

# A COMPREHENSIVE EVALUATION OF IP POLICY IN TECHNICAL ACADEMIC INSTITUTES IN INDIA

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## ABSTRACT

Both in academic institutions as well as public funded research institutions, Intellectual Property is of utmost importance. The educational institutions are the source house of an organized sector that builds up human resources needed for creating such mind storming innovations which add on to the existing market value of the institution. This creates a dynamic relationship between industries and educational institutions ‘the existing market players.’ The existing interface of industry and the research institutions work via various modes like contract research, sponsored researches. This relationship finally leads to commercialization of Intellectual Property which is required to obtain tangible and intangible output from academic research. Effective and efficient commercialization, institutions may require technology transfer unit, and eventually, the Intellectual Property Policy is required to be framed by the research and development part of the PRIs and industry relationship. The main aim of the Intellectual Property Policy is to harmonize between the conflicting interests of the stakeholders at different levels and the commercialization of Intellectual Property. This paper critically analyses the Intellectual Property Policies of Academic Institutions in India. A broad framework on the issues like ownership, revenue sharing; technology license or transfer options; infringements, damages, liabilities and indemnity insurance.

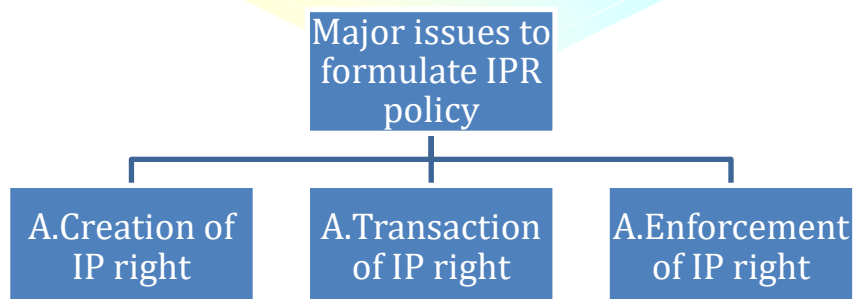
## INTRODUCTION

An Intellectual Property Policy is drafted to promote the progress of science and technology; to ensure that discoveries, inventions and creations generated by staff and students of academic institutions are utilized in such manner that will be beneficial to the society at large. Collaborative research between academics and industry or other bodies is an ordinary practice. The other side of the coin has a dark reality of exploitation of the inventors by the benefactors. Hence, this symbiotic relationship should be a smooth flow between the walls of a well framed Intellectual Property Policy<sup>1</sup>. A strong IPR policy in institutes should be in place to prevent the stakeholders of the institute from being exploited by such large industries.

This article is divided into mainly four sections; firstly, the rationale behind the IPR policy and general framework, in the second section of the article an analysis of the Science, Innovation and Technology Policy launched in 2013 is made. The third part of the study deals with IPR policy of the major academic institutes in India. The fourth and the last part conclude the paper.

## NEED OF IPR POLICY AND GENERAL FRAMEWORK

The IPR Policy is needed to stimulate decision making process. It sets basic principles by which the institute is guided. It is the definitive course of action to guide and determine the decision. Intellectual property is the creation of mind and intangible in nature, but it ultimately promotes tangible things in the form product or system. During generation and transaction of intellectual property participation of various stakeholders are needed. IPR policy can remove ambiguity among stake-holders in creation, transaction, and enforcement of intellectual property. Policy is required to be framed with some goal, and it should address issues or problems.



These policies are two faced on one it holds the IPR factors and the other face is to uphold the moral values of the actual inventor<sup>ii</sup>. Usually, in collaborative or sponsored researches the owner and the inventor can be different entities too.

