



EMPLOYEE'S HANDBOOK FOR TECHNOLOGY TRANSFER





This handbook is based on the University of Michigan's 'Inventor's Guide to Technology Transfer'. The Intellectual Property Committee is sincerely grateful to the University of Michigan for kindly giving their permission to use this material.

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TECHNOLOGY TRANSFER

The University of Iceland and the National University Hospital place a great deal of emphasis on the commercial exploitation of research results in the interests of society. The role of the Intellectual Property Committee is to encourage commercialisation through technology transfer.

The Intellectual Property Committee of the University of Iceland and Landspítali University Hospital operates on the basis of a formal statement of duties and operational rules approved by the University Council and the CEO of Landspítali University Hospital. The work of the Intellectual Property Committee (IPC) is based on the Act on respecting employees' inventions no. 72/2004, and the main principles of Icelandic labour law. The committee's role is to help employees and PhD students at the University of Iceland and Landspítali University Hospital commercially exploit the practical applications of their research.

The University of Iceland and Landspítali University Hospital are members of Auðna, the Technology Transfer Office of Iceland (Auðna TTO), alongside other universities and state research institutes, the Ministry of Industry and Innovation, the Ministry of Education, Science and Culture, and the Science Park. Auðna TTO employs experts in business development, marketing, contract law and protection of intellectual property rights. The IPC may delegate work relating to technology transfer for the University of Iceland and Landspítali University Hospital to Auðna TTO.

The IPC strives to cooperate effectively with employees at the two institutions to ensure successful technology transfer.

This handbook is designed to clarify the process of technology transfer and answer frequently asked questions on the subject.

The committee hopes that the handbook will encourage employees to think about the commercial potential of their research for the benefit of the University of Iceland, Landspítali University Hospital and wider society, as well as their own personal benefit.



TECHNOLOGY TRANSFER

OVERVIEW

WHAT IS TECHNOLOGY TRANSFER?

Technology transfer is the transfer of knowledge, skills, technology and methods developed in universities and research institutes to established businesses or start-up companies, which then work to further develop, market and sell new products, processes, methods, software, materials or services. Technology transfer takes place in accordance with a licence agreement with an established company or start-up or through the sale of intellectual property.

WHY SHOULD AN EMPLOYEE OR PHD STUDENT WANT TO PARTICIPATE IN TECHNOLOGY TRANSFER?

Motivations vary from person to person, but might include:

- Creating value and promoting a diverse economy in a knowledge-based society.
- Improving quality of life by marketing a new product.
- Achieving recognition and financial rewards.
- Creating opportunities for students.

HOW IS TECHNOLOGY TRANSFERRED?

Technology transfer generally involves a licence agreement which grants a third party the rights to a defined technology in a specific field of use and/or a specific region, for a specific period. The licensee may be an established company or a start-up. The licence agreement will stipulate that the licensee must fulfil certain obligations and make financial payments for the licence. The employee will receive a share of the licence fees, see page 22.

THE ICELANDIC ACT ON RESPECTING EMPLOYEES' INVENTIONS

In accordance with Act no. 72/2004 on respecting employees' inventions, an employer may require an employee (including salaried students and funded researchers) to surrender the rights to inventions they discover in the course of their work. The same applies to inventions discovered through specific projects assigned to employees. The employee has the right to receive fair remuneration, see page 22.

Employees must disclose inventions, with evidence, to their employer without unreasonable delay. The employer then has three months from the disclosure to decide whether or not they wish to start the technology transfer process. During this period, the invention will be treated as strictly confidential.

TECHNOLOGY TRANSFER PROCESS

Technology transfer can take months or even several years. The Intellectual Property Committee is generally involved for 27 months after the priority patent application is filed, in the case of patentable inventions. This time is spent finding suitable licensees or buyers for intellectual property or founding start-ups to continue the technology transfer process

See below for a rough outline of the technology transfer process. Bear in mind that the steps may overlap.

