

Commercialisation and Benefit Sharing Policy

8. Commercialisation

8.1 **General**

- 8.1.1 QMUL's policies on the commercialisation of IP apply to all works with commercial value created by Creators, subject to any specific statements made within this policy.
- 8.1.2 QMI, acting on behalf of QMUL, is responsible for the identification, evaluation, protection and commercialisation of IP owned by QMUL.
- 8.1.3 Neither QMUL nor QMI will promote or commercialise any IP that would clearly conflict with any ethical policies agreed by QMUL and will take into account the expressed ethical principles of the Creator(s) (if any are expressed).
- 8.1.4 QMUL recognises that commercialisation of IP may not always be appropriate and that on occasion it is in the best interests of good knowledge exchange to place IP in the public domain.
- 8.1.5 Neither QMUL nor QMI will accept any liability to any Creator(s) if the Creator(s) consider that the return achieved in relation to any IP commercialisation is not the best financial return which could have been achieved.

8.2 **Initial Steps**

- 8.2.1 Any Creator who wishes to commercialise their IP should [contact QMI].
- 8.2.2 QMI shall determine (at its sole discretion) whether to commercialise the IP.

8.3 **Decision not to commercialise IP**

- 8.3.1 If QMI decides not to commercialise the relevant IP (either in whole or in part) it shall inform the Creator(s) of its decision.
- 8.3.2 Should QMI decide not to protect or continue to protect IP then it will offer to assign QMUL's rights in the IP to the Creator(s) to the extent it is legally able to do so.
- 8.3.3 It is the Creator's responsibility to keep QMI informed of their valid contact details. QMUL shall use these contact details to offer the Creator(s) an assignment of the IP in accordance with 8.3.2. QMUL will offer the assignment to all Creators of the relevant IP and only those Creators that are willing to take assignment will be party to the assignment agreement. It is the Creators responsibility to agree between themselves the terms of their co-ownership. The Creators will have the earlier of: 2 weeks from when QMI offer to assign the IP to the Creators; or the date when instruction is next required to be provided to a patent attorney or similar advisor in relation to the protection of such IP, to notify QMI of their intentions.
- 8.3.4 If no Creators want to take assignment or any Creators have not responded then the IP protection for the IP will be allowed to lapse, or assigned to the Creator(s) who have responded at the discretion of QMI.
- 8.3.5 Any assignment may include a revenue share due to QMUL negotiated in good faith and on fair and reasonable terms, and shall include a licence to QMUL for non-commercial use and a commitment to repay patent costs already incurred by QMUL and/ or QMI. Creators who take assignment will not be entitled to a share of any payments made by them to QMUL under the assignment agreement.

8.4 **Decision to commercialise IP**

- 8.4.1 If QMI decides to commercialise the relevant IP (either in whole or in part) it shall inform the Creator(s) of its decision.
- 8.4.2 QMI will agree with the Creator(s) a strategy for the development, protection and commercialisation of IP (e.g. licensing or assigning the IP to a third party/parties or creating a spinout company to which the IP is licensed). This may include an agreement with the Creator(s)'s line manager(s) covering the appropriate recognition of, and allowance for the time and other resources required for such activities.
- 8.4.3 Where applicable, QMI will work with the Creator(s) to identify appropriate third parties to commercialise the IP or related works under the best terms to maximise impact.
- 8.4.4 QMI shall, in a timely fashion, take steps to protect and/ or commercialise the relevant IP via the most appropriate mechanism (e.g. licensing, assigning or creating a spinout company). Creators shall provide reasonable and timely assistance to achieve these steps.
- 8.4.5 QMI and the Creator(s) should set a reasonable initial timetable for commercialisation, with regular review points.
- 8.4.6 If the Creator(s) have any concerns regarding QMI's approach or timeliness they should bring it to the attention of the CEO of Queen Mary Innovation Ltd in the first instance. Any unresolved disputes should be referred to the QMUL IP Advisory Group for resolution.

8.5 **Departing Employees**

- 8.5.1 If a Creator departs QMUL and wishes to continue their research in IP owned by QMUL elsewhere, they are required to inform the Technology Transfer office of their new employer that they are required to put in place an IP assignment or IP licence and revenue sharing agreement between QMUL and the organisation allowing the Creator to continue to develop IP owned by QMUL.

