

Universiteit van Amsterdam

Innovation Exchange Amsterdam (IXA)

## Summary Knowledge Utilisation UvA 2018

Knowledge valorisation is a core task for universities and therefore also for researchers. It is becoming increasingly important for research results to be put to good social or economic use and protected if necessary. Knowledge utilisation is one way of doing this, whether or not in exchange for money. This type of valorisation is subject in this practical summary: how to utilise your knowledge and what your rights and obligations are. This summary briefly explains the UvA Regulations Governing Knowledge Utilisation 2018.

Knowledge utilisation involves a third party acquiring rights to the university's research results. This third party is usually a company. Sometimes this knowledge must be protected to ensure successful knowledge utilisation, for example through a patent application or by keeping this knowledge secret.

*Knowledge utilisation* is the use of knowledge by third parties outside the university. There are several ways to do this:

- in collaboration with a third party
- with a licence to use the patent, or the transfer of the patent as a whole
- by incorporating the knowledge in a spin-off<sup>1</sup>

## Knowledge utilisation at the University of Amsterdam

The UvA encourages you as a researcher to contribute to knowledge utilisation. In accordance with the Collective Labour Agreement for Dutch Universities (CAO-NU), the UvA is in principle the owner of all knowledge generated by its employees. If the knowledge utilisation proves successful and generates money, you will share in the proceeds. In any case, you will be cited as the inventor in a patent, although the patent itself will be in the UvA's name. A more detailed explanation of how you can share in the proceeds as a researcher can be found further in this document under *How the revenues will be divided*.

## Innovation Exchange Amsterdam (IXA)

IXA is the valorisation expertise centre of the UvA, AUAS, VU and Amsterdam UMC. IXA serves as the partner for researchers in knowledge utilisation and during the valorisation process. IXA guides you in developing and implementing the best knowledge utilisation strategy.

## The UvA Regulations Governing Knowledge Utilisation 2018 contain the following information

- procedures that you as a researcher and IXA need to follow when generating knowledge that has the potential for utilisation
- who does what in terms of utilising knowledge
- what you are entitled to
- how you, as a researcher, can obtain shares in a university spin-off

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<sup>1</sup> A spin-off is a new company which is based on knowledge from the UvA.

The UvA Regulations Governing Knowledge Utilisation 2018 are for:

- researchers employed at the UvA
- UvA guest researchers and others for whom the regulations have been deemed applicable

The kinds of knowledge that the regulations apply to:

The regulations apply to knowledge and research results developed by researchers at the UvA that, in the opinion of IXA, are suitable for utilisation and that:

- are protected by copyright, or
- can be protected by a patent or other intellectual property rights.
- Knowledge can also be protected simply by keeping it secret (e.g. a trade secret).

*Knowledge and research results* include, for example: biological materials, technical drawings, chips, websites, apps, questionnaires. These regulations do **not** apply to academic publications and books.

## What to do if you have utilisable knowledge

If you think you have generated utilisable knowledge, you should contact IXA as soon as possible. This is important: it is mandatory to report utilisable knowledge to IXA!

## The process in brief

1. You report the knowledge to IXA and otherwise keep it secret from others.
2. You provide IXA with all relevant information concerning the knowledge. If other researchers have contributed to the knowledge, you should also report this.
3. You help IXA in its efforts to protect and utilise the knowledge.
4. IXA helps you to record the knowledge using the *Invention Disclosure Form* (IDF).
5. IXA takes the initiative in submitting a patent application.

### Keeping knowledge secret

You must keep the knowledge secret temporarily if this is necessary in order to be able to utilise it. This also applies if the UvA has reached agreement with a third party on keeping the knowledge secret. This may sometimes mean delaying publication of the knowledge until it has been protected by a patent, for example. This period of delay is initially 12 weeks; you make an agreement about this with IXA. In consultation with a third party, this period may be extended to a maximum of six months.

## Can you offer software developed at the UvA as open source?

If you wish to make your software open source, you should first consult with IXA. This is only permitted if IXA determines that this is the most appropriate way.

## Offer from a third party: then what?

If a third party indicates an interest in your knowledge, and therefore that of the UvA, you should inform IXA of this. IXA will then discuss with you how a working relationship with this third party can be organised and established.

## How IXA helps you as a researcher

- After your report, IXA will contact you and discuss with you the opportunities for protecting and utilising your knowledge.
- Together you will explore your options for utilisation.
- If the utilisation looks promising, IXA will work with you to draw up a business plan which you will then execute in close collaboration.
- If the knowledge needs to be protected with a patent application, IXA will pay for the costs of this from the UvA Patent Fund.
- IXA will arrange the administration and organisation for the knowledge protection and licences.
- If utilisation does not seem likely to be economically viable, IXA may decide not to protect the knowledge. In that case, you can protect and utilise the knowledge at your own expense, in consultation with IXA.<sup>2</sup>

### A business plan describes

- o how the utilisation of the knowledge will take place
- o the areas of application in which the knowledge can be utilised
- o a reasonable price for the right to exploit the knowledge

## How the revenues will be divided

The net income will be divided as follows:

- 1/3 is for the researcher personally. If several researchers generated the knowledge, the researcher's portion will be divided among all those involved, up to a maximum of € 2.5 million. In both cases, a maximum of € 1 million per researcher applies. Depending on how the payment is made, you will have to pay (income) tax and social security premiums on your income.
- 1/3 is for the faculty in which the knowledge was generated. It is up to the faculty to determine how it spends its portion.
- 1/3 goes to UvA as a whole to be used for knowledge valorisation, encouraging innovative ideas from research and protecting them.

