake the negotiations on behalf of the Inventor and the Trust. In some instances the innovation may be a case of “best practice” which could be shared with other Trusts and the network of IP Hubs may be used to disseminate these innovations, either through their own network or via other NHS bodies such as the Modernisation Agency.

Exploitation of the Trust’s IPR will be the responsibility of Clinical Management Teams and Corporate Functions in conjunction with R&D, who would retain management responsibility for IP generated by Trust staff. All developments of IP should be channelled through Medipex. Medipex will assess the potential of Intellectual Property and decide whether or not it is worth protecting and exploiting (see Table).

In general, if legal action needs to be taken against an individual/organisation illegally using an invention which the Trust has protected, the Trust will request MediPex to assist in such matters.

## 5. SHARING THE BENEFITS

If the Trust chooses to protect Intellectual Property rights then it is considered appropriate that members of staff who have developed the Intellectual Property (the 'inventors') should have a share in any benefits e.g. royalty income.

Inventorship will be determined at the outset and inventors will warrant that they, and only they, have contributed to the generation of the IP in question. The distribution of any income or capital gain arising from the exploitation of the IP between the inventors will be agreed by mutual agreement. If required, Medipex will be called upon to provide an opinion on inventorship and to arbitrate in any disputes relating to assignment of inventorship.

Inventors may include clinical, academic, nursing and allied health professionals and related staff and postgraduate and other students. Financial benefits from the exploitation of IP will not accrue to members of staff who are employed by the Trust for the specific purpose of writing software although consideration will be given, on a case by case basis, where a member of staff is deemed to have made a contribution to the inventive step beyond that of software development.

The Trust agrees to distribute 40% of its net proceeds from exploitation (after deductions of any costs incurred including those due to Medipex associated with protection and commercialisation) to the inventors (in line with the practice of the University of Leeds). The Trust will distribute 30% of the net proceeds to the relevant Clinical Management Team(s) (or Corporate Function), 20% to the Research & Development Department for use in supporting the Trust's research portfolio and initiatives and 10% will be retained by the Trust to cover management and overhead costs.

If IP arises from research funded by an external, non-NHS or University agency, whose policy on the commercialisation of IPR was different from that of the Trust and which formed part of the research contract, then the distribution of financial benefit would be negotiated by Medipex on behalf of the Trust with the funding body.

If the Trust does not wish to own a certain piece of Intellectual Property then ownership could be assigned to a member, or members, of staff. The member(s) of staff would then take up responsibility for protection and commercialisation. In such cases, the Trust would retain a residual share of the financial benefits by agreement (20% of the net revenue as defined above).

Medipex will only undertake work on behalf of the Trust. If a Trust employee wishes Medipex to advise or undertake commercialisation of IP for which they are the inventor, it is done on the understanding that Medipex is acting on behalf of the Trust, in line with the Trust's policy, and any benefits accrued from such work will belong to the Trust which will split

them with the inventor as outlined above. In instances where the Trust does not wish to take an invention forward but the inventor does, Medipex may, with the explicit agreement of the Trust, continue to advise the inventor, or keep a watching brief on the project.

## **6. GUIDELINES FOR STAFF**

Disclosure of an invention severely compromises opportunities for protection and exploitation. If an employee develops an idea or concept, which may have commercial potential, they must report this to their Director or Senior Manager, and ensure that the Trust's R&D Department is informed about this at the earliest opportunity and, in any event, before disclosure of the idea to any party outside the Trust, either orally or in writing.

Examples include the development of new techniques, devices, software, pharmaceutical products, formulae and writings.

