

Office of Dean - Research and Development

Indian Institute of Technology Indore

Document on Industrial Research and Consultancy (IRC) at IIT Indore (including Intellectual Property Policy for Indian Institute of Technology Indore)

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Preamble:

For IIT Indore (IITI), it is important 'to be the fountainhead of new ideas and of innovators in technology and science' and with its general goal of 'to create an ambience in which new ideas, research and scholarship flourish and from which the leaders and innovators of tomorrow emerge'. In fulfilment of these points of importance, IITI has taken the initiative to promote innovations and to facilitate protection of Intellectual Property (IP) thus generated at IITI.

In this document, the processes to support these efforts have been included. A formal Framework to guide the implementation of these processes is included in this document. Towards this goal an Intellectual Property Policy for IIT Indore has been formulated. This policy aims to lay down the processes for promotion

and support available to innovators at IITI for translating their creative works into IP. Parties engaged in creations of original and innovative work at IITI include faculty, staff and other employees of IITI, including staff working on various projects, registered students of IITI, students from other institutions, personnel from other organisations or any other individuals working in IITI. This policy also aims to set forth guidelines for ownership of IP developed at IIT Indore by IITI personnel and non-IITI personnel and its commercialization.

To administer the policies included in this document, and maintain the relevant documents, IITI would set up IRC office with appropriate administrative and supporting staff. This staff shall include IRC technical officer(s). The aim of the IP Policy is to sustain and grow creativity in an ethical environment in IIT Indore that recognizes the importance of innovations and assists in translating them into products, processes and services for commercial exploitation and to achieve the widest public good.

Consultancy Rules and Norms:

(I) Scope of Consultancy Services offered

1.1 Consultancy Services may be offered to Industries, Service Sector, Govt. Departments and other National and International agencies in niche areas of expertise available in the Institute.

1.2 The service offered shall be along the lines of 'Professional Services' and will hence carry with them obligations and ethical requirements associated with such services as indicated in the standard terms and conditions (Appendix 1).

1.3 Consultancy services offered may cover a variety of activities such as Feasibility Studies; Technology Assessments; Assessment of Designs and / or Current Manufacturing Process; Material, Energy, Environmental and Manpower Audits; Product Design; Process Development, Software Development; General Troubleshooting, Retrofitting Exercises, Intensive efforts for transfer of highly focused skills and expertise to select groups in specific organizations, vision and strategy statement and so on.

1.4 Testing & Evaluation services are to be normally offered in selected specialized areas. In order to meet the needs of certain Governmental and related agencies, and special clients (with long term association with the Institute) routine testing services may be offered, but to a limited extent.

1.5 Standardization and Calibration services may be offered in areas in which facilities are available or can be augmented. Such services should normally be backed by periodic Calibration / Standardization of laboratory equipment used for such purposes.

1.6 Jobs which are too complex to handle, by virtue of certain constraints inherent in any academic and research environment - such as execution of certain types of works, should not normally be taken up irrespective of the availability of expertise and perceived needs of the clients.

1.7 All Consultancy and related Jobs need to be structured and executed in the spirit of promoting IIT-Industry Interactions, as a vehicle for augmenting (current) levels of excellence in teaching and research, for proper placement of IIT graduates (PhDs / M.Tech.s) and in the process, generating funds.

(II) Project Category

2.1 Each project shall be undertaken either under

- Standard Terms and Conditions (included in Appendix 1), or
- Specific research agreement or Memorandum of Understanding describing the details of contract.

In the former case, the work is taken up in good faith between the consultant and the client, the obligations and responsibilities of both parties being limited by the standard terms and conditions. A copy of the Standard Terms and Conditions is attached as Appendix 1.

The latter case refers to projects that usually involve non-disclosure agreements, detailed negotiations of contract terms and signing of contracts in the form of agreement or MOU covering various aspects such as deliverables, milestones, payment schedules, role and responsibilities of the parties, non-disclosure of confidential information, disputes resolution, liability, IPR matters, arbitration, and applicable law. These projects involve significant amount of effort and time associated with the negotiation and implementation of the research contracts.

2.2 Consultancy and related services offered will be divided mainly into two categories:

Category E: Expert Advice and Development Projects:- This type of project will be Expertise intensive and based on the expertise of the Consultant (as defined in item 3)

Category T: Testing Projects:- This type of project will be Infrastructure intensive and will be based on extensive usage of the institute infrastructure.

(III) Eligibility for Undertaking Consultation

Consultancy and related assignments can be taken up by full time faculty and Core Research Scientists and Engineers of Departments / Centres / Schools / IDPs.

Any other employee of the Institute may take up consultancy work with prior approval of the Director. All employees undertaking consultancy shall hereinafter be referred to as Consultant.