8.6 **New Employees**

- 8.6.1 New academics to QMUL are required to contact the Technology Transfer office or equivalent of their previous employer to ensure that all relevant IP related to their research is transferred to QMUL if required by QMI, on terms to be agreed between QMI and the previous employer.

8.7 **QMUL Branding**

- 8.7.1 QMUL and QMI shall be solely entitled to use their names, trade marks, service marks, corporate names, domain names or any other mark in respect of commercialisation of any product or service.

9. **BENEFITS**

QMUL owns the revenues received from commercialisation of IP or other works, however in the spirit of the principles in section 1, the sharing arrangements set out in this section 9 shall apply.

Creators must agree amongst themselves the relative contributions made to any IP before commercialisation. Creators may agree to recognise contributions made by people who are not legally Creators or "inventors" of a patent (see the definition of "**Contributors**" in the Glossary). This agreement must be confirmed in writing by all Creators and Contributors prior

to commercialisation. In the absence of agreement QMUL will treat all Creators equally. Any disputes will be referred to the IP Advisory Group for determination.

The sharing of Net Revenue from any works not covered by sections A and B below (e.g. in the event QMUL assigns IP to a third party) shall (where applicable) be consistent with the arrangements described in section A, and in line with the principle that the Creators will have a fair and reasonable share of the proceeds of commercialisation.

A. Sharing of Revenue from Licensing/Sale of IP

9.1 The income to be shared between QMUL and the Creators and any Contributors (together the “**Beneficiaries**”) is defined as the cumulative Net Revenue from the licensing of IP, or from the total amount of the sale/assignment, to a third party.

9.2 The following shall be deducted in calculating the Net Revenue: (i) VAT; (ii) any patent protection or legal costs; (iii) any revenue sharing costs; (iv) tax liabilities other than those related to the distribution of funds; (v) any QMUL funds; and (vi) any other expenses directly related to obtaining or commercialising the IP (excluding QMI staff resource costs).

9.3 In order to sustain commercialisation and increase activity in the future as part of QMUL’s overarching mission to generate knowledge to create a better world, the first 30% of Net Revenue will be retained and allocated to commercialisation-related activities by QMI.

9.4 The share of Net Revenue due to Beneficiaries is as follows:

Net Revenue (cumulative on all income received)	QMI	Beneficiaries	QMUL
Up to £49,999	30%	70%	0%
£50,000 to £249,999	30%	50%	20%
Over £250,000	30%	33%	37%

* Beneficiaries’ distributions will have employment taxes, national insurance and similar obligations deducted from this amount before distribution and will not accrue pension benefits.

Net Revenue is cumulative of all income received. Where income is received from more than one licensee for one package of IP then all amounts would be aggregated to arrive at the cumulative Net Revenue.

9.5 All payments due to the Beneficiaries will be paid via payroll with appropriate taxation deductions in line with HMRC requirements.

9.6 Where due, payments will continue to be made should the Beneficiaries leave QMUL; and in the event of a Beneficiary’s death, the entitlement shall continue for the benefit of their estate. Both of these payments will be paid by QMUL via payroll.

9.7 It is the Beneficiary’s responsibility to keep QMI informed of their contact details and if the individual cannot be contacted within 2 years of the payment being due to them then it will be forgone and retained by QMUL.

B. Sharing of revenue arising from the formation of a new spinout company

9.8 Where any IP is commercialised through the creation of a new spinout company returns will normally be derived from issuing equity to Beneficiaries and to QMUL. The distribution of such founders’ shares will typically follow recognised best practice or other requirements,¹ on a

¹ Best Practise and other requirements will include both recognised sector norms as set out from time to time by professional organisations and leadership groups, as well as statutory requirements derived from government or included in terms and

case-by-case basis. QMUL's intended equity distribution for a typical spinout company formation is set out in Schedule 1. The suggested equity distribution set out in Schedule 1 may be revised by the QMUL Senior Executive Team (SET) in response to developments in market conditions, common sector practices and/or further government or sector guidance and/or requirements.

