

**RAJIV GANDHI CENTRE FOR BIOTECHNOLOGY,
THIRUVAVANTHAPURAM 695014, INDIA**

INSTITUTIONAL POLICY ON INTELLECTUAL PROPERTY RIGHTS

INTRODUCTION

This statement sets forth the policy of Rajiv Gandhi Centre for Biotechnology ("RGCB") with respect to the disclosure, ownership and exploitation of intellectual property ("IP") created or discovered by employees of RGCB and other participants in RGCB research, including, but not limited to, inventions, discoveries, designs, works of authorship, trade secrets, computer programs, databases, know-how, compositions of matter, methods of use and processes.

As a non-profit research institution, RGCB's primary purpose is advancement of human knowledge for the betterment of mankind. Generally, this purpose is served best by widespread disclosure of research results within RGCB, rest of the scientific community and to the public. In certain cases, however, limited restrictions on disclosure may be appropriate to allow for the protection of IP that may have significant commercial potential. RGCB has adopted this policy to encourage identification of potentially useful IP and to facilitate its development and utilization in such a manner that minimizes interference with the open communication of scientific results.

RGCB has also adopted this policy to provide a readily accessible statement of the rights and obligations with respect to IP of RGCB, RGCB researchers and organizations that under an agreement with RGCB have sponsored or financed work resulting in the creation of IP (a "Sponsors"). Sponsors, including government sponsors, may have certain rights in the results of research that they fund, and possession of those rights may sometimes preclude RGCB or its employees from financially benefiting from such research beyond the funding provided by Sponsors. In certain other situations, RGCB and the individuals whose efforts contributed to the creation of valuable IP can and should share in any financial benefits that result from the commercialization of such property. This can provide tangible rewards for the creativity of the individuals involved and add to RGCB's financial resources, thus furthering its research activities.

This policy will be periodically reviewed to determine whether or not it is functioning as intended to meet its objectives. Changes may be made by the Director with the approval of the Governing Council from time-to-time as considered necessary.

POLICY

Section A: Administration.

This policy will be administered by the Director of RGCB. In addition, the Director and the Governing Council of RGCB have to approve this policy and any subsequent modifications. The Director may delegate duties under this policy to such other officers or employees of RGCB as the Director may find appropriate.

1. Employees and Researchers Covered:

Unless agreed to the contrary in writing, this policy applies to all employees of RGCB (permanent, temporary and/or contract employees), all of its students (including project fellows), postdoctoral fellows, visiting professors, and all others involved in activities in whole or part sponsored or funded by RGCB or by a Sponsor. Such persons are collectively referred to in this policy as "RGCB Employees".

2. Covered Property:

This policy applies to all IP, including, but not limited to, inventions, discoveries, designs, works of authorship, trade secrets, computer programs, databases, know-how, compositions of matter, methods of use and processes whether patentable or copyrightable or not, conceived, reduced to practice, authored or otherwise created by:

- (a) any and all of RGCB Employees during the course of, arising out of or relating to employment activities, and/or
- (b) any and all other individuals involved in research or other activities in whole or part sponsored or funded by RGCB or by a Sponsor during the course of such sponsored or funded activity.

Questions as to whether or not an item of IP falls within the scope of this Section A.2 will be resolved by the Director (or in the case of IP created by the Director, by such person as the Governing Council may designate). Examples of specific subject matter that falls within the scope of this Section A.2 include data generated while conducting research; research materials such as cell lines, modified organisms, antibodies, compounds, tissue samples, sera, and new strains of organisms or research animals; research subject files; laboratory notebooks; new analytical methods/techniques; novel scientific observations etc.

3. Ownership and Other Rights:

The ownership and other rights of RGCB, RGCB Employees and Sponsors in Covered Property are set forth in Sections B through G below. Section H sets forth certain policies relating to consulting activities and consulting agreements, which may, in certain cases and in accordance with Section H, provide for ownership of rights in certain Covered

Property other than as set forth in Sections B through G. RGCB Employees will also agree with RGCB that other IP made or created by such employees will be subject to this policy.

Section B: Inventions and Discoveries and Patents.