(IV) Conflict of Interest

Consultants shall disclose to the Dean (R&D) in writing, the existence of (i) any relationship between him / her and the client funding the consultancy project or any vendor to whom payments are made from the project funds, in the form of involvement of any immediate relatives or (ii) any scope for potential disproportionate self-gain. Dean (R&D) will review such cases and decide appropriately, with the advice of a committee, to ensure that no actual conflict of interest exists and that such an involvement by the consultant does not adversely affect the consultant's objectivity, integrity, or commitment to the Institute and to the profession.

Consultants may not use the Institute name or the fact that they are affiliated with the Institute, in a manner that (i) suggests that the Institute approves or disapproves of a product or service provided by a profit, non-profit or governmental entity or (ii) suggests that the Institute has performed research or issued research findings when it has not done so, or misleadingly states the results of Institute research or (iii) may be interpreted to communicate the official position of the Institute on any issue of public interest.

(V) General Consultancy Rules

Consultancy work taken up by Consultants is subject to the following limits:

5.1 The time spent on consultancy and related assignments shall be limited to the equivalent of 52 working days in a year, preferably at the rate of one working day per week. In addition, Consultants may be permitted to utilize, on an average one non-working day per week.

5.2 Consultancy assignments may be taken up and implemented, within the constraints indicated above,

provided they do not have any adverse impact on the ongoing academic, research and related activities. Further, such assignments need to be carefully scheduled in the light of ongoing commitments. If required, a clear indication of the earliest date on which the assignment can commence may be clearly spelt out in the proposal form.

5.3 The services of permanent employees of the Institute may be utilized for the execution of the consultancy projects provided it does not affect their primary functions and responsibilities to the Institute.

5.4 Students who are willing to work on consultancy projects may be permitted as per Institute norms to do so provided it does not affect their academic commitments and performance. Such work by students may be compensated by suitable honoraria.

(VI) Consultancy Rules: Related Travel

6.1 Travel out of the campus on account of consultancy activities should be undertaken with intimation to the Head of the Department / Centre / School / IDP. In case of Heads of these entities, intimations should be sent to the Director.

6.2 Outstation travel on Consultancy Assignments may be undertaken normally with the prior approval of the Head of the Department / Centre / School / IDP, or, the Director (in the case of Heads of Department / Centre / Schools / IDP). It is, however, anticipated that such approvals will be given within two working days in order to ensure that prior commitments to clients are honoured. In emergencies, prior intimation and subsequent sanction could be considered acceptable.

(VII) Consultancy Rules: Consultancy Project Execution

Consultancy projects are normally initiated by requests / enquiries from the industry directly to the Institute or by discussion between the industry and the Consultants.

7.1 When the enquiry is directly received by the Institute, the work will be assigned to specific consultants or groups of consultants depending on their expertise, and existing commitments, by the Dean R&D.

7.2 In the event of a client preferring the services of a specific consultant, the assignment may normally be assigned to the identified person, provided the requirements in respect of 5.1 and 5.2 are satisfied.

7.3 All acceptance letters will be sent by the Dean (R&D), as per the present practice.

7.4 Consultancy project proposals (prepared in response to a client's request) are to be approved by the Dean (R&D) who may examine the scope of the work and cost estimates. It is essential to discuss proposed work plans with a client vis-a-vis the scope, in order to obtain clarity before the consultant prepares the cost estimates.

7.5 In extreme emergencies, a consultant may take up an assignment with intimation to the Dean (R&D), and then seek approval. It would, however, be necessary to ensure that the task involved is not a major one entailing total charges not more than Rs.50,000/- or, two days of faculty time, and payments are made immediately, well before submission of any formal report.

7.6 The charges, once finalized, will not be negotiable. However, if the scope is altered, a fresh estimate may be considered.

7.7 The minimum charges applicable in respect of consultancy jobs will be Rs.10,000 excluding any applicable tax.

7.8 It is desirable that Preliminary Diagnostic Discussions / Site Visits, leading to the generation of consultancy proposals may be charged at a minimum rate of Rs.5,000/- (or US\$200 or equivalent in the case of international assignments) per day or part thereof, in addition to travel and incidental expenses as applicable. As an industry friendly move, the consultant may decide to absorb such charges for potentially large projects, into the final project cost.

7.9 Consultant should be aware of the potential for the generation of Intellectual Property during the

execution of projects. The Intellectual Property Policy of the Institute will govern all decision and actions concerning the generation, handling, protection and commercialization of the Intellectual Property.

7.10 The services of external consultants (especially retired Faculty / Research Scientists / Research Engineers) may be utilised to a limited extent in order to provide comprehensive services to clients. Such external consultants which may include will be entitled to a lump sum consultant fees which may be fixed after taking into account essential expenditure directly related to the assignment. Normal deductions by way of Institutional charges, and mandatory taxes will, however, be made. The consultant fees payable to External Consultants may not, normally, exceed 40% of the total project cost.