- 9.9 Following the incorporation of the approved spinout company, QMUL will license to the spinout company the IP owned by QMUL and relating to the technology to be commercialised by the spinout company. The terms of this licence (including any royalties payable to QMUL shall be agreed between the parties). [In the event royalties are payable, income from this licence shall be treated in accordance with section A.]
- 9.10 Creator benefits will be represented by shares in the spinout company but not all Creators will necessarily have a continuing relationship with the company.
- 9.11 Creators that agree to develop the company post formation as directors or executives may, with the agreement of QMI and the other Creators, receive a higher proportion of founder shares in recognition of their further role in company growth and the additional risks they are taking and their commitment to delivering value to all through the company. They may also receive equity through management options agreed by the company (see below).
- 9.12 Creators that remain Employees of QMUL and continue to work for the benefit of the spinout company as consultants or directors must put in place appropriate contracts with the spinout company and conflict of interest management arrangements with QMUL.
- 9.13 Creators that do not join the company will normally receive no further equity or remuneration other than through licensing returns (if applicable) and should expect to be diluted by future investments alongside QMUL.
- 9.14 Executive managers and key staff in spinouts are routinely rewarded through a pool of management options that vest over time. This will be agreed at foundation and will be taken from the founder share pool. Management options agreed at foundation (usually of the order of 15%) will not usually dilute QMUL. Future issues of equity agreed by the spinout company will be expected to dilute all founding equity equally, including QMUL.
- 9.15 In addition to the shares above, QMUL may purchase additional shares as an investor, using its own funds (for example the University investment fund). These shares are distinct from QMUL founding shareholding and proceeds will not be distributable to Creators. If QMUL sells part of its holdings, those sales shall be applied pro-rata to different types of shareholding.
- 9.16 Should new IP, in addition to the IP licensed to the spinout on formation, be created and licensed to the spinout by QMUL then this will be licensed under fair and reasonable terms. Section A shall apply to any income generated under that agreement. For clarity, distribution will be made to all Creators of and Contributors to this new IP regardless of whether they are shareholders of the spinout company.
- 9.17 30% of the QMUL share of any proceeds from the sale of its shareholding in spinout companies will be allocated by QMUL to QMI to support its core activities. The remainder will be held centrally and will be invested to support QMUL's research and innovation activity. In line with QMUL's scheme of delegations and financial regulations, the Vice-Principal for Research and Innovation or the SET may agree allocations to the originating Schools/Institutes or Departments against a proposal to increase future commercialisation activities.

conditions of major funders such as Research England. At the time of drafting in 2024 the TENU USIT guide is taken as best practice, and Research England stipulations derived from the recommendations of the 2023 Tracey-Williamson review of spinouts are an example of a government requirement. Equity distribution is laid out in Schedule 1, which may be revised by SET in response to any further environmental changes.

10. QMUL IP ADVISORY GROUP

- 10.1 The QMUL SET will approve a QMUL IP Advisory Group, which will have responsibility for the interpretation of this Policy and any subsidiary policies, and advising relevant signatories on any questions or disputes arising in relation to it.
- 10.2 The QMUL IP Advisory Group may review the policy from time to time and make recommendations for changes. No such revision which materially changes the QMUL IP policy will apply retrospectively from the date of its adoption. The Advisory Group may issue guidance on the meaning and interpretation of the policy and what is considered best practice.

11. AUTHORISATION

- 11.1 This policy was approved on 5th July 2024 and is effective from this date.
- 11.2 If an agreement was entered before this policy came into effect and that agreement was subsequently amended or assigned by separate agreement, then the IP policy in place when the original agreement was signed will prevail.
- 11.3 Creators who disclosed IP to QMI before this policy came into effect may opt to be treated under this policy, provided QMUL, all Creators and Beneficiaries agree, and that this policy in its entirety applies.
- 11.4 This policy shall be reviewed no later than 5 years after its approval date.