## **THE SCIENCE TECHNOLOGY AND INNOVATION POLICY, 2013**

With an aim to access and form National goals to promote IPR, commercialization of innovations with focuses on green manufacturing, The Science, Innovation and Technology Policy launched in 2013. The main focus of the policy is to facilitate and encourage private sector investment for research in India, secondly to modify IPR policy so it can provide for rights for social good when supported by public funds and for co-sharing IPRs generated under PPP. It also focuses upon green technology. One of the main key elements of the policy is to link the contributions of the research with the economic growth and development. The spread of scientific temper amongst all the sections of the society is also to be promoted. However, there is no general framework to follow to draft IPR policy typically suited to Indian academic institute. Universities and R&D institutions in India apart from few premiere institutes do not have intellectual property policies to safeguard their interests in managing collaborative research activities.

## **IPR POLICIES OF MAJOR INDIAN ACADEMIC INSTITUTES**

IP luminaries across the nation are advocating in favour of academic and public funded research institutions to frame IP policies for their own, which will be clear and unambiguous. These policies will deal with issues like *Ownership, Technology Transfer, Revenue Sharing, Infringement, Damages, Liability and Indemnity, Conflict of Interest, Dispute Resolution, Jurisdiction*. As stated above, the main aim of such policies is twofold which creates a balance of encouragement for the academic institutions to invent and at the same time enhance the commercial value of the product in the targeted market<sup>iii</sup>.

This part of the article briefly takes a view of the IPR policies of the academic institutions in India which are presently dominating the research sector. The academic institutions which are

included in the study are Indian Institute of Science (IISc), Bangalore, Indian Institute of Technology (IITs) Bombay, Delhi. These institutes are taken as representatives of academic institutions performing well in research areas.

The main highlights addressed in the IPR policies are as follows;

Issues dealing specifically with the activities of the institution which directly or indirectly effects the intellectual assets; both their invention, development as well as operation and profiteering

Various interfacing approaches of commercialization and exploitation of the assets in the markets through contracts and agreements

The methods and practices of acquiring and handling various funds and grants

The amalgamation of the research results and the inventions related to them, and also includes ownership of such datas

The IP valuation

Memoranda of understanding (MoUs) governing research contracts

Ownership of the IPRs and their terms and conditions

The miscellaneous issues of technology or IPRs transfer, matters of benefit sharing and dispute resolution.

**Ownership:** A policy should address the ownership criteria for the creative works, created singly or jointly by institutional personnel, with or without significant use of institutional resources.<sup>iv</sup> While dealing with the ownership issues the main factors to be kept in mind are sponsored and collaborative researches, IP filings, revenue sharing and bearing of costs and other allied factors.

**IISc Bangalore** without any ambiguity states that except sponsored and collaborative research the institute is the sole and absolute owner of the property and the knowledge created. In case of sponsored research, the ownership is mutually decided and clearly to be written in the agreement of the research, to avoid any such ambiguities and further disputes. However, the sponsored research is usually carried out jointly and both the sponsoring agency and the

institute are the identities under which it is started and continued. If the sponsoring agency in such cases is reluctant to bear the burden of cost of IP filings then the institute will start the process and meet the expenditure of the IP filing in its own name as absolute owner.<sup>v</sup> IISc clearly mentions that Collaborative research shall be owned jointly and usually the responsibility to bear the cost of filing and maintenance of the IPR will be upon the collaborating institution on the contrary to which the cost will be equitably shared between the institute and the Collaborating Institutions. If there is no initiative for joint filing of the IP application by the other party then the Institute holds the discretionary powers to file the application with absolute ownership and Institute will meet the entire cost of filing and protection of IPR. In case of copyright matters the institute is the owner if IISc resources are used by any IISc personnel. Secondly, if the institute foresees a gainful return from copyrights, it may initiate steps to file and protect such copyrights and share the financial benefits with the inventor on terms and conditions of the institute. In case of any invention created by the inventor from this institute and the whole work is done on EOL/ sabbatical leave or earned leave is jointly owned by the Institute irrespective of the place of invention.<sup>vi</sup>

**IIT Bombay** unlike IISc, is the sole owner of all the IP that are invented by any employee/ staff/ student/ researcher of IIT Bombay. It is silent on the collaborative or sponsored projects.

