

## Air University IP Commercialization Policy




# IP Commercialization, Technology Transfer & Conflict of Interest Policy

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## ARTICLE 1 – PREFACE AND INTRODUCTION

- 1.1.1 **Objective** One of the objectives of Air University is to defuse the intellectual work done by its researches into the industry to have societal impact. Office of Research Innovation and Commercialization (ORIC) has been established to protect and commercialize the research being conducted at AU. It encapsulates AU's research and intellectual property opportunities at the earliest stage, and translates these benefits to industry by working closely with industry through partnerships, collaborations, licensing and forming Spin-offs.
- 1.1.3 **Commercialization Strategy** The AU will endeavour to Commercialize Research / IP in a manner that enhances local, regional, and national economic development. Moreover the strategy encourages and fosters entrepreneurship by Staff Members and others and which supports Commercialization Entities.
- 1.1.4 **Assistance to IPMO.** Creators of IP which has been selected for IP protection and Commercialization by the Institution must provide IPMO with all reasonable support in the assessment, protection (including preventing premature disclosure and execution of any documents including deeds of assignment and deeds attesting to creatorship), and Commercialization of the IP.
- 1.1.5 **Sovereignty and Cooperation.** The Institution shall have the sole discretion regarding the Commercialization of IP owned by it. Notwithstanding, the Institution will ensure that reasonable efforts are made to keep the Creators informed and, where appropriate, involved in the Commercialization of the IP to which they contributed. The Commercialization of Institution IP will be planned, executed, and monitored by IPMO.
- 1.1.6 **Scope** The material set forth in this document covers the ownership, revenue share distribution from licensing and formation of spin-offs of technologies / IPs / know how developed by faculty, staff and students of Air University.
- 1.1.7 **Objectives** The objectives of this policy are as follows:-
- (a) To facilitate making an environment conducive for research & development, creation of intellectual property and commercialization.
  - (b) To put in place streamlined protocols with the view to encourage the reporting of products of Intellectual creativity.
  - (c) To provide financial benefits and due recognition for the Author(s), Creator(s) and inventor(s) through avenue of technology transfer.

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- (d) Provide revenue sharing structured mechanism.
- (e) To commercialize the IPs through licensing and spin-off formation, and liaising with technology seekers, investors, and other external parties.
- (f) To set revenue and evaluation goals for spin-offs and licensing and how to structure those transactions.


## ARTICLE 2 – COMMERCIALIZATION PATHWAYS

2.1 The following modes for IP Commercialization may include:

- (a) License, either exclusive or non-exclusive, and variations thereof [Preference for licensing to small and medium sized companies or businesses];
- (b) Assignment (sale) [Option:, in extraordinary circumstances];
- (c) Formation of a Commercialization Entity to which the IP is licensed or assigned in terms of this Policy;
- (d) Non-profit use or donation;
- (e) Joint ventures;
- (f) Royalty free access on humanitarian or other grounds; or
- (g) Various combinations of the above.

## ARTICLE 3 – COMMERCIALIZATION OPTIONS AT AU

- 3.1 Considering peculiar environment at AU, following avenues could result into activities leading to commercialization of IP/ Research at AU:-
- (a) Public Funded Research Projects (HEC, NSF, NESCOM, PAF etc)
  - (b) Consulting Projects (Initiated / Steered by Faculty / SMEs)
  - (c) Public / Private Sector Projects thru IRC
  - (d) License Agreements on account of projects involving funding from TDF, HEC, NSF, RTTG, NCCS, NCRA, NCAI etc
  - (e) Faculty Led Technology Start Ups

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## ARTICLE 4 - FUNDAMENTALS TO CATER WHILE COMMERCIALIZING IP


- 4.1 Regardless of the mode of IP Commercialization, the transaction will be executed in a contract which:
- (a) Protects the interests of the Institution, its Staff Members, Students and Visitors;
  - (b) Retains rights for the Institution to use the IP for educational and research purposes;
  - (c) Assures that the IP will be utilized in a manner which will serve the public good;
  - (d) Assures that the IP will be developed and brought to the marketplace as useful goods and services; and
  - (e) Prohibits the “shelving” or “mothballing” of the IP or its use in any illegal or unethical manner.

## ARTICLE 5 – INCENTIVES / REVENUE SHARING FRAMEWORK

- 5.1.1. **Purpose and scope.** The Institution, in the interest of promoting knowledge transfer, will give due consideration to incentives to researchers to foster Research that has socio-economic impact; such incentives may be financial or non-financial.
- 5.1.2 A Creator/Enabler may receive incentives from each IP they created/enabled which is commercialized. In case an IP is commercialized, initially 100% revenue will be owned by the University until all its out-of-pocket and development expenses associated with the protection and exploitation of the patent or software have been reimbursed. Such expenses include fees associated with patent filing and copyright registration and any other continuing costs associated with licensing or commercialization of IP.

## ARTICLE 6 - INCENTIVES / REVENUE SHARING FORMULA

- 6.1 The following revenue sharing formula to be followed under various options. It involves all the projects funded by external agencies, consultancy projects sponsored by the industrial partners etc.