12. CONTACT FOR QUESTIONS ABOUT THIS POLICY

Please contact Queen Mary Innovation (QMI) at:

<https://www.qminnovation.co.uk/>

13. GLOSSARY

“Administrative Materials”	means any materials created by QMUL Employees in the course of their employment for administrative and/or operational purposes.
“AI Tools”	means as defined in paragraph , i.e. any machine learning and/or other artificial intelligence tools or machine learning language models.
“Associates”	means academics, researchers, scholars, practitioners, teachers and/or anyone else who is affiliated or associated with QMUL who are not employed by QMUL and who are not QMUL Students (including, visiting and honorary academics and researchers, retired and ex-Employees, post graduate scientists, studentships and all other engagements that relate to the participation in, or conduct of, research, scholarship, creating works and/ or teaching at QMUL.
“Beneficiaries”	means as defined in section 9.1, i.e. any Creators and/or Contributors who have contributed to the development of IP that is to be commercialised.
“Contributor”	means any Student, Employee and/or Associate who is not a Creator and contributes to the

creation of IP. This could include, by way of example, technicians and/or other team members who contributed to the project but did not create or develop any IP.

“Creator”

means any Student, Employee and/or Associate who (either individually or jointly with others) creates IP. This includes, by way of example, inventors of an invention, creators of copyright works and developers of know how and technical information.

“Employees” and “QMUL Employees”

means QMUL’s academic staff; research staff, including research assistants; teaching staff, including guest teachers and course tutors; professional services and administrative staff; technical and support staff; graduate teaching assistants; anyone who has been seconded by their employer to work at QMUL (a secondee); interns; casual workers; agency workers; and anyone else who is employed by QMUL, whether full-time or part-time or on a temporary basis.

“Intellectual Property” and/or “IP”

means patents, rights to inventions, copyright and related rights, moral rights, trade marks, trade names and domain names, rights to goodwill or to sue for passing off, rights in designs, rights in computer software or business methods, database rights, rights in confidential information (including know how) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

“JRMO”

Joint Research Management Office.

“Materials”

means items produced in the course of research projects and includes biological materials, compounds, engineering drawings, computer software, integrated circuit chips, computer databases, prototype devices, circuit diagrams, physical items or objects, equipment and associated research data;

“Net Revenue”

means as defined in sections 9.1 and 9.2, i.e. cumulative net revenue from the licensing of IP, or from the total amount of the sale/assignment of IP to a third party, with the following deductions: (i) VAT; (ii) any patent protection or legal costs; (iii) any revenue sharing costs; (iv) tax liabilities other than those related to the distribution of funds; (v) any QMUL funds; and (vi) any other expenses directly related to obtaining or commercialising the IP (excluding QMI staff resource costs).

“QMUL Resources”

means the funds, facilities and/or resources (including equipment and/or consumables) of

QMUL, the time and expertise of QMUL Employees and/or QMUL's branding and IP;

"Scholarly Materials"

means works created by an academic Employee in the course of research or study that are for the purpose of communicating the progress or results of such research or study, the dissemination of knowledge and/or the furtherance of an academic career, including books, e-books, academic articles, research papers, conference materials, films and sound recordings and works of art (where the Employee is involved in the relevant fields of study) (and preparatory materials related to all such works), and does not include teaching materials related to Student education.

"Students" and "QMUL Students"

means any student enrolled (or otherwise participating) on any course of study and/or research at QMUL (whether undergraduate or postgraduate, whether on a full-time or part-time basis and irrespective of the mode of study).

"Teaching Materials"

means any materials produced by QMUL Employees in the course of their employment for the purpose of teaching, including lecture notes, lecture plans, presentation materials used for teaching delivery and study and teaching guides.

SCHEDULE 1

EQUITY DISTRIBUTION TABLE

This schedule may be revised by SET following a recommendation from the Research and Innovation Board (RIB) if sector norms or government requirements change to necessitate this.

The equity taken by QMUL will vary depending on the type of technology to reflect the different levels of support provided in generating the IP and the varying timescales and sector norms for the commercialisation process.

- 10% Software only companies
- 15% Non-patent IP and know-how only
- 20% Technology companies (with patents or potentially patentable technology²)
- 25% Therapeutics

Antidilution for the QMUL share may be included if appropriate in the circumstances and acceptable to investors.

Spinout companies that span more than one category will be treated as being in the highest tariff category.

The suggested equity distribution set out in this Schedule 1 may be revised by SET in response to developments in market conditions, common sector practices and/or further government or sector guidance and/or requirements.

² For example, if a positive patentability assessment is received, but there is a strategic decision not to patent