**IIT Delhi:** Intellectual property is owned wholly or exclusively by IIT Delhi if IP has been developed either solely with the use of funds / facilities provided by IIT Delhi or with a mix of funds/facilities of IIT Delhi and external agencies or with the use of external funds / facilities, including, that of sponsored research and consultancy projects without any associated agreement but without any formal associated agreement. In case any contract arrangement including “work for hire”, work commissioned and/or outsourced by IIT Delhi is in place then too IIT Delhi would be the owner and same would obviously hold where there is written agreement transferring the ownership to IIT Delhi. In case IP has been developed with external funding from Third party including sponsored research, consultancy projects and other collaborative activity with a formal associated agreement or without external funding from third parties under collaborative project or activity with Third party with associated agreement or where development is out of the work carried out by IIT Delhi faculty/student/project staff/supporting staff during their visit to a Third party Institution/organization then in such

cases Intellectual property can be owned by Third party. IIT Delhi may share its rights with other Third party subject to their respective contribution if the funding agency allows.<sup>vii</sup>

For funds provided by agency of Government of India, the ownership shall be decided in compliance with the ownership clauses defined by the funding agency at the time of approval of the activity. For non-government agency funding the ownership may be shared between IIT Delhi and funding agency. The Intellectual property can be owned by the Inventor if none of the situations defined above for IIT Delhi or Third-party ownership applies, and the IP is unrelated to the inventor's engagement <sup>viii</sup>with IIT Delhi. In case of copyright however, it will be owned by the respective authors unless restricted by an associated agreement.<sup>ix</sup>

## REVENUE SHARING

The revenue distribution from the income of IP commercialization is given under this section. The percentages of revenue that would be institute's share, the inventors / originator's or creator's share and the chair, supervisor's share if any all are laid down in this section.

**IISc Bangalore:** The revenue arising out of licensing of IP and royalty would be shared in the appropriate ratio (currently, this ratio is 60:40) between the inventor and the Institute. Where IISc reassigns the right of the IP to its investor, the inventor shall reimburse all the costs incurred by IISc, which include protection, maintenance, marketing and other associated costs.<sup>x</sup>

**IIT Bombay:** Net earnings from the commercialization of IP owned by IIT Bombay would be shared as follows:

- The inventor / creator share would be declared annually (or as revenues are received) and disbursement will be made to the inventor/ creator, their legal heir, whether or not the inventor/ creators are associated with IIT Bombay at the time of disbursement.
- The revenue sharing ratio between the inventor team and IIT Bombay will be a fixed 70:30 in favour of the inventor team. IP protection costs will be part of the license revenue sharing agreement between IIT Bombay and inventor.
- Where applicable and when IIT Bombay reassigns the rights of the IP to its creator for any country, the cost and revenue sharing will be governed by a separate agreement between IIT Bombay and the inventor / creator.

- The inventors may at any time by mutual consent revise the distribution of IP earnings agreement.<sup>xi</sup>

**IIT Delhi:** The stakeholders besides IIT Delhi includes inventors, associated academic entities of IIT Delhi and the administrative entities engaged in IP management and commercialization. IIT Delhi reserves the right to determine the share of the different stakeholders involved in IP creation and dissemination from time to time. Revenue share of the inventor(s) can continue even after their association with IIT Delhi ends. As of now, the income generated by licensing/assigning of IPR or on receipt of royalties associated with technology transfer / specific innovation programs shall be divided as follows:

- 60% of the revenue will go to the Inventor(s); the share of each inventor may be decided by the Lead Inventor.
- 20% would go to IIT Delhi
- 10% to FITT and 10% to IRD for promotion of IPR activities;

The share of FITT may be 20% when a project is initiated and promoted by the efforts of FITT<sup>xii, xiii</sup>. The beauty of IP is that the same can be used by multiple players in single time. This will in turns will generate revenue from it that will be shared. In order to use of the same by different players, it requires guideline/framework for IP transaction and technology transfer. The subsequent section will deal with technology transaction.