1. Disclosure:

To allow RGCB to make determinations about the potential availability and/or desirability of patent protection for inventions or discoveries made by RGCB Employees, every RGCB Employee who makes, conceives or reduces to practice an invention or discovery that such RGCB Employee believes is or may be patentable or might have commercial value must promptly notify the Office of Technology Ventures ("OTV") of RGCB and describe the invention or discovery in writing, preferably utilizing RGCB's Invention Disclosure and Assignment form ([Available from the OTV](#)).

2. Ownership:

(a) IP described in Section A.2 shall be the property of RGCB unless made, conceived or reduced to practice during the course of work pursuant to an agreement by RGCB granting ownership rights to a Sponsor.

(b) The ownership of IP described in Section A.2 and made, conceived or reduced to practice during the course of work pursuant to an agreement securing/granting ownership rights to a Sponsor (including Govt. Sponsor) shall be determined by the applicable agreements and laws, rules and/or regulations.

(c) IP not described in Section A.2 shall be the property of the inventor or discoverer, subject, however, to any agreement between the inventor or discoverer and any third parties.

(d) In the case of joint IP where one or more of the joint inventors is not an RGCB Employee, Paragraphs (a), (b), and (c) of this Section B.2 shall apply to determine the relative rights of RGCB and the joint inventor(s) who are RGCB Employees. The rights of joint inventors who are not RGCB Employees shall be determined by agreements, or in the absence of any agreement, by applicable law.

3. Patenting:

(a) RGCB, through its OTV, will decide whether to seek patent protection for an IP of which it is notified pursuant to Section B.1 taking into consideration the objectives set forth above, the OTV's assessment of the ability to protect such IP, scientific and commercial value of the invention, and any other information the OTV may in its sole discretion consider important, including the substantial cost of patenting efforts.

(b) If RGCB decides to seek patent protection for an IP, each inventor will be notified of the decision. Each inventor shall provide necessary assistance in the preparation and prosecution of all patent applications and execute any related documents.

(c) If RGCB decides not to seek a patent on the invention or discovery, it will, within thirty (30) days of making of such decision, decide in its sole discretion whether to place the invention or discovery in the public domain and will notify each inventor promptly thereafter of that decision. The inventor(s) may then request RGCB in writing to release its ownership rights in the invention or discovery. RGCB may decide, in its sole discretion, to release its ownership rights worldwide or on a country-by-country basis, with such conditions as may be appropriate. Upon receiving such release, the inventor(s) shall be free, at the inventor's own expense, to attempt to patent, license or otherwise arrange commercial exploitation of the IP in the countries in which RGCB has released its ownership rights and subject to any rights that Sponsors may have on such IP. Also, any such release of ownership rights by RGCB and the practice of that IP by inventors shall be subject to retention by RGCB of a royalty-free, irrevocable, non-exclusive license of such IP for research, educational and other non-commercial purposes. Any agreement for the licensing or commercial exploitation of such IP shall be submitted to the Director for review prior to execution.

Section C: Computer Software.

Any computer program, or any portion of a computer program, or any database, or any improvement to any computer program or database (all of the foregoing being collectively referred to as "Computer Software"), whether embodied in tangible form or not, described in Section A.2 shall, subject to the terms of any applicable funding agreement, be the property of RGCB. RGCB shall own all right, title and interest in and to such Computer Software, including all patent rights and copyrights. All computer software not covered by Section A.2 shall be the property of the creator, subject to any agreements he or she may have made with third parties.

Section D: Works Subject to Copyright.

All original works or authorship subject to copyright under copyright laws ("Works"), whether or not published, authored or otherwise created by RGCB Employees during the course of employment or participation in research funded by RGCB or a Sponsor shall be owned by RGCB, unless agreed to the contrary by RGCB under an applicable funding agreement. All other Works described in Section A.2 shall be the property of the author or authors, subject, however, to the grant by author or authors to RGCB of a royalty-free license to copy and use the Work for research and educational purposes. Notwithstanding the foregoing, articles and other Works submitted to journals, conference proceedings and other professional publications may be copyrighted in the name of the publisher of such publications and may otherwise be dealt with as the authors and such publisher see fit, subject only to Section G of this policy and to the rights of any Sponsors.