8 PREP TÆKNIYFIRFÆRSLU

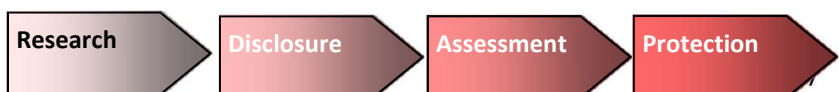
1. RESEARCH

Before starting a research project that may yield results with commercial potential, employees should check published patent applications to learn about the status of technology in the field and prevent duplicate research. The European database espacenet.com provides free access to millions of patent documents from all the world's major industrialised nations.

It is important to keep thorough records of the research and any inventions discovered. A good rule of thumb is to keep one log book for each project and record all meetings, discussions, proposals and results. This will make it easier to remember who made which contributions towards the invention.

Observations, suggestions and experiments during the research project may lead to patentable inventions. Patents are granted to new technological inventions that provide a solution to a specific problem. An invention may be a machine, a product, a process, or method of use. Bear in mind that it is not only patentable inventions that can be commercially exploited. Often, more than one employee has contributed towards the invention.

The IPC can help researchers define the outputs of current research projects, assess commercial potential and register intellectual property rights. Please do not hesitate to contact the IPC if you would like assistance.



2. DISCLOSURE

The technology transfer process begins with a formal disclosure to the IPC using a form that is available at <http://hugverkanefnd.hi.is> or in Ugla, under Research – Employee Inventions. The disclosure must describe the invention/innovation so that the IPC can assess the possibility of commercial exploitation and protecting intellectual property rights. If the employee plans to publish the results of the research, it is helpful to submit a draft of the article/book/chapter along with the disclosure. Disclosures are treated as confidential. **Please note that any form of public disclosure of the invention, in spoken communication or in writing, in any part of the world, before submission of a patent application will affect patent protection rights.**

3. ASSESSMENT

The IPC has three months after receiving a disclosure to decide whether the committee will, on behalf of the University of Iceland and/or Landspítali University Hospital, assert property rights over the invention/innovation. During this period, the committee will assess the commercial potential of the invention and the likelihood of protecting intellectual property rights, or ask Auðna TTO to do this on the committee's behalf. The committee will generally meet with the inventor to get a better understanding of the invention and its potential applications. Cooperation is essential for successful technology transfer.

4. PROTECTION

If the IPC decides to apply for a patent, the committee will finance the work involved. Auðna TTO will oversee the patenting process on behalf of the IPC. Firstly, a so-called priority application is filed with the patenting authorities. The application is checked to make sure the invention is considered new and original based on the current state of knowledge. On the basis of the conclusions, a decision is taken as to whether to file a Patent Cooperation Treaty (PCT) application. Getting a patent takes many years and is a very expensive process.

It is important to remember that patent protection depends on the invention not having been previously disclosed in speech or writing. The invention may be publicly disclosed after the patent application has been filed.

5. MARKETING

Auðna TTO is responsible for marketing the invention on behalf of the IPC, working closely with the employee. Auðna TTO will identify companies/institutions with the



invention to market. Research from other countries shows that 70% of licence agreements are made with companies that the employee already knows or is familiar with.

6. LICENCE AGREEMENT

A licence agreement is a contract between the IPC on behalf of the University of Iceland and/or Landspítali University Hospital and a third party, granting the third party the rights to use the invention in return for financial payments. A licence agreement may be made with an established company or a start-up. The IPC delegates the responsibility of identifying potential licensees and negotiating the agreement to Auðna TTO.

If the decision is made to establish a start-up company, IPC and Auðna TTO staff will help with develop business plans and found the company.

Before a licence agreement is signed, it is possible to make a so-called option agreement, giving a third party the option of assessing the invention/innovation for a certain period of time.

7. COMMERCIALISATION

The licensee will work to bring the product/service to market, which may involve further development/testing, licensing, and sales and marketing research. In some circumstances, the employee may work with the licensee to commercialise the invention.