## What is the net income?

Net income is the gross income minus any costs, such as those incurred in protecting the knowledge (patent charges) or obtaining external advice. In the case of a spin-off, costs may be incurred for such things as accommodation or use of laboratories. Sometimes, the faculty will cover this kind of expenditure and will be refunded later from the income.

## What if there is a net loss?

In the event of net loss, the researcher pays nothing.

## Is it possible to waive your claim to the net income?

If you wish to waive your claim (which sometimes happens) your share will go to the faculty in which the knowledge was generated and will be used for the benefit of new research.

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<sup>2</sup> If you would like to protect and utilise the knowledge yourself, you should make arrangements with IXA on funding it from your own resources. If you wish to set up your own spin-off with knowledge from the UvA, IXA can help you with a business plan.

## Flowchart From concept to company

### How the UvA participates in a spin-off

#### Four routes

1. Researcher **doesn't** take the business risk (by investing his own money and/or time) but becomes shareholder in spin-off company.
  - A. Researcher chooses either to acquire up to 4.9% of shares in the spin-off company of UvA Ventures or 1/3 of the revenues that UvA receives from utilising the idea.
  
2. Researcher takes the business risk (invests own money and/or time) and becomes shareholder in spin-off company.
  - A. UvA participates in company via UvA Ventures.
  - B. IXA: Initial value brought into company from UvA is **small** (mainly know-how).
  - C. UvA Ventures' participation amounts to a maximum of 15%.
  - D. UvA Ventures can increase participation through cash investment in company (customised option).
  - E. New investors join, all participations are diluted, UvA Ventures aims for exit.
  - F. The revenues received by UvA Ventures are divided in accordance with the UvA Regulations Governing Knowledge Utilisation.
  
3. Researcher takes the business risk (invests own money and/or time) and becomes shareholder in spin-off company.
  - A. UvA participates in company via UvA Ventures.
  - B. IXA: Initial value brought into company from UvA is **significant** (e.g. patent(s), long-term and/or expensive research).
  - C. UvA Ventures' participation amounts to a maximum of 49%.
  - D. UvA Ventures can increase participation through cash investment in company (customised option).
  - E. New investors join, all participations are diluted, UvA Ventures aims for exit.
  - F. The revenues received by UvA Ventures are divided in accordance with the UvA Regulations Governing Knowledge Utilisation
  
4. Researcher takes business risk (invests own money and/or time) and becomes shareholder in spin-off company.
  - A. But UvA does **not** participate in company.
  - B. Researcher requests permission for ancillary activities and sets up a company. If necessary, enters into an agreement via IXA on contribution of UvA value (licence, exit fee, etc.).
  - C. UvA Ventures can increase participation through cash investment in company (customised option).
  - D. New investors join, all participations are diluted, UvA Ventures aims for exit.
  - E. The revenues received by UvA Ventures are divided in accordance with the UvA Regulations Governing Knowledge Utilisation.

## Spin-offs

Another option is to set up a spin-off based on the knowledge.

### Under what conditions can you participate in a spin-off?

- If you are in full-time employment at the UvA and wish to participate in a spin-off that is utilising the UvA knowledge, you can acquire up to 4.9% of the shares.
- If you start working partly in the spin-off and therefore give up part of your job at the UvA, you will be able to acquire a larger share interest. Make agreements about this with IXA<sup>3</sup> and with the dean of the faculty. Because you must comply with the *Regulations Governing Ancillary Activities* and avoid any appearance of conflicts of interest.
- If you are investing your own money in the spin-off, you will acquire additional shares. For this also you should make agreements with IXA (and, where necessary, also with UvA Ventures Holding BV and the dean of your faculty).
- If you have shares in a spin-off that is utilising the knowledge, you will not receive a portion of the net income as well. In that case, half of your portion will go to UvA as a whole and the other half to the faculty. This is because you will already be earning income from your invention via your shares: either from operating the spin-off or from the sale of your shares to new investors.
- The spin-off will make agreements with the faculty on the use of UvA facilities (e.g. accommodation, laboratory space and equipment).

### About the Regulations Governing Knowledge Utilisation 2018

The text above is a practical summary of the *Regulations Governing Knowledge Utilisation 2018*. In light of the fact that researchers from the UvA, AUAS, VU and Amsterdam UMC are collaborating with increasing regularity, the decision has been taken to harmonise the various valorisation regulations. Resulting in the *Regulations Governing Knowledge Utilisation 2018*, which replaces the *Regulations Governing Valorisation 2014*<sup>4</sup>.

The new regulations entered into force on 1 June 2018 and make it mandatory for researchers to report utilisable knowledge to IXA. If you have invented something or think you have potentially utilisable knowledge, IXA offers you support in protecting the intellectual property, in further development and in funding the utilisation.

### IXA UvA can be contacted via

Phone: +31 (0)20 525 5417    Email: [ixa@uva.nl](mailto:ixa@uva.nl)    Website: [www.ixa.nl](http://www.ixa.nl)

You can find IXA staff at the various UvA locations and faculties.

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<sup>3</sup> The UvA is sometimes also a shareholder in the spin-off. UvA Ventures Holding BV, as a 100% subsidiary of the UvA, will acquire these shares and you as the researcher negotiate with UvA Ventures about your share interest.

<sup>4</sup> For the UvA, the new Regulations Governing Knowledge Utilisation 2018 do not differ significantly from the previous regulations, the Regulations Governing Valorisation 2014.