Section E: Exceptions.

1. Outside Activities:

(a) In cases where IP is created pursuant to a consulting agreement approved by the Director as provided for in Section H, a waiver will be given if the Director is satisfied that the IP is not a result of work supported by RGCB funds, other RGCB Employees, equipment, space or facilities. Any exceptions to policy involving Director's own IP/research activities will have to be approved by the Governing Council (through majority vote).

(b) In addition to cases covered by Sections B.3(c) and E.1(a) above, RGCB may, in its sole discretion and subject to the terms of any applicable funding or other agreements, waive its rights in IP described in Section A.2 where there is no significant use of RGCB funds, personnel, equipment, space or facilities. Any such waiver may be subject to such conditions as RGCB may determine, including, but not limited to the grant of a royalty-free license to RGCB for research and educational uses.

(c) In addition to the circumstances referred to above, RGCB may, in its sole discretion and subject to the terms of any funding or other agreement, waive its rights in other IP in other circumstances upon determination by the Director that such a waiver is consistent with the purposes of this policy. Such waivers may be subject to such conditions as the Director may determine, including the grant of royalty-free licenses to RGCB for research and educational purposes. A waiver in any particular case shall not be construed as establishing any precedent for or as a waiver in any other case, whether similar or not.

Section F: Licensing and Royalties:

1. Right to License:

RGCB shall be free to license or otherwise exploit or not exploit, in its sole discretion, any IP it owns, and the terms of any such license or other form of exploitation shall, as between RGCB and an RGCB Employee, be determined solely by RGCB. Where appropriate and permitted by applicable agreements with Sponsors, RGCB may grant licenses to its IP on a royalty-free basis for any purpose, or otherwise dedicate any of its IP to the public.

2. Revenue Sharing: (see Section I for distribution details)

(a) Subject to the terms of an applicable agreement with a Sponsor, which provides for a different allocation of royalties or revenues, RGCB will share with the creator or creators of particular intellectual property 50% of the Net Revenue received by RGCB from the licensing, sale or other exploitation of that IP. "Net Revenue" as used here means gross royalties or other revenue received by RGCB from the sale, license or other

exploitation of the IP, less any costs and expenses incurred by RGCB for preparing and prosecuting patent and copyright applications, conducting or defending interference, opposition and/or infringement proceedings, establishing and implementing licensing arrangements, the amount of TLP funds allocated towards the development of that IP, and other costs and expenses directly attributable to the IP in question. The Director shall resolve any question as to what costs and expenses are properly deductible under the preceding sentence and the amount of such costs and expenses. For the avoidance of any doubt, any research funding other than research funds specifically allocated to the development of an IP and identified in writing at the time of such allocation as reimbursable from gross royalties or other licensing revenues, shall not be considered as costs deductible from gross royalties towards the calculation of Net Revenues. Where there are or may be more than one inventor or creator of any IP, the allocation and distribution of revenues would be based on the guidelines as stated in Section I, provided however that the Director may determine in the Director's sole discretion those persons entitled to share in royalties and the proportion of the amounts provided above that will be paid to each co-inventor or co-creator.

(b) RGCB recognizes that the development of early stage research technologies may need additional research funding targeted towards translating technologies towards clinical application, some of which may not qualify for traditional mechanisms of research funding (e.g.: Grant funding from Dept. of Biotechnology). In such circumstances, the ability of the institution to fund promising technologies to advance them to a stage that would generate commercial interest could be extremely important to their successful commercialization. Hence, RGCB will establish a program called the Translational Loan Program ("TLP") that is intended to fund such promising technologies. TLP will be funded by RGCB through a portion of the revenues generated by RGCB from successful commercialization of its IP.

Section G: Publication.

RGCB believes that scientific inquiry can proceed most efficiently in an atmosphere of free and frank disclosure of research results and developments. As a result, it is the policy of RGCB to facilitate publication of research results, subject only to the following procedure designed to protect rights in certain IP to allow the utilization of such IP for the benefit of the general public and RGCB.

