



Guidelines on the Commercial Exploitation of Research Findings at the University of Basel

1. BASIS

These Guidelines are based on the “Ordnung über Nebentätigkeiten, Vereinbarungen mit Dritten und die Verwertung von geistigem Eigentum im Rahmen der universitären Tätigkeit” [Regulations on Secondary Employment, Third-Party Agreements, and the Exploitation of Intellectual Property as Part of University Employment] No. 441.200, dated 18th August 2004 (hereinafter “Regulations”).

2. OWNERSHIP OF INVENTIONS AND COPYRIGHTED WORKS

2.1 INVENTIONS, DESIGNS, AND COMPUTER SOFTWARE

In accordance with § 16 Regulations, inventions and designs made by University staff as part of their contractually agreed employment shall remain the property of the University, irrespective of their fulfilment of a contractual obligation (in accordance with Art. 332 OR/Swiss Civil Code of Obligations). The exploitation rights to computer software developed under the same prerequisites shall remain the property of the University (in accordance with Art. 17 URG/Intellectual Property Law).

2.2 Other Copyrighted Works

Copyright of other works (with the exception of computer software) shall remain the property of the creator, unless an agreement for the transfer of copyright to the University has been concluded (§ 15 Regulations).

3. CONTRACT APPROVAL

Contracts in which the University grants to a third party rights to its intellectual property (e.g., license agreements, option contracts, etc.) require the formal approval of the Rectorate. This measure serves to ensure that the rights of the University and of its individual members remain safeguarded. University staff are advised to consult Unictetra, the University’s technology transfer agency, when negotiating third-party contracts; members of the Faculty of Humanities should contact University Legal Services. Prior to their conclusion, contracts must be submitted for formal legal review to Unictetra or University Legal Services. Verified contracts are signed by the Vice-Rector for Research on behalf of the Office of the Rector. Contracts whose actual or potential revenue exceeds CHF 1 million must also be signed by the University’s Administrative Director.

4. PROCEDURE

4.1 INVENTIONS, DESIGNS, AND COMPUTER SOFTWARE

University staff should use the form “Confidential Invention Disclosure” to report inventions to Unictetra. Completed disclosure forms serve as a basis for evaluating the invention and for clarifying any open questions.

Staff wishing to report computer software inventions to Unitectra should use the form “Software Disclosure.” Design inventions should be reported in an appropriate manner.

All forms can be downloaded from the Unitectra website (www.unitectra.ch; see “Info Scientists/Downloads”).

4.2 OTHER COPYRIGHTED WORKS

Copyright and the exploitation rights to copyrighted works (with the exception of computer software) shall remain the property of the creator. Thus, creators shall be solely responsible for the exploitation of such works. University staff who wish to be assisted by the University or Unitectra may transfer the exploitation rights to such works to the University. In such cases, contracts with private enterprises (e.g., license agreements) will be concluded by the University.

4.3 EXPLOITATION

Unitectra, the University’s technology transfer agency, is responsible for devising exploitation strategies in conjunction with inventors and creators. Unitectra assists inventors and creators in establishing contact with suitable business and industry partners. Such partners will be responsible for commercialising an invention. Intangible research findings may also be commercially exploited by setting up a new company (a so-called spin-off), provided that the project is suited to commercialisation and that the company founders can demonstrate that such intangible findings are almost certain to be successfully implemented. Besides negotiating the respective contracts (license agreements) with exploitation partners, Unitectra also transacts and manages existing contracts.

User rights to intangible research findings are offered to business and industry partners at the customary terms and conditions. This policy is meant to ensure that the commercial exploitation of intangible research findings does not lead to a distortion of competition or unfair trading, and that the University and its individual members are commensurately rewarded for their contribution to their business partner’s commercial success. This shall be the case irrespective of the party responsible for commercialisation.

5. PATENTING INVENTIONS

Inventions are patented

- a) if they are patentable (on account of their novelty, non-obviousness, and technical applicability) and if they are not encumbered by any existing patents depreciating their value, and
- b) if a significant market exists, and
- c) if it can be demonstrated that the invention can be developed to such a degree within a reasonable amount of time that it is highly likely to be of interest to an industry partner, and
- d) if the responsible Vice-Rector has agreed that the University shall bear the costs of applying for a patent. The Vice-Rector can delegate decisions for sums up to CHF 10’000 to Unitectra.

or

- e) if the costs of applying for a patent are borne by the institute/clinic and/or research group itself.

or

f) if the costs of applying for a patent are borne by an industry partner, who will as a rule receive a license (subject to charge) for using the invention.

Unitectra assists inventors in drafting a patent specification. Based thereupon, the definitive patent specification will be drawn up by a qualified patent lawyer. As a rule, Unitectra will file the patent application and monitor the patenting process.

6. DISTRIBUTION OF REVENUE

6.1. DISTRIBUTION SCHEMATIC

The following principles apply to the distribution of revenue earned by the University from the commercialisation of patented and non-patented research findings:

6.1.1 REVENUE FROM THE EXPLOITATION OF INVENTIONS, DESIGNS, AND COMPUTER SOFTWARE SUBJECT TO PATENTING OR ALREADY PATENTED

Inventors and creators shall receive a share of any net revenue arising from the exploitation of patent rights, designs, or computer software by the University. Any revenue arising from commercialisation shall in the first instance be used to cover any costs either envisaged prior to commercialisation or incurred as a result thereof (patenting costs etc.). Subject to the proviso that any reimbursements to third parties (e.g., other universities involved in the invention) be made prior to the disbursement of any revenue, the remaining revenue (net revenue) shall be distributed as follows:

Net revenue amounting to a cumulative sum of CHF 1 million:

- Inventor / creator — 40%
- Organisational unit (i.e., on the part of the University, this share shall be credited to the third-party account issued to the head or manager of the research group) — 30%.
- University — 30%. The Rectorate shall determine how this revenue shall be used.