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**6.2 Public Funded Research Projects** The revenue sharing formula will be as under. These may include but not limited to projects funded to AU by external agencies such as HEC, NSF, NESCOM, PAF etc :-

Proceeds	PI (%)	AU (%)
Upto Rs 0.5 Mil	100	-
> Rs 0.5 Mil upto Rs 1.0 Mil	70	30
> Rs 1.0 Mil upto Rs 5.0 Mil	60	40
> Rs 5.0 Mil upto Rs 10.0 Mil	45	55
> Rs 10 Mil	30	70

**6.3 Consulting Projects (Awarded to AU)** The revenue sharing formula will be as under. These may include but not limited to the projects funded to AU , AU Centres/ Labs by external agencies such as HEC, NSF, NESCOM, PAF etc:-


Proceeds	PI (%)	AU (%)
Upto Rs 0.5 Mil	100	-
> Rs 0.5 Mil upto Rs 1.0 Mil	70	30
> Rs 1.0 Mil upto Rs 5.0 Mil	60	40
> Rs 5.0 Mil upto Rs 10.0 Mil	45	55
> Rs 10 Mil	30	70

**6.4 Consulting Projects undertaken thru IRC** The revenue sharing formula will be as under.

Proceeds	PI (%)	IRC (%)
AU Resources Involved	60	40
AU Resources not Involved	5% of invoice value	

**Note:** In case of project(s) undertaken through IRC which are funded by HEC, NSF, NESCOM, PAF etc, the revenue sharing will be same as mentioned above in 6.2

**6.5 Licensing Agreements with Industrial Partners,** In case of projects involving Licensing Agreements with the industrial partners, the revenue sharing will be as

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under. These may include but not limited to the projects funded by TDF, HEC, NSF, RTTG, NCCS, NCRA, NCAI etc.

Proceeds	PI (%)	Industrial Partner	AU (%)
Upto Rs 0.5 Mil	Upto 50	As per Equity / Tangible Contribution	To be negotiated by ORIC
> Rs 0.5 Mil upto Rs 1.0 Mil	Upto 40		
> Rs 1.0 Mil upto Rs 10.0 Mil	Upto 35		
> Rs 10 Mil	Upto 25		

**Note:** In case of more stakeholders, the revenue distributions will be finalized as per contributions by the committee constituted with the approval of VC.


- 6.7 Faculty Led Technology Start Ups thru AU BIC/ AU Science Park** These may include but not limited to the Start-ups resulting out of projects funded by HEC, TDF, NSF, RTTG, NCCS, NCRA, NCAI etc. 100% IP / patent rights will be owned by the AU while equity sharing will be negotiated as per involvement / long term commitment of the researcher. The equity sharing formula will be as under.

Category	Equity Sharing (%)	
	Founders	AU
AU Faculty Member's Start-up at AU BIC / AUSTP (with AU Resources Involved)	To be negotiated by ORIC	
AU Faculty Member's Start-up (AU Resources <b>Not</b> Involved)	90	10

**Note:** In the case of a dispute over net revenue distributions, such revenue shall be distributed as determined by the VC, whose decision shall be final.

## ARTICLE 7 - DISPUTE


- 7.1. Violation.** Breach of the provisions of this Policy shall be dealt with under the normal procedures of the AU, and in accordance with the relevant provisions of laws and regulations in force.
- 7.2. Dispute Resolution.**
- 7.2.1.** Any internal disputes or questions of interpretation arising under this Policy must in the first instance be referred to AU IPMO for consideration and mediation by the IP Committee.

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- 7.2.2. If the matter cannot be resolved by the IP Committee within 30 days, then the dispute or question of interpretation must be referred to the Vice Chancellor through Director ORIC.
- 7.2.3. The Vice Chancellor / Director ORIC may at their sole discretion refer the matter to AU's Executive Committee and/or an independent committee for arbitration as final arbiter of any disputed issues or for final determination.
- 7.3. **Appeal.** Individuals covered by this Policy shall have the right to appeal the application of any aspect of this Policy to the AU IP Committee.

## ARTICLE 8 - CONFLICTS OF INTEREST AND CONFLICTS OF COMMITMENT

- 8.1. **Commitment to the AU.** Faculty Members' and Visitors' primary commitment of time and intellectual contributions should be to the education, research and academic programs of the AU.
- 8.2. **Best Interests of the AU.** Faculty Members and Visitors have a primary professional obligation to act in the best interests of the AU; they should avoid situations where external interests could significantly and negatively affect their work ethic and research integrity.
- 8.3. **Agreements with External Parties.** It is the responsibility of all Faculty Members and Visitors to ensure that their agreements with external parties do not conflict with their duties and responsibilities in terms of this Policy. This provision shall apply in particular to private consultancy and other research service agreements concluded with external parties. Each individual should make his/her duties and responsibilities clear to those with whom such agreements may be made and should ensure that they have read and are provided with a copy of this Policy.
- 8.4. **Disclosure of External Activities and Financial Interests.** Faculty Members and Visitors shall promptly report all potential and existing Conflict of Interest (COI) or Conflict of Commitment (COC) to the AU Concerned HoD / Dean, in compliance with applicable COI/COC policies. The authority will be responsible for resolving the conflict or reaching a solution satisfactory to all parties concerned. The decision must be approved by Vice Chancellor through Director ORIC.
- 8.5. **Conflict of Interest Policy.** The AU will develop a separate and comprehensive policy on COI, in order to increase the awareness of Faculty Members and Visitors about COI and COC; outline requirements for disclosure of COI and COC; and establish procedures to identify them, avoid or properly manage such conflicts.

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## ARTICLE 9 - AMENDMENT

- 9.1. **Revision.** This Policy may be amended at any time by a decision of the IP Committee. In this case:
- 9.1.1 All IP disclosed on or *after* the effective date of such amendment shall be governed by the Policy as amended; and
- 9.1.2 All IP disclosed *prior* to the effective date of the amendment shall be governed by the Policy prior to such amendment, provided that the provisions of the Policy (as amended) shall apply to all IP licensed or otherwise commercialized on or after the effective date of any such amendment regardless of when the IP is disclosed.

Sd/-----  
(JAVAID AHMED)  
Air Marshal (R)  
Vice Chancellor  
Air University, Islamabad

No. IBD/AU/965/18/ORIC dated 17 July, 2023

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