8. REVENUE

Income earned by the IPC through licence agreements is divided between the employee, the faculty and the institution. After direct expenses have been paid, the employee receives a share of 35%. 10% goes to the research fund, 10% to the employee's unit and 45% to the University of Iceland and/or Landspítali University Hospital. Auðna TTO shall receive 5% of the revenue from licence agreements negotiated by Auðna TTO; this share is deducted from the undivided share of the University of Iceland and Landspítali University Hospital.



The employee's role in the technology transfer process

- Ö *Contact the IPC, tel. 525-4901, if a research project yields interesting results that may have commercial potential.*
- Ö *Disclose the invention/innovation to the IPC before sending any manuscript due for publication or publicly disclosing the invention/innovation in any other way. The form for disclosing an invention can be found at <http://hugoverkanefnd.hi.is> or in Ugla under Research - Employees' Inventions.*
- Ö *Contact the IPC before publicly disclosing the invention. An agreement can be made that prevents loss of patent protection rights and/or marketing opportunities.*
- Ö *Provide information about companies/institutes that may be interested in commercially exploiting the invention/innovation.*
- Ö *Assist patent attorneys with patent applications and respond to comments about patentability.*
- Ö *Help with the licence agreement process.*
- Ö *Inform the IPC about planned publications and communications with companies regarding the invention/innovation.*
- Ö *Carry out further research and development work related to the invention in cooperation with the licensee.*

TECHNOLOGY TRANSFER RELATION TO RESEARCH

IS IT POSSIBLE TO PUBLISH RESEARCH RESULTS AND APPLY FOR A PATENT?

Yes, but you must file the patent application first. Patents are only issued for new and original inventions, meaning that the invention/research may not be publicly disclosed before the patent application has been filed.

If a publisher is bound by confidentiality agreements, it is possible to send them a manuscript for review before filing the patent application. However, the manuscript may not be published before the patent application has been filed.

A patent application can be filed quite quickly, especially when a draft for publication, e.g. a draft article, is available. Please contact the IPC and the committee will assess whether it is possible and desirable to file a patent application before publication.



IS IT PERMISSIBLE TO USE SOMEONE ELSE'S INTELLECTUAL PROPERTY IN MY RESEARCH?

Yes, but in such cases you must sign a material transfer agreement, specifying which intellectual property you are permitted to use and conditions for its use. IPC staff can assist with reviewing/negotiating such agreements. Using other people's intellectual property may affect the ownership of research results, as well as future licence agreements.

IS IT PERMISSIBLE TO SHARE YOUR MATERIALS / RESEARCH FINDINGS / INTELLECTUAL PROPERTY WITH OTHERS?

Yes, but it is important to clearly define which materials / research findings / intellectual property you are providing access to and conditions for use. Before data is sent to a third party, all parties must sign a material transfer agreement or a non-disclosure agreement to ensure appropriate confidentiality. IPC staff can help negotiate such agreements.

WHAT ABOUT CONSULTANCY WORK?

When an employee works as a consultant, this is generally treated as secondary employment, as long as the work is consistent with Regulation no. 1096/2008 on secondary employment for academic staff at the University of Iceland. However, employees must take particular care to avoid conflicts of interest when developing intellectual property.

DO GRANT PROVIDERS HAVE ANY RIGHTS OVER INVENTIONS THAT EMERGE FROM MY RESEARCH?

Sponsored research agreements should specify what intellectual property rights the grant provider has. Generally, the University of Iceland and/or Landspítali University Hospital retain patenting rights and other intellectual property rights over inventions that emerge from sponsored research. However, the grant provider may in some cases acquire a licence to use specific, foreseen research findings. In some cases, the grant provider may also have a certain period of time to negotiate a licence agreement for the patent or other intellectual property resulting from the research.

TECHNOLOGY TRANSFER

INVENTION DISCLOSURE

WHAT IS INVENTION DISCLOSURE?