It is often difficult to protect IPR and advice is needed at the earliest stages. If an employee thinks they have an item of Intellectual Property there are a few simple guidelines which will help maximise the chances of being able to protect it:-

- Keep it secret until expert advice has been obtained. Public disclosure (other than under explicit terms of confidentiality) will invalidate any subsequent patent application and diminish both potential commercial value and benefits accruing to the Trust and the originator. (*Confidentiality Disclosure Agreements*, obtainable from Medipex, will be used to enable Intellectual Property to be discussed with external parties. Disclosure without entering into an undertaking of confidentiality may prejudice negotiations of commercial arrangements with a company).
- Resist pressure to announce or publish details until safe to do so.
- Avoid giving away or selling samples.
- Don't involve external organisations or companies in testing or prototyping without a written agreement.
- Don't sign any contracts or agreements until they have been properly scrutinised.

## **7. JOINT EMPLOYEES**

Where employees have joint contracts with other organisations, for example universities, a partnership agreement on intellectual property issues will need to be developed with each such organisation. Similarly these partnership agreements will need to cover situations in which the

NHS would be considered a secondary employer, or where more than one member of staff is involved.

In general, the organisation which is the substantive employer of the principal inventor will be responsible for protecting the IPR and for any commercialisation. Agreement will need to be reached as to the way the costs and benefits will be apportioned between the two organisations. These working arrangements may differ with each particular organisation but the apportionment of benefits arising from jointly-held IP is likely to be based upon the number of inventors employed by each organisation and the level of other resources each organisation has contributed to the creation of the IP.

Partnership agreements will be appended to this policy as and when they are developed and will be deemed to form part of this policy.

## **8. AUDIT**

R&D will, with the assistance of Medipex, from time to time, arrange for an audit of Trust activity to identify Intellectual Property of potential commercial value. Staff are required to co-operate fully with this activity.

A Register of Intellectual Property will be maintained centrally and this will be made available to the auditors, as required.

## **9. DISPUTES**

For the avoidance of doubt, the Trust acknowledges and accepts that in the case of any inconsistency, it is bound by its legal responsibilities and obligations to staff contained within the general law that cannot be varied by these conditions.

In the event of any dispute about the interpretation of this policy, Trust employees have recourse to the Trust grievance procedure to resolve the dispute.

ADAM CAIRNS  
Director of Communications & Corporate Affairs  
4 November 2004

<b>Party</b>	<b>Responsibilities</b>
Individual member of staff	<p>Be mindful of IP;            Do not disclose 'invention' to third parties;            Notify CMT Research Lead of invention and discuss this with him/her;            Notify Trust R&amp;D Office and Medipex;            Work with Medipex to develop and exploit 'invention';            Make warranties regarding inventorship;            Cooperate with IP audits.</p>
CMT Research Lead	<p>Ensure that staff are aware of, and abide by, the Trust's IP Policy;            Be proactive in discussing possibilities for the exploitation of IP with staff and offer general advice;            Keep a record of IP generated within the CMT;            Manage revenue returned to the CMT from exploitation.</p>
Trust R&D Office	<p>Disseminate Trust IP Policy across the Trust and assist in promoting awareness of IP;            Offer general advice to staff on the protection and exploitation of IP and refer staff to Medipex;            Arrange training for staff on IP issues;            Update IP Policy as appropriate;            Liase with Medipex to ensure effective identification, protection, exploitation and record keeping of IP;            Scrutinise contracts with external sponsors and ensure appropriate IP agreements are in place;            Manage revenue generated through exploitation.</p>
Medipex	<p>Undertake periodic audits of IP across the Trust;            Raise awareness of IP within the Trust and offer training courses;            Assess the potential for exploitation of inventions (due diligence) and advise Trust on whether to protect and exploit IP and, if so, on the most appropriate mechanisms;            Work with the inventor to exploit invention;            Undertake patent searches and manage the Trust's patent portfolio;            Undertake negotiations on behalf of the Trust and inventor on licensing and other agreements with third parties including distribution of financial benefits;            Disseminate examples of 'best practice' through national IP hub networks and other agencies;            If requested, will assist with legal actions with third parties over commercial rights;            If necessary, provide an opinion on inventorship and arbitrate in any disputes relating to assignment of inventorship;</p>