Where an RGCB Employee is preparing a manuscript for a publication that may contain information concerning any IP that may be patentable or that should be otherwise protected because of possible commercial value or may disclose a computer software, such individual should submit a copy of the related manuscript or a description of the IP to the OTV as early as possible prior to the time of submission of the manuscript for publication or prior to an oral disclosure (at personal or professional meetings) or in private communication. RGCB will notify the individual in writing of its decision on

whether or not to file a patent application or otherwise protect such IP and on whether or not publication or disclosure may occur.

The RGCB Employee submitting the manuscript shall be free to have it published as submitted to the OTV on the earlier of (i) the 20th day after submission to the Director/OTV or (ii) the date on which the OTV advises that he or she is free to do so.

For proposed oral disclosures or disclosures in a private communication, the OTV will endeavour to notify the RGCB Employee as promptly as possible. The individual submitting the descriptions shall be free to make the oral disclosure or private communication on the earlier of (i) the 20th day after submission of the description to the OTV, or (ii) the date the OTV advises that he or she is free to do so.

Section H: Consulting and Other Outside Activities.

1. Number of days: Kindly refer to the Institutional policy on consultancy.
2. Consulting and other Agreements:

To avoid potential conflicts with this Policy, no employee of RGCB may enter into any consulting or other agreement with an outside entity containing provisions dealing with rights in IP or imposing any confidentiality, trade secret or similar obligations on the employee without having first had such agreement approved in writing by the Director of RGCB, who will review such agreements to determine their conformity to this policy statement, to the overall policies and goals of RGCB, and to existing agreements with Sponsors and others. The Director/OTV will also, upon request, provide employees of RGCB reasonable assistance in framing consulting and other such agreements.

Section I: Intellectual Property Revenue Distribution

This section sets forth guidelines for determining the equitable distribution of Net Revenue associated with the transfer of IP in accordance with Section F.2(a). Prior to distributing revenues, RGCB shall recover the costs and expenses incurred by RGCB and described in Section F.2(a). The following guidelines shall apply to the distribution of revenue received pursuant to an IP Agreement to RGCB:

1. "Intellectual Property Agreement": shall mean an agreement granting rights under RGCB's ownership of IP, patented or otherwise, and any and all associated agreements without which the IP Agreement could not effectively be exercised.
2. Inventor Contribution: Each inventor's contribution to a patent or patent application shall be weighted equally.
3. Patent Contribution: Each patent subject to an IP Agreement shall be weighted equally.

4. Single IP: In the event that a single item of IP (i.e., a patent or patent application) is subject to a particular IP Agreement, any revenue received pursuant to such an agreement shall first be applied to Expenses. Any amounts remaining shall then be distributed in accordance with Section F.2(a).

5. Multiple IP: In the event multiple items of IP are subject to a particular IP Agreement, any revenue received pursuant to such an agreement shall be divided by the total number of items or units of IP subject to the IP Agreement at the time the revenue is received by RGCB. Each equal portion of revenue shall first be applied to expenses for the associated item of IP. Any amounts remaining shall then be distributed in accordance with Section F.2(a) for the associated item of IP.

6. Revenue for Research: Revenue from an IP Agreement that is specifically indicated in such agreement to be research funding is not subject to Section F.2(a) and shall be distributed to the appropriate laboratory in accordance with RGCB standard accounting procedures.

7. Revenue from Sale of Research Materials: Revenue from a sale of research materials (exclusively for research purposes) at cost (direct + indirect costs @35% rate) is not subject to Section F.2(a) and shall be distributed to the appropriate laboratory in accordance with RGCB standard accounting procedures, provided, however that any such sale of research materials that is made in conjunction with any related IP Agreement shall be deemed to be part of any such related Intellectual Property Agreement; and 15% of gross revenue received by RGCB from such sale of research materials shall be distributed to the appropriate laboratory in accordance with RGCB standard accounting procedures. This money will remain with RGCB if the researcher leaves; and the remaining 85% of gross revenue shall be subject to reimbursement of expenses and the guidelines set forth in this distribution Section I.

8. Equity: Revenue received in the form of equity shall be distributed in the same manner as single or multiple IP above at such time that RGCB decides to sell the equity and distribute the revenue derived from the sale of such equity. Until such time, RGCB shall hold such equity.