Net revenue above a cumulative sum of CHF 1 million:

- In cases where net revenue exceeds CHF 1 million per individual invention, design, or computer software, the University Council reserves the right to authorise another distribution of the sum in excess of CHF 1 million.

In cases where the inventor or creator is already receiving a share of the corresponding revenue from his or her secondary employment, any monies received in advance should be considered in the distribution of revenue.

In cases where the group or team leader retires from his or her position and leaves the University, the Rectorate shall decide upon the further use of the organisational unit's share of the revenue.

The *inventor* shall mean any persons mentioned in the patent specification. As a matter of principle, all inventors shall be treated equally, unless the individuals involved have agreed upon a distribution key for their personal shares (see Inventor Declaration Form).

6.1.2 REVENUE FROM THE EXPLOITATION OF NON-PATENTED BIOLOGICAL MATERIAL OR KNOW-HOW

Generally, the development or production of non-patented biological material and know-how is not considered an invention. Should the University generate any financial revenue from the sale of licensing of such material or know-how, then, failing inventors, no personal shares will be paid out. Instead, the initial CHF 5'000.- of any net revenue shall as a rule be credited to a third-party account, as identified by the head or manager of the research team that has developed the material or know-how. Group managers shall have power of attorney over this account within their academic remit. 70% of any further net revenue shall be allocated as third-party revenue to the corresponding research group; as is usual, the remaining 30% shall be allocated to the University. In special cases, in the absence of any particular or exceptional circumstances, the Rectorate can grant a share of the revenue to individual researchers. Such participation shall adhere to the principles stipulated under subparagraph 6.1.1 of these Guidelines.

6.1.3 REVENUE FROM THE EXPLOITATION OF OTHER COPYRIGHTED WORKS

Any net revenue arising from the exploitation of copyrighted works, whose rights are the property of the University, shall be distributed as follows:

- Inventor — 40%
- Organisational unit (third-party account) — 30%
- University — 30%

Where net revenue per individual work exceeds CHF 1 million, the University Council reserves the right to authorise another distribution of the sum in excess of CHF 1 million.

Exempt from the above regulation is any net revenue arising from the exploitation of copyright to scientific publications such as textbooks, contributions to professional journals, and similar publications. Copyright in such cases shall remain the sole property of the individual members of the University.

6.2 DISPUTE

In case of dispute, the Rectorate shall decide upon the distribution and use of revenue.

7. EXPLOITATION BY THE INVENTOR OR CREATOR

Inventors and creator may request permission to exploit their invention or work under their own name and at their own expense if the University is not interested in the exploitation of the invention or work in question. The responsible Vice-Rector shall decide upon any corresponding requests. In such cases, inventors and creators shall be solely responsible for exploitation. No University resources may be used to protect and further develop the invention or work. Any revenue remaining after the deduction of patenting costs shall be apportioned as follows: the inventor or creator shall receive 75%, the University the remaining 25%.

Should the University decide to discontinue or revoke an existing patent application or patent, the inventor(s) can request permission to have the same transferred to them as private individuals. In accordance with subparagraph 6.1.1 of these Guidelines, the University shall receive 25% of any net revenue arising from exploitation in such cases.

8. EQUITY STAKES OF THE UNIVERSITY AND THE COMMERCIAL IMPLEMENTATION OF INTANGIBLE RESEARCH FINDINGS

8.1 ACQUIRING EQUITY

The University can hold equity in a legal person (i.e., non-human entity) as partial compensation for licensing fees, that is to say, the University can be remunerated in the form of shares issued by the licensee. Such equity can be granted, for instance, instead of licensing fees due at an early stage and instead of milestone payments. For the purposes of granting equity to the University, the company or its founders shall transfer shares or options to the University free of charge.

8.2 APPROVAL

Decisions concerning the University's holding of equity in companies within the context of the commercial exploitation of intangible research findings of the University shall be taken in accordance with subparagraph 3 of these Guidelines.

8.3 THE ROLE OF THE UNIVERSITY AS A SHAREHOLDER

8.3.1 EQUITY OWNERSHIP AND MANAGEMENT

Any equity shall be the property of the University and shall be entered in its name. The Rectorate can assign any equity management to Unitecra, the University's technology transfer agency, or to a third party (hereinafter "Manager"). Accordingly, the corresponding voting rights shall be exercised either by the responsible Vice-Rector or by an individual or office appointed by him or her. Alternatively, the Vice-Rector may transfer power of attorney to the Manager.

The Rectorate shall decide upon the point in time and the modalities of the sale of any equity. Neither the University nor the Manager shall be liable toward the inventors for any decrease in yield that may result from the equity not being sold at its maximum value.

8.3.2 SITTING ON THE BOARD OF DIRECTORS

As a rule, no representatives of the University shall sit on the board of directors of a company in which the University holds a stake. The Rectorate shall decide upon exceptions to this rule.

8.3.3 DISTRIBUTION OF EQUITY REVENUE

The University distributes net revenue from stakes held in companies (dividends, sales revenue) in accordance with the distribution key defined in subparagraph 6 of these Guidelines. Inventor shares and research group shares in any equity are due only after the realisation of the revenue by the University.