(VIII) Consultancy Rules: Related Payment schedule

8.1 The charges for any assignment are normally payable in advance. However, exceptions may be made in respect of assignments involving charges exceeding Rs.1,00,000/- and with implementation periods exceeding 3 months.

8.2 In the case of large assignments, a payment schedule linked to milestones can be worked out. Such a payment schedule should ensure that (i) advance payment is received for every segment of work, and (ii) the number of instalments are reasonable and consistent with ease of implementation. The number of instalments may not exceed four for a project implemented over a one-year period, and, this number needs to be scaled down accordingly for shorter duration projects.

(IX) Costing of Consultancy Projects

The consultancy project costing is based on the following component charges:

9.1 Consultant Fees (CF): This will include charges for the time of the Institute and External Consultants. The CF is limited to 20% of the project cost for Category T (testing projects) jobs.

9.2 Charges for Personnel engaged in Technical Services (CPTS): This refers to the charges payable to the permanent employees of the Institute for their effort in the execution of the project. The CPTS is limited to 30% of the project cost for Category T (testing projects) jobs.

9.3 Project Staff Salaries (PSS): This refers to the salaries payable to temporary staff employed specifically for the project. The project shall also provide for 30% of PSS as House Rent Allowance (HRA).

9.4 Operational Expenses (OE): These include expenses incurred on consumables, contingencies, travel and daily allowance, honoraria for students and all other expenses related to the consultancy project. These also include Equipment Utilisation Charges for the usage of institute equipment for all consultancy projects, which will be transferred to the respective Departmental Development Fund (DDF).

9.5 Overheads (OH): Overheads will be charged at the rate of 20% of PSS, and OE (see 9.3 and 9.4 above) as applicable.

9.6 Capital Equipment (CE): This will include charges for the purchase of specific equipment for implementation of consultancy projects. No overheads are charged on this.

9.7 Contract Negotiation / Legal Expenses may be levied for projects involving contract negotiations.

9.8 Service tax and other taxes as applicable shall be provided for in the project cost. The details of the costing are given in Appendix 2. A sample costing is provided in Appendix 3.1.

(X) Disbursement

The disbursement of Consultant Fees (CF) and Charges for Personnel engaged in Technical Services (CPTS) are as given below:

10.1 The disbursement of CF will entail a deduction of 20% as the Institute share for Consultant's earnings. The deduction of the Institute share will be on the actual amount disbursed to the Consultant(s).

Consultant Fees (CF), as well as charges payable under CPTS, may be disbursed as indicated below:

In the case of short duration jobs entailing full advance payment, full disbursement to be made upon completion of the job and receipt of (i) a completion certificate from the project leader and (ii) the project completion report as in 13.2.

In the case of long duration jobs entailing advance payment of instalments linked to milestones, partial disbursements may be made; such disbursements will be linked to the phase-wise CPTS Charges and Consultant Fees as per estimates to be provided by the project leader and the phase-wise completion certificate.

A sample disbursement for Consultant is provided in Appendix 3.2.

10.2 The disbursement of CPTS to permanent employees of the Institute will entail a deduction of 20% as Institute share.

A sample disbursement for CPTS is provided in Appendix 3.3.

(XI) Research Development Fund (RDF)

To facilitate consultants close accounts of all concluded projects and at the same time enable them to provide for funds to support their ongoing research, equipment maintenance, laboratory development etc., the following will be applicable:

11.1 All unspent balances in closed projects (Category E and T), after deduction of 15% overheads will be transferred to an open ended Research Development Fund (RDF) in the name of the Consultant for use in honoraria for work by students and project staff, consumables and contingencies, travel and daily allowance, and other expenses as approved by the Dean (R&D). The funds available in the RDF may be used for the expenses under items 2 to 6 in Appendix 2, with the approval of Dean (R&D). With the open ended RDF account in place for each consultant / project investigator the provision for contributing to Professional Development Fund (PDF) from Consultant Fees is proposed to be discontinued. It is also proposed that the current PDF accounts are closed within a period of six months and the balance in these accounts transferred to the RDF of the project investigator.

(XII) Distribution of Institute Share

The details of distribution of the Institute share collected as Deductions, Overheads and Contract Negotiation / Legal expenses are given below:

12.1 The amount that accrues as Deductions from CF and CPTS (defined in Section 10.1 and 10.2) will be distributed as given below:

50%, to be retained as Departmental Development Fund of concerned Departments / Centres / Schools / Inter Disciplinary Programmes to support their educational and research and development activities, and, infrastructure and related requirements. The Departmental Development Funds may be utilized by the Head of the Department / Centre / Schools / IDP concerned, in consultation with the Departmental Policy Committee or a Departmental Consultative Committee, with the prior approval of the Dean (R&D).