9. Revenue Sharing with 3rd Party Institutions: Revenue from an IP Agreement that is subject to an agreement between RGCB and a third party shall first be distributed in accordance with the third party agreement and then in accordance with the guidelines in this distribution Section I. For example, an inter-institutional agreement between RGCB and a third party may require RGCB to distribute a percentage of Net Revenue to said third party, which percentage will not be subject to Section F.2.

10. Revenue Sharing of income from commercialization of patents:

The Net Revenue from commercialization of patents whether received by the Institute or by the inventor will be shared as under:

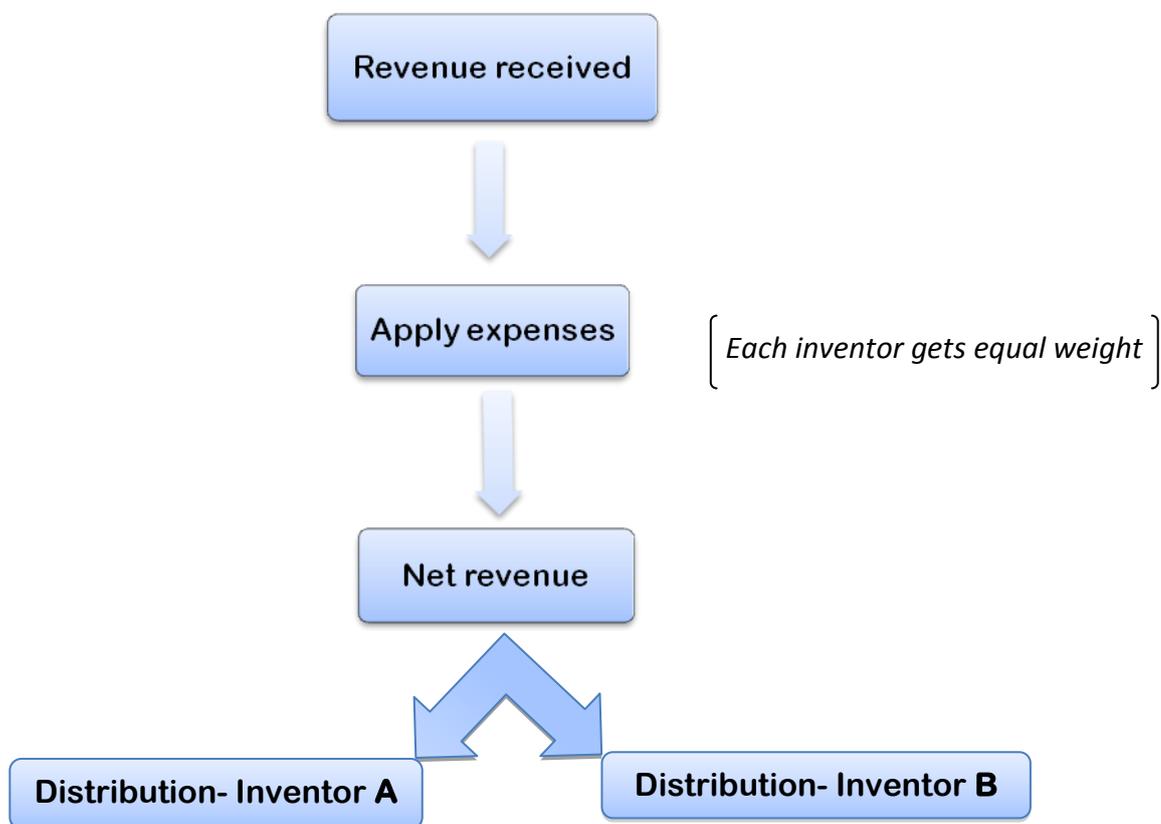
50% of the Net Revenue for the inventor(s) and lab(s), out of which, $1/5^{\text{th}}$ should be mandatorily disbursed among the lab(s) of the inventor(s) as Lab research fund, and $4/5^{\text{th}}$ may be subject to the inventor(s)'s discretion on whether to appropriate it towards Lab research fund or personal bank account;

50% for the Institute, out of which, $1/5^{\text{th}}$ goes towards Basic research fund, $2/5^{\text{th}}$ towards Staff welfare fund and $2/5^{\text{th}}$ towards Institute development fund, including overhead charges.

