

Policy covers:	Intellectual Property and commercialisation
Relevant to:	Applicants and grant holders
What is this?	This explains who owns research outputs and how they can be used or commercialised. It ensures fair use, public benefit, and appropriate return to NICHHS.
Key points:	<ul style="list-style-type: none"> • Your institution will normally own the IP • You must inform NICHHS before commercialisation • A revenue sharing agreement will be required • Outputs should support equitable access where possible
Last updated:	Jan 2024 Currently being reviewed.
Review cycle:	This version sets out the core principles, but further items (including revenue sharing arrangements and commercial terms) will be added following legal review.
Applies from:	Updates apply to current and ongoing awards unless stated otherwise.

IP & Revenue Sharing Terms

1. Definitions

The following words and phrases shall have the following meanings unless the context requires otherwise:

“Background Intellectual Property” means Intellectual Property provided by one Party to the other for use in the Project (whether before or after the date of this Agreement), except any Grant Funded Intellectual Property.

“Business Day” shall mean a day other than a day which is a Saturday, Sunday or public or bank holiday in Belfast, Northern Ireland.

“Combination Package” shall mean a package containing the Grant Funded Intellectual Property bundled together with any other intellectual property which the Institution owns or is the beneficial owner (or otherwise has access to).

“Combination Package Gross Revenue” shall mean all consideration received by the Institution from the commercial exploitation of the Grant Funded Intellectual Property in a Combination Package including licence fees, option fees, up-front fees, royalties, minimum royalties or milestone payments, sub-licence initiation fees, or any other fixed sum payments received by the Institution from the licensing or other disposition of the Grant Funded Intellectual Property in a Combination Package.

“Combination Package Net Revenue” shall mean Combination Package Gross Revenue multiplied by the WR, less Direct Costs and any taxes including, but not limited to, value added tax, sales, excise and withholding tax, imposed on Institution in connection with Gross Revenue which Institution is unable to offset or recover.

“Direct Costs” shall mean all external expenses incurred and paid by the Institution in connection with the filing, prosecution and maintenance of the Intellectual Property including, but not limited to, official filing fees, agent costs, and reasonable legal and other advisory and consultancy fees. To avoid doubt, Direct Costs shall not include the Institution’s internal costs relating to these activities, regardless of the legal constitution of the Institution’s technology transfer office. For the avoidance of doubt, the Organisation may not make deductions for salary or taxes in respect of the Organisation or the inventors or generators of the Intellectual Property.



“Grant” means the award made by NICHHS to the Institution for the Grantholder to undertake the Project.

“Grant Funded Intellectual Property” means any IP that is created or generated/developed under the Project.

“Gross Revenue” shall mean all consideration received by the Organisation from the commercial exploitation of the Grant Funded Intellectual Property, including licence fees, option fees, up-front fees, royalties, minimum royalties or milestone payments, sub-licence initiation fees or any other fixed sum payments received by the Institution from the licensing or other disposition of the Grant Funded Intellectual Property in forms including but not limited to monies, shares or options.

“Institution” means the university, research organisation, company or other body to which the Grant is awarded

“Intellectual Property” or **“IP”** shall mean Materials, Patent Rights, Know-How, trade marks, service marks, registered designs, copyrights, database rights, design rights, confidential information, applications for any of the above, and any similar right recognized from time to time in any jurisdiction, together with all rights of action in relation to the infringement of any of the above.

“Know-How” shall mean unpatented technical information (including, without limitation, information relating to inventions, discoveries, concepts, methodologies, models, research, development and testing procedures, the results of experiments, tests and trials, manufacturing processes, techniques and specifications, quality control data, analyses, reports and submissions) that is not in the public domain.

“Materials” shall mean the biological or biochemical matter generated in the course of the research project (whether living or not), for example (without limiting the foregoing), viruses, cell lines, plasmids, new varieties or genetically modified organisms, such as mice or bacteria.

“Net Revenue” shall mean Gross Revenue less Direct Costs and any taxes including but not limited to value added tax, sales, excise and withholding tax, imposed on Institution in connection with Gross Revenue which Institution is unable to offset or recover.

NICHHS means Northern Ireland Chest Heart and Stroke, a registered charity in Northern Ireland, under number XN 47338, and with a registered address at 21 Dublin Road, Belfast, BT2 7HB.

“Organisation” shall mean the Institution together with the TTO.

“Patent Rights” shall mean the patent applications and any and all patent application(s) and patents deriving or claiming priority from any thereof or otherwise relating to the aforementioned patent application including all divisionals, continuations, reissues, extensions, registrations and supplementary protection certificates in relation to any thereof.

Project means the research project to be funded by the Grant and to be carried out by the Institution, under the scientific direction of the Grantholder, as set out in the Application Form and as supplemented by the Award Letter.

“TTO” shall mean technology transfer office (or equivalent body).

“Weighting Ratio” or **“WR”** shall mean the reasonable inventive relative weighting given by Institution in good faith to each technology/intellectual property included in the Combination Package as a contribution to the whole.