30% to be retained by IRC to meet major infrastructure augmentation, promotion of R&D through seed money grants, etc. and operational expenses.

10% to be transferred to Institute Main Account to support library expenses.

5% to be transferred to Director's Discretionary Fund.

5% to be transferred to the Main Account to be divided equally to Student and Staff Welfare Funds.

A sample distribution of deductions is provided in Appendix 3.4.

12.2 The amount that accrues as Overheads (defined in Section 9.5) will be distributed as given below:

75% to be retained by IRCC as operating expenditure of the IRCC.

□ 25% to be transferred to Institute Main Account as charges towards expenses for utilization of equipment and other Institute facilities.

A sample distribution of Overheads is provided in Appendix 3.5.

12.3 The amount that accrues as Contract Negotiation / Legal expenses will be retained by the institute in the separate R&D account to meet Legal and related expenses.

(XIII) Review and other Related Matter of Consultancy Projects

It is essential to provide an effective framework to ensure smooth implementation of consultancy projects in the context of Educational, R&D and related activities. Also, IRC should be in possession of basic information in respect of consultancy activities to meet various proactive as well as reactive needs. To meet these requirements, the implementation needs to be within the framework given below:

13.1 Proposals for large sized consultancy assignments may be reviewed by a small standing committee, comprising a segment of the IRC Advisory Committee.

13.2 A short report on every consultancy project, upon completion shall be submitted to the Dean (R&D) by the Consultant. The reports shall be preserved as 'Classified Documents' for a period of typically five years, to be destroyed thereafter.

(XIV) Other Matters

14.1 Earnings for Technology Transfer, Revenue Sharing and Royalty will be governed by the Intellectual Property Policy of the Institute.

14.2 Notwithstanding the above, and keeping in mind the best interests of the Institute, consultancy may be taken up in exceptional cases, not covered by the above rules, with prior approval of the Director.

(XV) Summary of Rules

The salient features of rules are as given below:

1. Each project shall be undertaken either under standard terms and conditions or under some special cases, a specific research agreement or Memorandum of Understanding describing the details of contract.
2. Categories of consultancy projects are reduced to two as those taken up under Expertise intensive Category E (Consultancy) and Infrastructure intensive Category T (Testing) Projects.
3. Consultant Fee (CF) is limited to 20 % of the project cost in case of Category T (Testing) projects.
4. Charges for Personnel employed in Technical Services (CPTS) is limited to 30% of the project cost in case of Category T (Testing) projects.
5. A common basis for costing all consultancy projects by a single rate (20%) and the introduction of contract negotiation / legal costs.
6. A single point collection of Institute share from Consultant Fees (CF) and Charges for Personnel employed in Technical Services (CPTS) as deductions and elimination of overheads in CF and CPTS.
7. Removal in the slabs of earnings of consultants for deduction of Institute share. One rate of deduction of Institute share at 20% only.
8. A revision in the distribution of Institute earnings from overheads and deductions.
9. Introduction of an open ended Research Development Fund (RDF) account in the name of the Consultant to support operational expenses of ongoing research and phasing out of Professional Development Fund (PDF).
10. Provision for service and other taxes as applicable.

11. Formulation of a comprehensive Intellectual Property Policy for the Institute.
12. Inclusion of standard terms and conditions for consultancy projects not governed by agreements.
13. An explicit statement on conflict of interest included.

The Role of IRC in IP Protection:

The Industrial Research and Consultancy at IIT Indore aims to provide guidance, support and resources to all IITI personnel and facilitates protection and deployment of intellectual property. To achieve this, the institute shall create an office reporting to Dean R&D. The purpose of this office shall include:

- (i) creating awareness of the importance and role of IP Rights,
- (ii) implementing the IP policy,
- (iii) ensure transparency and fairness of the IP policy to encourage compliance,
- (iv) solicit feedback regarding the fulfilment of the IP policy and *periodically review the Policy to improve upon any shortcomings*, strengthen the infrastructure and resources for protection and exploitation of IP and make available expert inputs.

Issues of ownership, confidentiality, disclosure, patentability, technology transfer, revenue sharing, and conflict of interest among others play a very important role in any IP management. IRC conducts workshops to enhance awareness on related issues. IRC also would provide templates and guidelines for the contracts, agreements and MOUs governing the effective exploitation of the IP produced by IITI. All such agreements and matters relating to confidentiality, infringements, damages, liabilities and compliance shall be administered by IRC.

The IP Policy:

This policy is applicable to all IITI personnel, as well as non-IITI personnel associated with any activity of IITI such as, but not limited to, Continuing Education Programme and covers different classes of Intellectual Property -- Patent, Copyright, Trade Mark / Service Mark, Design Registration, Trade Secret, Confidential Information and Integrated Circuits Layout.