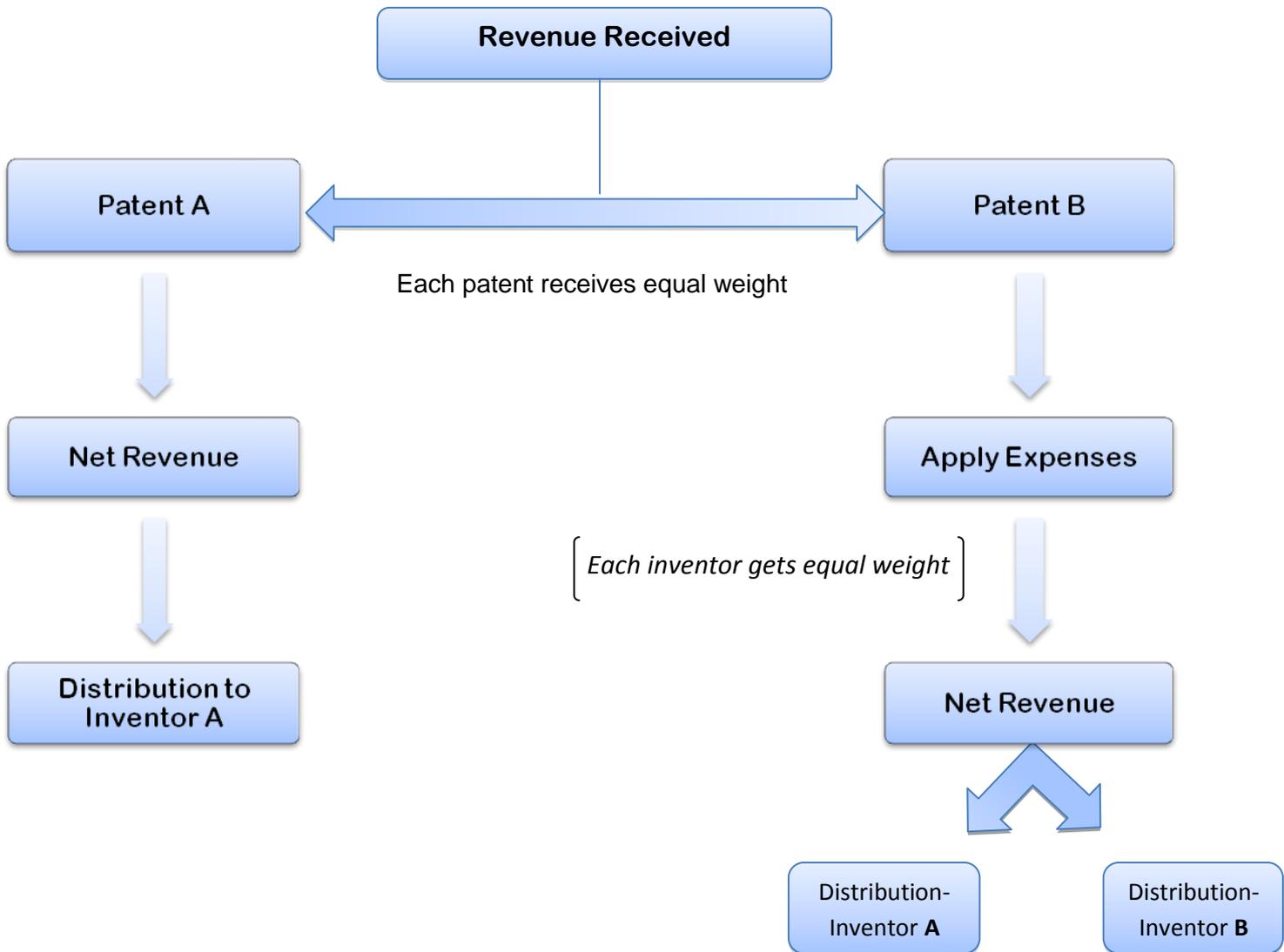
Among the co-inventors, revenue sharing shall be weighted equally. In case of deviations or disputes regarding such sharing, an expert committee, with the approval of the Director, RGCB, may be set up for settlement.