## **TECHNOLOGY LICENSE / TRANSFER OPTIONS**

The administrative body in the institution overseeing the administration of IPRs policy would normally have the responsibility for the marketing of the IPRs and identify potential licensees for the IPRs it owns. Alternatively, the institution may contract the services of a third-party management body. In some cases, the institutes have their own company created to manage and commercialize its IP assets. Policy regarding contacting potential licensees is laid down by the institutional IPRs policy.

**IISc Bangalore**'s IP policy states that the IP that is attached to the Institute's name either solely or jointly shall be only allowed for marketing and commercialization only under the agreements of technology transfer, licensing, revenue sharing. The institute IP cell holds the responsibilities for the IP which is solely owned by IISc. In the matters of joint ownership, the sponsoring organization of the activity will have the first right to commercially utilize and exploit Intellectual Products emanating from the collaboration irrespective of whether the same have been granted patent Technology transfer fee and also royalty payment from the first date of such commercial exploitation for a specific period for licensing to commercially exploit.<sup>xiv</sup>

**IIT Bombay**'s IP policy states that licensing can be done either directly to the third parties or through agents. IIT Bombay unambiguously mentions in its IP policy that IP owned by IIT Bombay are only to be licensed and not assigned. In the case of an assignment of IPs, the march in rights is reserved by IIT Bombay. Any licensing done by IIT Bombay will be on an as is where is the basis.<sup>xv</sup> Non-Exclusive licensing is preferable than exclusive licensing. However, the policy also provides for exceptions that include funding of the project and any other relevant requirements. The policy makes a clear mention of the periodic review of exclusive licenses. However, licenses not limiting to usage status, application and/or region specific, royalty generation for continuing such license agreement need no periodic reviews.<sup>xvi</sup> In some cases, IIT Bombay utilises the benefit of licensing through agents. Salient features for third party licensing agents include the following: The nature of the licensing would be non-exclusive.<sup>xvii</sup>

**IIT Delhi:** Section 3 of the policy is dedicated to transfer and use of IP. For policy related to transfer of biological resource and associated knowledge, the policy follows The Biological Diversity Act 2002 of India. For license agreement with a third party generally, no entity shall be granted exclusive right for further research or any kind of exploitation of the Intellectual Properties that are owned by the Institute. The grant of exclusive license for a particular IP should be given for a limited period of time to an entity, to deter the abuse of the property in the name of absolute monopoly. Sub-licensing must be specified whether it is permitted or not, and even if permitted, the agreement should be clear and unambiguous dealing with the consent of the licensor in the matters of sub-licensing.



## INFRINGEMENTS, DAMAGES, LIABILITY AND INDEMNITY INSURANCE

An integral part of IPR policy is the adjudication part. The policy must be clear and succinct while dealing with the matters of infringements, damages, liability, and indemnity insurance. But all these are to be in consonance with the laws of the land. They should not be in conflict with the national or municipal laws. It is important that when the licensee and the institution enter into a contract it shall include a clause of the grant of an indemnity and release by users in favor of the institution indemnifying and releasing the institution of any loss or damage.

*IISc Bangalore* clearly mentions to retain its rights to either to engage into or refrain from the practice of filing of suits against the infringement either of the licence or the intellectual property.<sup>xviii</sup>

*IIT Bombay* mentions in its policy that in case of any legal proceedings the institute shall seek indemnity including without limitation manufacturing defects, production problems, design guarantee, upgrades, debug obligations and the content created. In the matters of sponsored research and consultative works their policy firmly mentions the obligation to indemnify IIT Bombay personnel built into the license agreements. The right to start any litigation practices is retained by IIT Bombay in the matters of IP and license infringements.<sup>xix</sup>

*IIT Delhi:* Unlike the above mentioned two institutions have its internal structure and decision-making bodies to decide upon the matters of internal infringement as well as the infringement by third party.<sup>xx</sup> Any legal action against the third party is taken upon only after recommended by the Director of the institute.