I. Ownership:

I(a) Invention(s), Designs, Integrated Circuit Layouts and other creative works:

Invention(s) including software, designs and integrated circuit layouts, created by IITI personnel without the use of any IITI resources and not connected with the profession for which employed at IITI, shall be owned by the creator(s) after due approval of IITI.

For invention(s) including software, designs and integrated circuit layouts, produced during the

course of sponsored and/or collaborative activity between IITI and external agencies/bodies, specific provisions related to IP made in contracts governing the collaborative activity shall determine the ownership of IP.

IITI shall be the owner of all invention(s) including software, designs and integrated circuit layouts created by teams of IITI and non-IITI personnel, associated with any activity of IITI. Non-IITI personnel, who create invention(s) including software, designs or integrated circuit layouts at IITI but without intellectual contribution of IITI personnel or any use of IITI resources, shall be the owner of such invention(s).

Except as stipulated above, IITI shall be the owner of all invention(s) including software, designs and integrated circuit layouts created at IITI.

I(b) Copyrightable Work:

Ownership of copyright of all copyrightable work shall rest with the author(s) with the following exceptions:

- a. If the work is produced during the course of sponsored and/or collaborative activity, specific provisions related to IP made in contracts governing such activity shall determine the ownership of IP.
- b. IITI shall be the owner of the copyright of work, including software, created by IITI personnel with significant use of IITI resources.
- c. IITI shall be the owner of the copyright on all teaching material(s) developed by IITI personnel as part of any of the academic programs at IITI. However, the authors shall have the right to use the material in her/his professional capacity. As the traditional exception, IITI shall not claim ownership of copyright on books and publications authored by IITI personnel.
- d. IITI shall be the owner of copyright of work produced by non IITI personnel associated with any activity of IITI with the intellectual contribution of IITI personnel. However, the authors shall have the right to use the material in her/his professional capacity.

I(c) Trade Mark(s) / Service Mark(s):

Ownership of trade mark(s) / service mark(s) created for IITI shall be with IITI.

In cases of all IP produced at IITI, IITI shall retain a non-exclusive, free, irrevocable license to copy/use IP for teaching and research activities, consistent with confidentiality agreements where entered into by IITI.

(II) Disclosures, Confidentiality and Assignment of Rights:

For sponsored and/or collaborative work, the provisions of the contract pertaining to disclosure of creative work are applied.

For all other invention(s) produced at IITI, if the inventor(s) wish to protect the invention(s) they produce, then they are required to disclose the creative work to the IRC at the earliest date using an

Invention Disclosure form (IDF).

Disclosure is a critical part of the IP protection process and it formally documents claims of inventorship, the date of the invention and other details of the invention. The inventor(s) shall assign the rights of the disclosed invention to IITI.

All IITI personnel and non-IITI personnel associated with any activity of IITI shall treat all IP related information which has been disclosed to the IRC and/or whose rights are assigned to IITI, or whose rights rest with IITI personnel, as confidential. Such confidentiality shall be maintained till the date as demanded by the relevant contract, if any, between the concerned parties unless such knowledge is in the public domain or is generally available to the public.

(III) Assessment of Innovation(s) for Protection:

To facilitate assessment, an IP Assessment Committee (IPAC) shall be formed by the Dean (R&D) consisting of a chairperson, the IRC Technical Officer (Secretary) and at least three additional faculty members with domain expertise or familiarity/experience in areas related to the creative work. The creator(s) would be free to suggest names of faculty who are qualified to evaluate the creative work who may be invited by the Dean (R&D) to be a part of the IPAC.

The IPAC shall assess the disclosure in a timely manner and shall make recommendations to the Dean (R&D) about the patentability of the invention according to the provisions of Section(I) of this policy. The IPAC may make one of the following recommendations:

- a. that IITI shall take the responsibility of protection of the IP, in which case, IITI will initiate appropriate processes.
- b. that IITI shall not take the responsibility of protection of the IP, in which case, the rights to the disclosed invention shall be promptly reassigned to the creator(s). The creator(s) may then choose to protect the creative work on their own. Filings of IP Applications in foreign countries: Within six months of filing the Complete IP Application in India, IITI shall, based on available information, decide on the suitability of protection of the invention in foreign countries. If IITI opts not to undertake such protection in any specific country requested by the inventor(s), IITI shall assign rights of the IP in that country to the creator(s) for the purpose of such protection.

Renewal of IP Rights: A decision on the annual renewal of IP rights will be taken by a committee constituted by the Dean (R&D). If IITI decides not to renew the IPR in any country, then it will assign the rights of the IP in that country to the creator(s) upon a request to that effect from the creator(s). In case of patents, the process of reassignment will be completed in a period of three months before the due date for its renewal.

In all cases where IP rights in any specific country have been reassigned to the inventor(s), IITI shall not claim any share of proceeds earned through that IP in that country excepting for the costs already incurred by IITI.