Disclosure is a written description of the invention/innovation/findings submitted to the IPC. The disclosure should include information that enables the IPC to assess the potential for intellectual property protection, marketing and commercial exploitation of the invention, as well as naming all collaborating partners and grant providers.

You can find the form for disclosing an invention/innovation on the IPC website, <http://hugverkanefnd.hi.is>, or in Ugla under Research - Employees' Inventions. The disclosure form should be submitted to the IPC staff working at the Division of Science and Innovation in the University of Iceland Main Building. Disclosures are treated as confidential.

WHEN SHOULD I DISCLOSE AN INVENTION?

All inventions/innovations/findings that could solve a significant problem and/or may have commercial potential should be disclosed.

The disclosure should be submitted well in advance of planned publication. Patent protection is only granted on the condition that the invention has not been publicly disclosed, in speech or writing (e.g. in an article, press release, conference talk, poster, thesis or public defence), before the patent application is filed. The language in which the invention was publicly disclosed is irrelevant.



TECHNOLOGY TRANSFER INVENTION ASSESSMENT

HOW IS AN INVENTION DISCLOSURE ASSESSED?

When assessing whether technology transfer is a feasible option for the invention/innovation, the IPC will consider, e.g.:

The product

How is the invention/innovation superior to current technology?

Does the invention/innovation solve a real-world problem? The market

How large is the potential market?

What competing technologies are already on the market?

How much time and money would be needed to bring the invention/innovation to market?

How significant would the societal/commercial benefits be?

What is the likelihood of being able to sell/provide a licence, and to

which parties? Intellectual property rights

Can the invention/innovation can be protected through registering intellectual property rights? Have similar intellectual property rights already been registered?

Expenses

What level of funding is the committee able commit to the project?

Is there a risk that expenses will prove too high for the committee /

other parties? Risks

How quickly is the product likely to return a profit?

For how long is the product likely to be profitable? Is there still better technology on the horizon?

Will the employee continue to work on the invention/innovation? Does the committee possess the requisite knowledge to manage the case for as long as necessary?

TECHNOLOGY TRANSFER

PROPERTY RIGHTS

WHAT IS INTELLECTUAL PROPERTY?

In a legal sense, intellectual property is any kind of knowledge, text, images, design or other work that can be protected with a patent, trademark, copyright or contract.

HOW ARE PROPERTY RIGHTS DETERMINED?

Property rights depend on the employee's / PhD student's contract of employment with the University of Iceland and/or Landspítali University Hospital and their use of the institutions' resources. Relevant factors include:

- Whether the invention emerged during the employee's normal work, or from a project assigned to the employee, or research overseen by UI and/or Landspítali University Hospital.
- Whether the invention emerged through the use of resources from the University of Iceland and/or Landspítali University Hospital, including funding, premises, materials, equipment or other working facilities.
- Whether an agreement has been made with a third party concerning the development of intellectual property.

The general rule is that inventors have the first right to any intellectual property that they create. The employer (institution) may, however, assert ownership rights over an employee's invention, on the condition that commercialisation of intellectual property falls within the institution's purview or is connected to a certain project which was assigned to the employee. The same applies if the institution's resources were used to develop the intellectual property. In some cases, contracts may stipulate another approach, e.g. material transfer agreements and sponsored research agreements. In return for their contribution, the employee has a right to receive a fair share of the revenue from the exploitation of the invention/innovation.

WHERE CAN I FIND THE RULES ABOUT PROPERTY RIGHTS OVER INVENTIONS?

The IPC operates on the basis of a formal statement of duties and operational rules established by the University Council and the CEO of Landspítali University Hospital. The work of the IPC is based on the Act on respecting employees' inventions no. 72/2004, and the main principles of Icelandic labour law. More information is available at <http://hugverkanefnd.hi.is>.



WHO OWNS THE PROPERTY RIGHTS TO INVENTIONS CREATED THROUGH CONSULTANCY WORK?