2. Intellectual Property ownership

2.1 The Institution is responsible for ensuring that each inventor or generator or author of Grant Funded Intellectual Property assigns all his or her rights, title and interest in the Grant Funded Intellectual Property to the Institution, in order to enable the Institution to properly exploit the Grant Funded Intellectual Property.

2.2 The Institution hereby grants to NICHHS a perpetual, sub-licensable, irrevocable, world-wide, non-exclusive royalty-free license to the Grant Funded Intellectual Property, for the purposes of academic/not-for-profit research (including in collaborations), teaching, and publicity purposes. The Institution and NICHHS shall, if legally necessary or administratively convenient, execute such formal instruments as may be necessary to give full effect to this Clause 2.2.



3. Grant Funded Intellectual Property and expenses

- 3.1 The Parties agree that the Institution shall have sole responsibility and authority to manage and execute the duties required for the filing, prosecution and maintenance of the Grant Funded Intellectual Property, including the Patent Rights. The Institution shall keep or shall procure that their agents keep all notices, applications and correspondence filed in connection with the Grant Funded Intellectual Property, and shall provide copies of such documents to NICHHS or its agent on reasonable request.
- 3.2 Direct Costs shall be paid by the Institution and will then be deducted from Gross Revenue and/or Combination Package Gross Revenue.
- 3.3 If, at any time, the Institution decides to abandon in any territory any or all patent applications or patents included in the Patent Rights ("Patent Rights for Abandonment"), the Institution shall notify NICHHS of its intention at least sixty (60) days prior to the date any Patent Office action concerning the Patent Rights for Abandonment is due and shall offer to assign the Patent Rights for Abandonment to NICHHS. If NICHHS wishes to receive an assignment of the Patent Rights for Abandonment, NICHHS will be responsible for all further costs arising from the Patent Rights for Abandonment and the Parties will negotiate a separate assignment and revenue sharing agreement that specifies the rights each Party shall have in relation to the Patent Rights for Abandonment and any related data or information.
- 3.4 In the event the Grant Funded Intellectual Property rights are infringed by a third party, the Institution shall have the sole right to defend the Grant Funded Intellectual Property rights and shall do so at its own cost but shall not be obliged to do so. However, the Institution shall not issue a claim or threaten to issue a claim against a charitable or not-for-profit organisation without the express approval of NICHHS.

4. Exploitation

- 4.1 Subject to Clause 3.4, prior to granting any rights under the Grant Funded Intellectual Property to any third party, the Institution shall provide to NICHHS or its agent on a confidential basis in such reasonable detail as may be requested details of the proposals for the exploitation of the Grant Funded Intellectual Property including where applicable the identity of any proposed licensee or assignee of the Grant Funded Intellectual Property and the intended terms under which such rights will be granted.
- 4.2 The Institution shall take into account in its negotiations with any such third party any representations made by NICHHS or its agent bearing in mind the legitimate interest of NICHHS in such negotiations as a potential institution of a share of Net Revenue or Combination Package Net Revenue.
- 4.3 Subject to the obligations in Clauses 4.1, 4.2 and 4.5, the Institution will have the sole responsibility to exploit the Grant Funded Intellectual Property commercially in any manner it decides including, but not limited to, licensing, selling and assigning in exchange for consideration. The decision whether or not to conclude any agreement in relation to such commercial exploitation shall be a matter for the sole discretion of Institution.
- 4.4 The Institution shall provide NICHHS or its agent, to the extent it is permitted to do so, on a confidential basis with copies of all agreements related to the Grant Funded Intellectual Property. For clarity, and without limiting the foregoing, this shall include administration agreements, assignments, licenses, and sublicenses granted under the Grant Funded Intellectual Property.
- 4.5 If the Institution elects not to exploit the Grant Funded Intellectual Property commercially it will notify NICHHS (within a reasonable period of time) and NICHHS will inform the Institution of whether it, or a third party acting as NICHHS's agent, wishes to be granted the right of exploitation, and if so, the Parties will meet to agree upon the best way to proceed, and in accordance with the terms and conditions of the Grant.
- 4.6 Subject to third party rights, and to any exploitation/commercialization requirements agreed between the Parties, the Institution agrees to make freely available the Materials and associated Know-How for academic or not-for-profit research, to the maximum extent possible. To that end, the Institution may deposit the Materials in an appropriate repository, for subsequent onward distribution.



- 4.7 The Institution agrees to use the Grant Funded Intellectual Property in a lawful manner according to applicable law and any associated guidelines and guidance. In relation to Materials, the Institution agrees to act (and shall require that any assignee or licensee acts) with the utmost care in terms of human and animal health, wellbeing and ethics.
- 4.8 Where the Grant Funded Intellectual Property is to be licensed or assigned as part of a Combination Package, the Institution shall determine an appropriate and reasonable WR, in accordance with the custom and practice of reasonable technology transfer offices. The Institution shall consult with NICHHS or its agent in making a determination of an appropriate WR.
- 4.9 The Parties recognise that in the case of jointly generated Intellectual Property (i.e., the Institution and a third party organisation owns the Intellectual Property at the point of generation); the Institution may not be the party exploiting the Intellectual Property. In such a situation, the Institution may assign or license its rights in the Intellectual Property to the joint owning organisation (in exchange for an appropriate and equitable revenue share). The Institution shall notify NICHHS of such circumstances. Moreover, the provisions on revenue sharing in Clause 5 shall apply only to the consideration actually received by the Institution. Moreover, the Institution shall ensure, as far as reasonable possible, that any agreement with a joint owning third party in respect of the Grant Funded Intellectual Property does not prejudice the rights of NICHHS in any way.