Filings of IP applications in foreign countries: Within six months of filing the Complete IP Application

in India, IITI shall, based on available information decide on the suitability of protection of the invention in foreign countries. If IITI opts not to undertake such protection in any specific country requested by the inventor(s), IITI shall assign rights of the IP in that country to the creator(s) for the purpose of such protection.

Renewal of IP Rights: A decision on the annual renewal of IP rights will be taken by a committee constituted by the Dean (R&D). If IITI decides not to renew the IPR in any country, then it will assign the rights of the IP in that country to the creator(s) upon a request to that effect from the creator(s). In case of patents, the process of reassignment will be completed in a period of three months before the due date for its renewal.

In all cases where IP rights in any specific country have been reassigned to the inventor(s), IITB shall not claim any share of proceeds earned through that IP in that country excepting for the costs already incurred by IITI.

(IV) Support:

(IVA) Contracts and Agreements:

All agreement including but not limited to the following categories, undertaken by any IITI personnel and students need to be approved by IITI.

1. Allegiance, Affirmation & Confidentiality Agreement
2. Consultation Agreement
3. Evaluation Agreement
4. Research and Development Agreement (R&DA/MOU)
5. License Agreement
6. Technology Transfer Agreement
7. Alternative Dispute Resolution Agreement
8. Classified Information Non-disclosure (specific) Agreement

Dean R&D acts as a final signing authority in all the categories of agreements listed above. IRC facilitates the process of framing such agreements by way of providing templates and services of professional consultants.

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(IVB) Obtaining IPR:

If IITI opts to protect the creative work, it shall provide an IPR Advisor/Patent Attorney for drafting the IP application as appropriate. IITI shall pay for access to the relevant IP information databases and other associated costs. The inventor(s) shall conduct IP searches, study the prior art and provide the necessary inputs to assist in the drafting of the IP application. IITI shall bear all costs of drafting and filing an Indian IP application. If IITI chooses to file IP applications in other countries,

then it shall bear the cost of application and other associated costs. IITI shall be free to enter into agreements with overseas institutions for protection and licensing of the IP.

(V) Technology Transfer:

IITI shall strive to market the IP and identify potential licensee(s) for the IP to which it has ownership. The creator(s) are expected to assist in this process.

IITI may contract the IP to a Technology Management agency, which manages the commercialization of the IP.

For the IP for which exclusive rights have not been already assigned to a third party, the creator(s) may also contact potential licensee(s) on their initiative maintaining confidentiality and taking all necessary care so as not to affect the value of the IP through appropriate agreements such as Non Disclosure Agreement (NDA) with the potential licensee(s) during technology marketing discussions.

If IITI is not able to commercialize the IP in a reasonable time, then it may reassign the rights of the IP to the creator(s) of the IP. Optionally, If IITI has not been able to commercialize the creative work in a reasonable time frame, the creator(s) may approach the Dean (R&D) for the assignment of rights of the invention(s) to them.

(VI) Revenue sharing:

The net earnings from the commercialization of IP owned by IITI would be shared as follows:

It is suggested that amount Q be initially fixed at Rs. 100 lakhs. The creator(s) share would be declared annually and disbursement will be made to the creator(s), their legal heir, whether or not the creators are associated with IITI at the time of disbursement.

Case	Net Earnings	Inventor(s) share	IITI's share
1	For the first amount Q	70%	30%
2	For the next amount Q	50%	50%
3	For amounts more than 2*Q	30%	70%

When IITI reassigns the rights of the IP to its creator(s) for any country, the creator(s) shall reimburse the costs incurred by IITI for the protection, maintenance and marketing and other associated costs from the cumulative earnings from successful commercialization in that country as under:

Case	Cumulative Earnings	Inventor(s) share	IITI's share
A	Upto twice the cost incurred by IITI for protection, marketing and other associated costs.	50%	50%
B	Beyond A	100%	0%

Co-creators of IP shall sign at the time of disclosure, a Distribution of IP Earnings Agreement, which shall specify the percentage distribution of earnings from IP to each co-inventor. The inventors may at any time by mutual consent revise the Distribution of IP Earnings Agreement.

(VII) Infringements, Damages, Liability and Indemnity Insurance:

As a matter of policy, IITI shall, in any contract between the licensee and IITI, seek to indemnify from any legal proceedings including without limitation manufacturing defects, production problems, design guarantee, up-gradation and debugging obligation.

IITI shall also ensure that IITI personnel have an indemnity clause built-into the agreements with licensee(s) while transferring technology or copyrighted material to licensees.

IITI shall retain the right to engage or not in any litigation concerning patents and license infringements.

(VIII) Conflict of Interest:

The inventor(s) are required to disclose any conflict of interest or potential conflict of interest. If the inventor(s) and/or their immediate family have a stake in a licensee or potential licensee company then they are required to disclose the stake they and/or their immediate family have in the company.