Property rights over inventions created through consultancy work outside the University of Iceland and Landspítali University Hospital are determined by the nature of the contract between parties involved. It is important that contracts about consultancy work draw a clear distinction between the work the employee will do for the company and the employee's research at the University of Iceland and/or Landspítali University Hospital in order to prevent disagreements concerning property rights over inventions.

WHO OWNS THE PROPERTY RIGHTS TO INVENTIONS CREATED DURING SABBATICALS?

Generally, if the sabbatical was granted by the University of Iceland and/or Landspítali University Hospital and is used for research related to the employee's job, then the University of Iceland and/or Landspítali University Hospital will assert property rights over the invention.

WHO OWNS THE PROPERTY RIGHTS TO INVENTIONS CREATED THROUGH COLLABORATIONS?

If the employee conducts research in collaboration with a third party (individual, university or institute), all inventors must be named on the invention disclosure, regardless of whether they are employees at UI and/or Landspítali University Hospital. The inventor is considered to be the person or people who take part in the conception of an idea and solution to a technical problem, which led to the invention as defined in the patent claims. The people involved in implementing the invention with guidance are not considered inventors. The IPC, in consultation with the employee, will negotiate with the third party (individual, university or institute) on equity, intellectual property strategy, division of income and expenses, and technology transfer procedures for joint inventions. IPC staff can help negotiate cooperative agreements.

CAN A STUDENT OWN A SHARE OF AN INVENTION?

Yes, many students own shares of inventions. Generally, students own the rights to their inventions. However, this does not apply in cases where the student is paid wages by the University of Iceland or Landspítali University Hospital; the student is then considered an employee. Students completing projects in collaboration with

companies may also be obliged to surrender property rights to the company. Where students meet the definition of inventor, they will be named as such on patent applications.

TECHNOLOGY TRANSFER

PATENTS

WHAT IS A PATENT?

A patent is a method of protecting technical inventions, i.e. machines, products, processes or methods of use, for a period of up to 20 years.

A patent grants the holder exclusive rights to the invention. This means that other parties may not commercially exploit the invention without the patent holder's permission, e.g. by manufacturing, selling, marketing, using or importing the invention.

WHAT ARE THE CRITERIA FOR ISSUING A PATENT?

An invention must be new, original and commercially viable to be granted patent protection.

The invention must not have been publicly disclosed, in speech or writing, before the patent application was filed. All forms of public disclosure anywhere in the world compromise the novelty of the invention.

The invention must be substantially different from current technology and must provide a solution that is not obvious to a professional in the field.

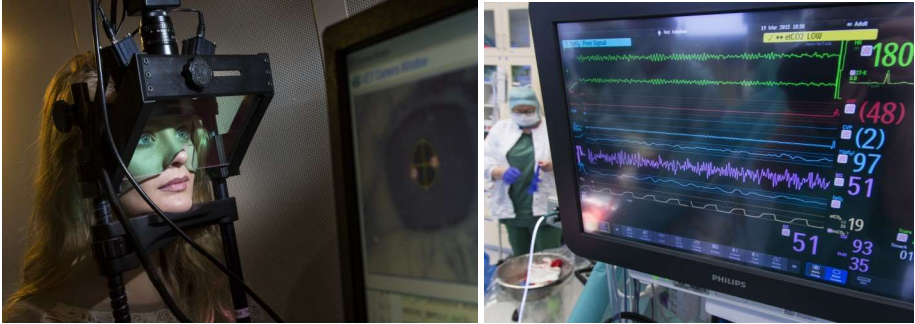
CONTENT OF PATENT APPLICATIONS

The invention must be described in a patent application. A patent application must include an abstract, a description of the invention, with drawings if necessary, and a thorough definition of the patent claims. The description must be so clear that a person skilled in the field is able to use the invention. The patent application must name the owner and the inventor.

The legal scope of a patent is defined by these requirements.

WHO IS CONSIDERED THE INVENTOR IN A PATENT APPLICATION?