11. Some examples/ Illustrations of Revenue Distribution

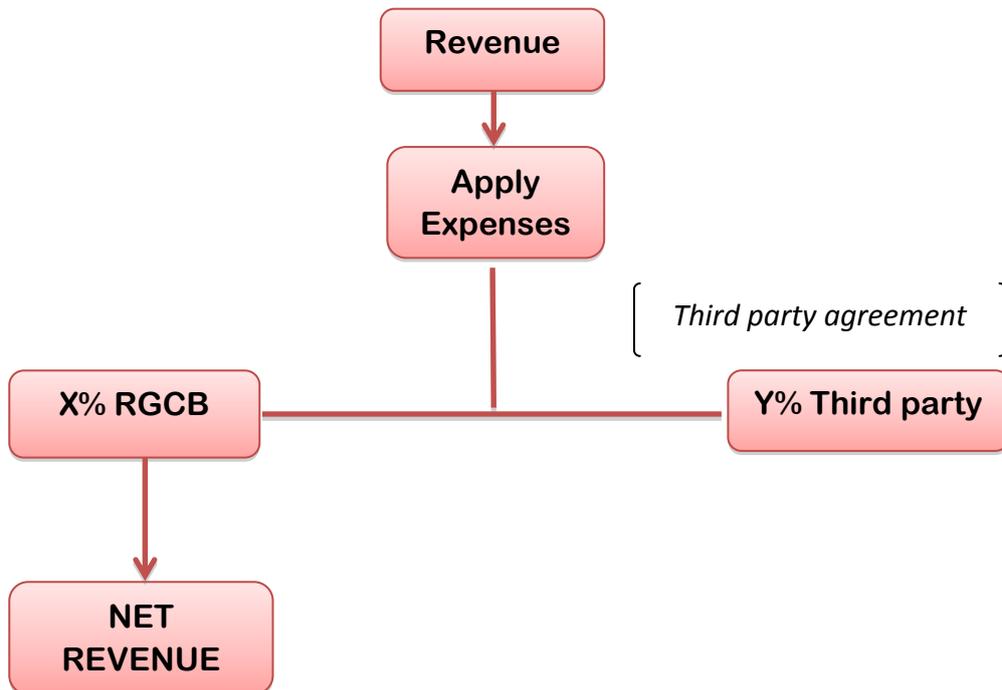
Example 1: One patent subject to a license agreement



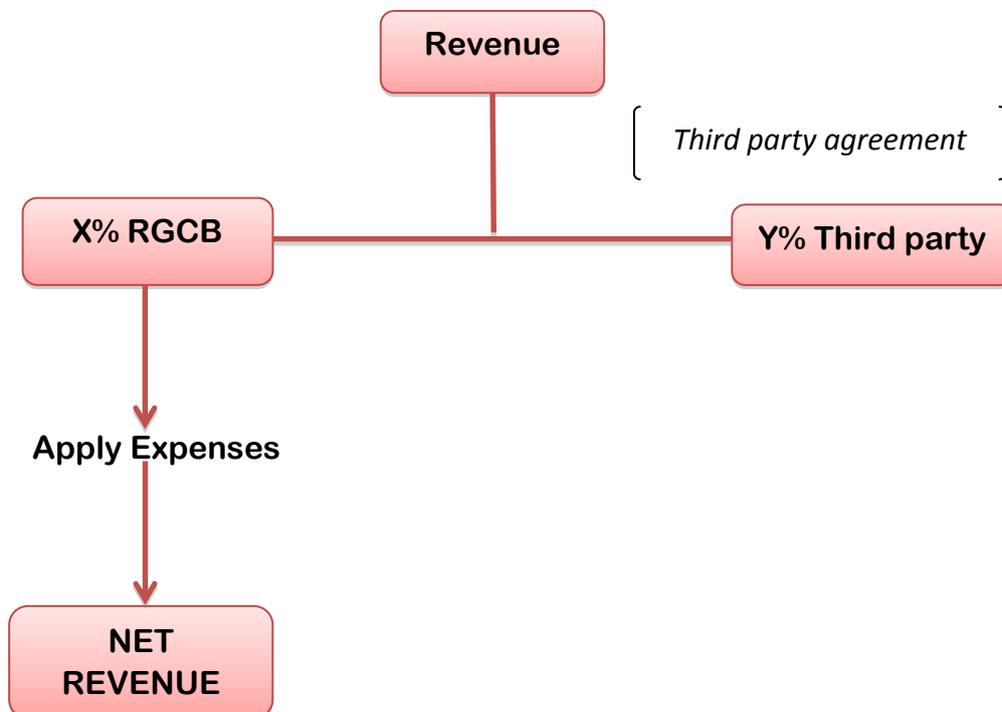
Example 2: Two patents subject to a license agreement. Patent A has one inventor and no expenses. Patent B has two inventors (Inventor A and B) and expenses