A license or an assignment of rights for a patent to a company in which the inventors have a stake shall be subject to the approval of the Dean (R &D) taking into consideration this fact.

(IX) Dispute Resolution:

In case of any disputes between IITI and the inventors regarding the implementation of the IP policy, the aggrieved party may appeal to the Director of IITI. Efforts shall be made to address the concerns of the aggrieved party. The Director's decision in this regard would be final and binding.

(X) Jurisdiction:

As a policy, all agreements to be signed by IITI will have the jurisdiction of the courts in Indore and shall be governed by appropriate laws in India.

Glossary:

1. 'Author' means faculty, students, staff or visiting faculty who has/have written or created a creative work.
2. 'Collaborative Activity' is the research undertaken by IITI personnel in cooperation with industry and/or another researcher(s) who are not IITI personnel.

3. 'Confidential Information' : Information not in the public domain and declared confidential by parties as such in a MOU/Agreement that has been signed by the parties.
4. 'Conflict of Interest' or a 'Potential Conflict of Interest' exists when an inventor/author is or may be in a position to use either creative work or influence for unmerited personal or family gain.
5. 'Copyright' means the exclusive right granted by law for a certain period of time to an author to reproduce, print, publish and sell copies of his or her creative work.
6. 'Copyrightable Work' is a creative work that is protectable under copyright laws. Copyright protection is available for most literary, musical, dramatic, and other types of creative work, including software, teaching materials, multimedia works, proposals, and research reports.
7. 'Creators' are persons who have produced any original work
8. 'Cumulative Earnings' from a patent/patent application are the total earnings to date obtained from the commercialization of the patent/patent application.
9. 'Design Registration' Registration of the novel non-functional features such as shape, or ornamentation of a product.
10. 'IITI personnel' includes but is not limited to the faculty, students, staff or visiting faculty, researchers and scientists (including part-time staff/faculty) at IIT Indore.
11. 'Intellectual Contribution' means original technical or artistic contributions.
12. 'Intellectual Property' includes but is not limited to copyrights and copyrightable materials, patented and patentable inventions, tangible research results, trademarks, service marks and trade secrets.
13. 'IP Assessment Committee (IPAC)' is a committee formed by the Dean (R&D), which decides on the issues of ownership and patentability among others consisting of a Chairperson, the Technical Officer (Secretary) of the IRC and at least three additional faculty members.
14. 'Invention' includes but is not limited to any new and useful process, formula or machine conceived or first reduced to practice in whole or in part, defined within the purview of the Patent Act. Inventor(s) are person(s) who produce an invention.
15. 'Licensing' is the practice of renting the intellectual property to a third party.
16. 'Net Earnings' : Earnings resulting from the licensing or commercialisation of the IP, reduced by the outstanding actual expenses incurred in obtaining and commercialization of the IP.
17. 'Patent' means the exclusive right granted by law for making, using or selling an invention.
18. 'PCT Application' A PCT is a system of filing a patent application in several countries through a single application keeping the priority of the first filing in any of the countries within the PCT system.. This is administered by the World Intellectual Property Organisation (WIPO) in Geneva. It is not a patent granting system.
19. 'Protection of Layout of Integrated Circuits' : Layout scheme of Integrated circuits that are functionally important.
20. 'Royalty' is the payment made to an inventor/author or an institution usually for legal use of a patented invention or any Intellectual Property when licensed.
21. 'Significant Use of IITI Resources' is any usage of IITI's resources in the creation of the invention(s), excess of the routine use of office facilities, computers, library resources and resources available to the general public.
22. 'Software' means anything executable in a computer.
23. 'Teaching material' means any material that aids the process of teaching
24. 'Trade Mark / Service Mark' is a distinctive word, symbol or picture or a combination of these, which is used by a business entity to discriminate its products and services from those of other business entities.

25. 'Trade Secret' Usually some information such as know-how of commercial or strategic value that is not disclosed to all and is used in a restricted manner.

Note:

For all matters not covered in this document, as a general principle, Dean R&D may be approached for consideration on case to case basis.

Appendix 1

STANDARD TERMS AND CONDITIONS

1. DECLARATION: All work undertaken by IIT Indore as part of the project will be in good faith and based on material / data / other relevant information given by the Client requesting for the work.

2. CONFIDENTIALITY: Due care will be taken by IIT Indore to maintain confidentiality and discretion regarding confidential information received from the Client, including but not limited to results, reports and identity of the client.

3. REPORTS: Any test or other consultancy report given by IIT Indore will be based on work performed according to available standards and / or open domain literature. In any event, this report may not be construed as a legal document, certificate or endorsement and may not be used for marketing of the products or processes, without prior consent from IIT Indore. The institute reserves the right to retain one copy of the report and use the results of the project for its internal teaching and research purposes.