The inventor is considered to be the person or people who take part in the conception of an idea and solution to a technical problem, which leads to an invention as defined in the patent claims. Inventorship may change if the patent claims are changed during the patent application process. An employee or other individual who makes financial contributions towards developing the invention is not the inventor. The same applies to a person who tests or implements someone else's ideas. Inventorship is a legal issue.



WHO FILES THE PATENT APPLICATION?

The IPC delegates responsibility for patent applications to Auðna TTO. Auðna TTO then engages a patent attorney to manage the patenting process. Inventors must help to write the patent application and respond to any comments from the patenting authorities.

WHAT IS THE ICELANDIC INTELLECTUAL PROPERTY OFFICE?

The Icelandic Intellectual Property Office (ISIPO) is a state institution. Its role is to handle matters relating to patents, trademarks, industrial design rights, municipal coats of arms and other comparable rights. ISIPO issues patents in Iceland.

WHAT IS THE PATENTING PROCESS?

A patent attorney prepares the patent application based on information supplied by the employee. The employee reviews the application. Once the application has been filed, the employee must sign an inventor's declaration and confirm that they have surrendered the rights to the invention to the University of Iceland and/or Landspítali University Hospital. Generally, the first patent application is filed with ISIPO (priority application). ISIPO sends the application to be examined in Denmark; the results of the novelty search are generally received within 6 months. The report from ISIPO will state whether the patent application can be accepted or whether questions were raised regarding novelty and/or originality. The results of the novelty search are sent to the employee. If the IPC, in consultation with Auðna TTO, determines after talking to the employee and the patent attorney that the comments are unjustified or that the patent claims should be narrowed, then they will issue a response to the report with the employee's help. If the second report also asserts that there are no grounds to issue a patent, the IPC will need to weigh up whether to respond to the second report. A patent application is published after 18 months, until which point it is treated as confidential. If the decision is made to withdraw the application (possibly with the aim of filing a new application) and not publish it, this must be done within 18 months. The entire patenting process can take between 3 and 5 years, or even longer in some countries.



IS THERE SUCH A THING AS AN INTERNATIONAL PATENT?

No, there is no such thing as an international patent. Patents are generally issued for specific countries. However, an international agreement known as the Patent Cooperation Treaty (PCT) provides a streamlined filing procedure for most industrialised nations. It is possible to file a single PCT application with the World Intellectual Property Organization (WIPO), who review the details and conduct a preliminary examination of novelty and patentability. The PCT application is then transferred to the countries in which the applicant wishes to seek patent protection, generally within 30 or 31 months of the earliest claimed filing date. The PCT process does not involve any decision on whether a patent will be issued – that decision rests with the relevant national patent offices.

If the results of the novelty search in Iceland are positive, the IPC will weigh up whether to file a PCT application. A PCT application must be filed within a year of the patent filing date in Iceland to enjoy the right of priority, which allows the second application to be treated as if it were filed on the same day as the first.

The benefits of a PCT application are that the process delays payment of the patent application filing costs by 30/31 months, allowing more time to develop the invention and conduct market research before the payment is due. This provides an opportunity to make changes to the standardised patent application during the international preliminary examination, before the application is filed with the relevant national patent offices.

HOW MUCH OF THE PATENTING PROCESS WILL THE IPC BE INVOLVED WITH?

The IPC is generally not involved in the patenting process for longer than 27 months after the priority date (the filing date with ISIPO). After that point, it is assumed that a licence agreement will have been made with an established company or a start-up founded to manage the project/invention. The reason for this is that the patenting process is extremely expensive and the costs increase significantly once the patent application is transferred after 30/31 months. A licence agreement will stipulate that the licensee pays the expenses of the patenting process.

FURTHER INFORMATION

For further information on the patenting process, please contact the IPC. Information

is also available on the ISIPO website, <https://www.hugverk.is/en>, the WIPO website, www.wipo.int, and the European Patent Office website, www.epo.org.

TECHNOLOGY TRANSFER MARKETING

WHAT ARE THE MAIN STAGES OF MARKETING AN INVENTION?