## CONCLUSION

Many of IPR policies even outside US follow the ownership policies similar to the Bayh-Dole Act. It is seen generally the institutes hold the proprietary right to the IPR when the funding is

of the state. It has been observed that with reference to the following issues are remain un-addressed in any of those policies.

- Graduate student involvement
- Adhoc/ contractual staff
- Internship
- Evidential issues in case of conflict over inventorship /authorship

In Technical Institutes Patents are emphasized with less emphasis on copyright. Institutes which are more research oriented and have though emphasized on Copyright the output and rank of such institutes depend heavily on the published works.

## ENDNOTES

<sup>i</sup>Agarwal, P. (n.d.). India's IP Policy: A Bare Act? *SpicyIP*. Retrieved December 22, 2020, from <https://spicyip.com/2018/08/indias-ip-policy-a-bare-act.html>

<sup>ii</sup> *Intellectual property protection: 10 tips to keep IP safe | CSO Online*. (n.d.). Retrieved December 22, 2020, from <https://www.csoonline.com/article/2138380/intellectual-property-protection-10-tips-to-keep-ip-safe.html>

<sup>iii</sup> *Wipo\_ip\_osa\_17\_t7.pdf*. (n.d.). Retrieved December 22, 2020, from [https://www.wipo.int/edocs/mdocs/aspac/en/wipo\\_ip\\_osa\\_17/wipo\\_ip\\_osa\\_17\\_t7.pdf](https://www.wipo.int/edocs/mdocs/aspac/en/wipo_ip_osa_17/wipo_ip_osa_17_t7.pdf)

<sup>iv</sup> Baland, J.-M., Bourguignon, F., Platteau, J.-P., & Verdier, T. (Eds.). (2020). *The Handbook of Economic Development and Institutions*. Princeton University Press. <https://doi.org/10.2307/j.ctvm7bbxr>

<sup>v</sup> *IP Policy | Intellectual Property and Technology Licensing (IPTeL)*. (n.d.). Retrieved December 22, 2020, from <https://iptel.iisc.ac.in/ip-policy/>

<sup>vi</sup> *IP-Policy\_17-09-19.pdf*. (n.d.). Retrieved December 22, 2020, from [https://iptel.iisc.ac.in/wp-content/uploads/2020/08/IP-Policy\\_17-09-19.pdf](https://iptel.iisc.ac.in/wp-content/uploads/2020/08/IP-Policy_17-09-19.pdf)

<sup>vii</sup> *IPRPoly-IITD.pdf*. (n.d.).

<sup>viii</sup> For faculty and staff, the engagement implies responsibilities associated with employment. See *Intellectual Property Rights Policy (2013)*, IIT Delhi (2013) available at: <http://ird.IITDelhi.ac.in/policy/IPRPoly-IITDelhi.pdf>

<sup>ix</sup> *Intellectual Property Policies in Academe: Issues and Concerns with Digital Scholarship from Accentuate the Positive: Charleston Conference Proceedings, 2012 on JSTOR*. (n.d.). Retrieved December 22, 2020, from [https://www.jstor.org/stable/j.ctt6wq4p0.67?Search=yes&resultItemClick=true&searchText=Intellectual+Property+Policies&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3DIntellectual%2BProperty%2BPolicies&ab\\_segments=0%2Fbasic\\_SYC-5187\\_SYC-5188%2Fcontrol&refreqid=fastly-default%3A3ea605f10014c94070000abfa3995ea3&seq=1#metadata\\_info\\_tab\\_contents](https://www.jstor.org/stable/j.ctt6wq4p0.67?Search=yes&resultItemClick=true&searchText=Intellectual+Property+Policies&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3DIntellectual%2BProperty%2BPolicies&ab_segments=0%2Fbasic_SYC-5187_SYC-5188%2Fcontrol&refreqid=fastly-default%3A3ea605f10014c94070000abfa3995ea3&seq=1#metadata_info_tab_contents)

<sup>x</sup> *Model Guidelines on Implementation of IPR Policy for Academic Institutions—Intellectual Property—India*. (n.d.). Retrieved December 22, 2020, from <https://www.mondaq.com/india/trademark/880606/model-guidelines-on-implementation-of-ipr-policy-for-academic-institutions>