4. WORK PERFORMANCE: Every effort will be made to complete the specified work according to the planned time schedule. However, IIT Indore will not be held responsible for delays caused beyond its reasonable control.

5. CONFLICT OF INTEREST: IIT Indore may take up work for other clients also in the same area, provided, to the best of the institute's knowledge, there is no conflict of interest in undertaking such projects.

6. PAYMENT: The payment of consultation charges to IIT Indore are to be made in advance and in full before the start of the project, through a demand draft / crossed valid cheque, drawn in favour of The Registrar, IIT Indore and sent to the Consultant or the address overleaf. The charges will also include any applicable tax as prescribed by the Government of India from time to time.

7. TERMINATION: The project work may be terminated by either party by giving the other party a notice period of 30 days. However, both parties will meet any residual obligations in connection with the project.

8. LIABILITY: IIT Indore shall not be held liable for any loss, damage, delay or failure of performance, resulting directly or indirectly from any cause, which is beyond its reasonable control (Force Majeure). The liability of IIT Indore shall be limited to the funds received for the project.

9. INTELLECTUAL PROPERTY RIGHTS: All rights pertaining to any intellectual property generated / created / invented in the due course of the project, will be the joint property of IIT Indore and the Client. Terms and conditions regarding transferring / assigning / selling these rights to the client shall be governed by a separate written and agreed to document if required.

10. RESOLUTION OF DISPUTES: Any disputes arising out of the project shall be amicably settled by both the organizations. Any unsettled disputes may be subject to resolution as per the Indian Arbitration and Conciliation Act 1996.

The following terms and conditions will apply to all projects taken up by IIT Indore, unless otherwise mutually agreed to in a separate document.

Appendix 2

Costing of Consultancy Project

1. Consultant Fees (CF)*
2. Charges for Personnel engaged in Technical Services (CPTS)**
(For permanent employees of the Institute)
3. Project Staff Salaries (PSS)
(For temporary staff employed in the project)
4. House Rent Allowance (HRA)
(Provision shall be made for 30% of PSS as HRA)
5. Operational Expenses (OE)
(All other expenses related to the consultancy project)
6. Capital Equipment (CE)
(Expenses towards purchase of capital equipment for the consultancy project)
7. Overheads (OH)
(Charged at 20% of PSS and OE)
8. Contract Negotiations / Legal expenses (CNL)
(For projects involving contracts, agreements and MOUs, negotiation charges may be appropriately included by Dean R&D)
9. Net Project Cost (items 1 + 2 + 3 + 4 + 5 + 6 + 7 + 8)
10. Service Tax and other Taxes (as applicable)
11. Total Project Cost (9 + 10)

**The Consultant Fee will be limited to 20% of Net Project Cost (Item 9.1 of the Consultancy rules) in case of Category T (Testing) projects.*

*** CPTS will be limited to 30% of Net Project Cost (Item 9.2 of the Consultancy rules) in case of Category T (Testing) projects.*

Appendix 3

A Sample Costing for a Consultancy Project

A sample costing, disbursement, distribution of Deductions and Overheads for a consultancy project is shown in this Appendix.

3.1 A sample costing for a consultancy project

Head of expenditure (Amount in Rs.)

1. Consultant Fees (CF) # 50,000
2. Charges for Personnel employed ## 20,000 in Technical Services (CPTS)
3. Project Staff Salary (PSS) : 10,000
4. House Rent Allowance (HRA) : 3,000
5. Operational Expenses (OE) : 5,000
6. Overheads (OH) : 3,000
7. Contract / legal costs : 0
8. Capital Equipment (CE) : 0
9. Net project cost : 91,000
10. Service Tax (to be charged as per prevailing rate, in this example, say 8%) : 7,280

11. Total project cost 98,280

This will be limited to 20% of net project cost in case of testing projects.

This will be limited to 30% of net project cost in case of testing projects.

3.2 Disbursement to Consultant:

Disbursed amount to Consultant : 50,000

Institute Deduction at 20% (x) : 10,000

Taxable Earnings for the Consultant : 40,000

3.3 Disbursement of CPTS:

Disbursed amount to Permanent Staff : 20,000

Institute Deduction at 20% (y) : 4,000

Taxable Earnings for the Permanent Staff : 16,000

3.4 Distribution of Deductions:

Total Deductions to the Institute (x+y) : 14,000

To Concerned Department / Centre / School / IDP : 7,000

To IRC: 4,200

To Library: 1,400

To Director's Discretionary fund : 700

To Student / Staff welfare fund : 700

3.5 Distribution of Overheads:

Total overheads to the Institute (OH) : 3,000

To IRC : 2,250

To Main Account towards utilities etc : 750

3.6 HRA (of Rs.3000) will be

- Retained with IRC if project staff avails accommodation on Institute campus.
- Given to the project staff if he / she does not avail Institute accommodation.