Patent applications are generally filed before the search for potential licensees begins. After the patent application has been filed, it is generally necessary to further develop/test the invention, either before or alongside marketing. It can take months or even years to identify a suitable licensee, though this depends on various factors, e.g. how marketable the invention is, its stage of development, competing technologies, and the size and intensity of the market. It is important to remember that most university inventions are at the early stages of development, meaning it can be difficult to attract potential licensees.

HOW IS AN INVENTION MARKETED?

The IPC asks Auðna TTO to identify potential licensees. The employee's professional networks are often helpful in this context. Auðna TTO will also carry out, in consultation with employees, various online searches to identify potential parties who could benefit commercially from bringing the relevant product/service to market and contact these parties.

HOW CAN EMPLOYEES HELP TO MARKET THE INVENTION?

The employee's involvement can dramatically improve the chances of matching an invention to an outside company. Employees have often built useful connections through their research or consultancy work, which help to identify potential licensees. Once interested parties have been identified, the employees are also often the best people to describe the invention and explain how it is superior to existing technology. The most successful technology transfer results are achieved when the employee and licensee work together to develop, market and sell the technology.

WHAT IS A LICENCE AGREEMENT?

A licence agreement defines the rights and obligations for use and commercial exploitation of an invention/innovation developed at the University of Iceland and/or Landspítali University Hospital. The agreement will stipulate that the licensee should seek to bring the invention/innovation to market in return for a reasonable fee.



A licensee may be one or multiple parties. If the invention is licensed to multiple parties, the licence agreements may be either non-exclusive (meaning that multiple parties have the right to use the same invention) or exclusive (meaning that each party has the right to use the invention for a different, specific application).

WHAT IS A START-UP COMPANY?

A start-up company is a new company established in order to develop/market/produce/sell one or more inventions/innovations. It is sometimes best to establish a start-up and licence the invention to the new company.

The IPC and Auðna TTO, in consultation with the employee, will weigh up whether it would be better to make a licence agreement with an established company or a start-up.

WHO DECIDES WHETHER TO ESTABLISH A START-UP COMPANY?

The choice to establish a start-up company is a joint decision by the IPC and the employee. IPC staff, in partnership with Auðna TTO, will help to create a business plan, protect intellectual property and establish the company. It is important that employees come to a shareholders' agreement regarding their involvement with and contributions to the company. Once the company has been founded, a licence agreement is made with the company.

CAN UI AND/OR LANDSPÍTALI UNIVERSITY HOSPITAL ACCEPT EQUITY IN A START-UP COMPANY?

UI and/or Landspítali University Hospital can accept equity as part of the payment for a licence.

The IPC will negotiate the terms of such an agreement with the shareholders.

WILL UI AND/OR LANDSPÍTALI UNIVERSITY HOSPITAL PAY FOR EQUITY IN A START-UP COMPANY?

No, UI and/or Landspítali University Hospital will generally not contribute financially towards the establishment of start-up companies nor take part in their capital increase.

WHAT DOES THE MARKETING PROCESS INVOLVE?

Most licensees continue to develop the invention and improve the technology in order to reduce risk, prove reliability and satisfy the demands of the market. This may involve additional testing, building prototypes and further development to improve performance and durability. Guidelines for training, installation or marketing are often prepared at this stage. Market research is generally conducted in order to demonstrate the invention's superiority over existing technology, locate potential markets, and create an effective marketing strategy.

WHAT REVENUE IS GENERATED THROUGH COMMERCIALISATION AND A LICENCE AGREEMENT?

Most licence agreements stipulate that the licensee will pay for the licence. Licensing fees may be quite low (for a start-up company or in cases where the value of the licence is deemed modest), but can also be high if the invention proves commercially valuable.

In accordance with the operational rules of the IPC, the employee will receive a share of the licensing fees, see the section on remuneration, page 22.