<sup>xi</sup> Kanwar, S., & Sperlich, S. (2020). Innovation, productivity and intellectual property reform in an emerging market economy: Evidence from India. *Empirical Economics*, 59(2), 933–950. <https://doi.org/10.1007/s00181-019-01707-3>

<sup>xii</sup> The Foundation for Innovation and Technology Transfer (FITT) was established by IIT Delhi's BOG resolution No BG/25/91 as a Registered Society under the Societies Registration Act of 1860 to inter alia, manage, transfer and otherwise commercialize technology owned by IIT Delhi or in which it owns an interest.

<sup>xiii</sup> *Status of technology transfer in India – the much-needed Magic Remedy on JSTOR*. (n.d.). Retrieved December 22, 2020, from

[https://www.jstor.org/stable/24102297?Search=yes&resultItemClick=true&searchText=Intellectual%20Property%20Policies%20of%20Academic%20Institutions%20in%20india&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3DIntellectual%2BProperty%2BPolicies%2Bof%2BAcademic%2BINstitutions%2Bin%2BIndia&ab\\_segments=0%2Fbasic\\_SYC-5187\\_SYC-5188%2Fcontrol&refreqid=fastly-default%3Ad2a047a7d3a802335d1eb876e1b1ddbd&seq=1](https://www.jstor.org/stable/24102297?Search=yes&resultItemClick=true&searchText=Intellectual%20Property%20Policies%20of%20Academic%20Institutions%20in%20india&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3DIntellectual%2BProperty%2BPolicies%2Bof%2BAcademic%2BINstitutions%2Bin%2BIndia&ab_segments=0%2Fbasic_SYC-5187_SYC-5188%2Fcontrol&refreqid=fastly-default%3Ad2a047a7d3a802335d1eb876e1b1ddbd&seq=1)

<sup>xiv</sup> COPPULA, D. (1997). Intellectual Property: POLICIES, PRACTICES, AND POSSIBLE TIME BOMBS.

*ASEE Prism*, 7(2), 18–29. <https://www.jstor.org/stable/24156748>

<sup>xv</sup> *Intellectual Property Policy of IIT Bombay*, [www.ircc.iitb.ac.in](http://www.ircc.iitb.ac.in), [http://www.ircc.iitb.ac.in/IRCC-Webpage/rnd/IITB\\_IP\\_Policy2012.jsp](http://www.ircc.iitb.ac.in/IRCC-Webpage/rnd/IITB_IP_Policy2012.jsp).

<sup>xvi</sup> Forsyth, M. (2019). Making Room for Magic in Intellectual Property Policy. In S. FIRTH & V. NAIDU (Eds.), *Understanding Oceania* (pp. 91–124). ANU Press. <https://www.jstor.org/stable/j.ctvk8vzcb.11>

<sup>xvii</sup> Teixeira, A. A. C., & Ferreira, C. (2019). Intellectual property rights and the competitiveness of academic spin-offs. *Journal of Innovation & Knowledge*, 4(3), 154–161. <https://doi.org/10.1016/j.jik.2018.12.002>

<sup>xviii</sup> Tiwari, R., Tiwari, G., Rai, A. K., & Srivastawa, B. (2011). Management of intellectual property rights in India: An updated review. *Journal of Natural Science, Biology, and Medicine*, 2(1), 2–12.

<https://doi.org/10.4103/0976-9668.82307>

<sup>xix</sup> *The Draft Model Guidelines on Implementation of IPRs For Academic Institutions—An Overview—Intellectual Property—India*. (n.d.). Retrieved December 22, 2020, from

<https://www.mondaq.com/india/patent/847456/the-draft-model-guidelines-on-implementation-of-iprs-for-academic-institutions--an-overview>

<sup>xx</sup> *Wipo\_ip\_osa\_17\_t7.pdf*. (n.d.). Retrieved December 22, 2020, from

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