5. Revenue sharing

- 5.1 The Parties shall share all Net Revenue received from the exploitation of the Grant Funded Intellectual Property. The Net Revenue share between the Institution and NICHHS shall be fair and equitable, taking into account the contribution of each Party to the Grant Funded Intellectual Property, and shall be negotiated in good faith and agreed in advance of the exploitation of the Grant Funded Intellectual Property.
- 5.2 In the event that the Intellectual Property is exploited through a Combination Package, the Parties agree to share all Combination Package Net Revenue in a fair and equitable proportion, taking into account the inventive contribution of each Party, and to be negotiated in good faith and agreed in advance of the exploitation of the Combination Package.
- 5.3 The Institution will be solely responsible for distributing its share of the Net Revenue or Combination Package Net Revenue to researchers who contributed to the Grant Funded Intellectual Property in accordance with any policy of the Institution, subject to the terms of this Contract

6. Records and payments

- 6.1 The Institution shall keep complete and accurate accounts of all Direct Costs plus Gross Revenue and/or Combination Package Gross Revenue. The Institution shall make these accounts available on reasonable notice for inspection and verification during business hours by an independent professionally qualified accountant nominated by NICHHS and reasonably acceptable to the Institution. NICHHS shall be responsible for the accountant's charges unless the accountant finds an underpayment of at least five percent (5%) between sums due and sums paid to NICHHS since the last most recent inspection.
- 6.2 The Institution, within thirty (30) days after 31 March each year, shall provide the NICHHS with a statement setting out Gross Revenue or Combination Package Gross Revenue received and Direct Costs incurred during the previous twelve (12) month period, together with the value of the Net Revenue or Combination Package Net Revenue arising therefrom. If no revenue shall be due to NICHHS, the Institution shall so report. On receipt of such statement from the Institution NICHHS shall issue the Institution with an invoice for any payment due to NICHHS, which will be paid by the Institution in accordance with the instructions set out in the NICHHS invoice.
- 6.3 In the event that the Institution is obliged by law to deduct tax from any payment to NICHHS under this Policy, it shall provide NICHHS with documentary evidence of such deduction and shall assist NICHHS to seek relief under a double taxation agreement or other applicable agreements.



7. Confidentiality

- 7.1 NICHHS will use all reasonable endeavours to keep confidential all information relevant to the Intellectual Property and all information provided under Clause 4 which is in NICHHS's possession, and which is not disclosed by the Institution.
- 7.2 NICHHS may disclose the information referred to in Clause 7.1 to a third party which is acting as its agent provided that such third party is bound by obligations of confidentiality no less protective of Institution's rights than this Policy.
- 7.3 Each Party agrees not to use the names or marks of the other Party without the prior written consent of the other Party.

8. Indemnification

- 8.1 The Institution does not make any representation or give any warranty to the NICHHS that any advice or information given by it or any of its employees or students who work on the Project, or the content or use of any Grant Funded Intellectual Property, Background Intellectual Property or Materials, works or information provided in connection with the Project, will not constitute or result in any infringement of third-party rights.
- 8.2 Neither Party accepts any responsibility for any use which may be made by the other Party of any Grant Funded Intellectual Property, nor for any reliance which may be placed by that Party on any Grant Funded Intellectual Property, nor for advice or information given in connection with any Grant Funded Intellectual Property.
- 8.3 Subject to 8.1 and 8.2, the Institution will indemnify and hold harmless NICHHS and its employees and agents against all liability, loss, damage, cost or expense which may result directly from the use or commercialization of the Grant Funded Intellectual Property. This indemnity shall not apply any loss suffered by NICHHS attributable to NICHHS's negligence or breach of this Agreement.
- 8.4 Subject to Clause 8.5, the aggregate liability of Institution to NICHHS for all and any breaches of this Agreement, any negligence or arising in any other way out of the subject matter of this Agreement, the Project and the Grant Funded Intellectual Property, will not exceed in total 5 times (5x) the Grant value.
- 8.5 Nothing in this Agreement limits or excludes either Party's liability for death or personal injury, any fraud or for any sort of liability that, by law, cannot be limited or excluded.

9. General

- 9.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Contract.
- 9.2 It is not intended that any provision in this Contract shall create a partnership, joint venture, or other formal business relationship or entity of any kind, or an obligation to form any such relationship or entity between any of the parties.
- 9.3 Any written notice to be given under this Contract shall be delivered by hand or sent by first class prepaid post addressed to the notice party at the address stated in the Letter of Offer and shall be deemed to have been received either when delivered if served by hand, or in the ordinary course of post, unless the contrary is proved.

10. Law

- 10.1 The Contract, shall be governed by Northern Ireland Law, and will be subject to the exclusive jurisdiction of the Northern Ireland Courts.