Most employees are happy to see their invention further developed for the benefit of society. New and stronger connections with businesses can also create more opportunities for the employee in teaching, research, consultancy and development work.

HOW MUCH TIME WILL THE EMPLOYEE NEED TO DEVOTE TO HELPING THE LICENSEE?

Most licensees require help from the inventor in order to develop the invention into a commercial product. This could entail anything from a few informal meetings to a formal consultancy arrangement. Working with a start-up company can be time consuming, but this depends on the employee's role within the company and their continuing work at the University of Iceland and/or Landspítali University Hospital.

WHAT WILL HAPPEN TO THE INVENTION IF THE START-UP OR LICENSEE IS UNSUCCESSFUL IN COMMERCIALISING THE TECHNOLOGY? CAN THE INVENTION BE LICENSED TO ANOTHER ENTITY?

License agreements typically stipulate performance milestones that, if unmet, can result in

termination of the license. It would then be possible to license the invention to another business. If attempts to market the invention are unsuccessful, the IPC may surrender rights over the invention/innovation back to the inventor, in return for fair remuneration.

TECHNOLOGY TRANSFER REMUNERATION

HOW IS REVENUE FROM THE COMMERCIAL EXPLOITATION OF AN INVENTION/INNOVATION DIVIDED?

The main rule for dividing revenue from commercial exploitation of an invention/innovation is as follows:

- a) Employee – 35% If more than one employee has the right to remuneration for the invention/innovation, revenue should be divided between them equally, unless an alternative arrangement has been agreed in advance. If revenue will be divided unequally, the IPC must be informed of this.
- b) Employee's research work – 10%
- c) Employee's unit – 10%
- d) The University of Iceland and Landspítali University Hospital – 45%, allocated in part to the IPC, as determined by the rector of the University of Iceland and/or the CEO of Landspítali University Hospital, as applicable. Auðna TTO shall receive 5% of revenue from licence agreements entered into by Auðna TTO; this share is deducted from the undivided share of the University of Iceland and Landspítali University Hospital.

In spite of this general rule, the IPC may take other factors into consideration when determining the division of revenue from the invention/innovation, e.g., different parties' contributions to the invention/innovation or the way in which the work (facilities, appliances, equipment, labour) has been funded.

The revenue from commercial exploitation of an invention/innovation by UI and/or Landspítali University Hospital employees is paid to the IPC, who then pay the relevant parties their share.



The revenue from the invention/innovation to be divided is the net revenue, i.e. the sum remaining after expenses have been paid.

TECHNOLOGY TRANSFER

OTHER TYPES OF AGREEMENTS

NON-DISCLOSURE AGREEMENTS (NDAS)

Non-disclosure agreements are generally made during discussions with potential licensees in order to keep the invention confidential. A non-disclosure agreement also protects the intellectual property / property rights of third parties when employees at the institutions receive data/information used for research or to evaluate potential research collaborations. The same applies when intellectual property / data / information belonging to the University of Iceland and/or Landspítali University Hospital are sent to third parties.

MATERIAL TRANSFER AGREEMENTS (MTAS)

Material transfer agreements are used when materials are sent from the University of Iceland or Landspítali University Hospital, or when the institutions receive materials from third parties. The agreements define the requirements for use and stipulate conditions regarding confidentiality and intellectual property rights.

INTER-INSTITUTIONAL AGREEMENTS (IIA)

An inter-institutional agreement is made when an invention is developed e.g. through a research collaboration between several universities/institutions. The agreement will stipulate how the invention will be protected, how expenses and revenue will be divided, who will be responsible for marketing, etc.

OPTION AGREEMENTS (OA)

Option agreements stipulate that a third party will have a certain amount of time to decide whether to negotiate a licence for the invention. Option clauses may be included in sponsored research agreements, or specific option agreements with third parties wishing to evaluate the technology prior to entering into a full license agreement.

The Intellectual Property Committee urges employees to consider the commercial potential of their research and get in touch with any questions about technology transfer, intellectual property protection or agreements.



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