Example 3: Revenue sharing with third party institutions after expenses (as determined by third party agreement)



Example 4: Revenue sharing with third party institutions before expenses (as determined by third party agreement)



Section J: Continuing Obligations.

RGCB Employees that leave employment by RGCB or discontinue participation in RGCB research ("Departing RGCB Employees") have continuing obligations relating to IP and other materials created while an employee of RGCB or while participating in RGCB research. Therefore, unless agreed to in advance and in writing, Departing RGCB Employees may not take any such IP or other materials, including but not limited to biological materials, software, source codes etc., with them when they leave RGCB. For example, Departing RGCB Employees may not, without obtaining written permission from the Director, take data generated while conducting research; research materials such as cell lines, modified organisms, antibodies, tissue samples, sera, and new strains of organisms or research animals; research subject files; laboratory notebooks; and new analytical methods and techniques with them when they leave RGCB. In addition, Departing RGCB Employees shall schedule and participate in an exit interview with the OTV at RGCB to disclose information regarding their work at RGCB and answer any questions that the OTV may have.

The Director or his or her designee may permit Departing RGCB Employees to take IP or other materials only for research, educational and other non-commercial purposes. Departing RGCB Employees that wish to take any IP or other materials with them when they leave RGCB must submit a written request to the Director, fully describing what is to be taken and how it will be utilized. No such IP or other materials may be used commercially without a specific written agreement detailing the contractual provisions relating to such commercial use. Permission to take IP that is to be used for research, educational and other non-commercial purposes and that RGCB has no plans to use commercially shall not be unreasonably withheld.

Revenue share of the inventor(s) shall continue even after their association with RGCB ends. OTV would evolve appropriate procedure(s) to enable this sharing.

Section K: Interpretation and Assistance.

Any RGCB Employee having questions regarding the interpretation or application of this policy may contact the Director of RGCB, or such other person as the Director may designate.

Section L: IP Policy Acknowledgement Agreement.

All RGCB Employees will be given a copy of this policy and the attached IP Policy Acknowledgement Agreement. A signed copy of the IP Policy Acknowledgement will accompany the joining reports of the employee. ([See Annexure I](#))

Annexure I

**ACKNOWLEDGEMENT AND AGREEMENT OF THE INTELLECTUAL PROPERTY
("IP") POLICIES OF RAJIV GANDHI CENTRE FOR BIOTECHNOLOGY
("RGCB") THIRUVANANTHAPURAM 695 014, INDIA**

I, _____(Name)_____, acknowledge that I have been provided a copy of the IP policies of RGCB and that I have read the whole policy document and have fully understood the information provided therein. I fully, voluntarily and willfully agree to abide by the terms of the IP policies of RGCB as a condition of my employment or association with RGCB in the capacity of a ____ (TITLE – Scientist/Student/Research Fellow)____ and hereby assign and agree to assign to RGCB all IP that I generate during the period of my employment at RGCB.

Signature: _____

Name: _____

Date: _____

Witnessed by: _____

Name: _____

Address: _____

(Signature)
Chief Scientific Officer
Office of Technology Ventures

Director
(Signature)