



CUST-ORIC POLICIES

Version 1.0

ABSTRACT

This document outlines a comprehensive framework of policies developed by the Office of Research, Innovation, and Commercialization (ORIC), encompassing the IP Disclosure Policy, Intellectual Property (IP) Policy, Incubation Policy, and Commercialization Policy. These policies are interconnected and collectively provide a structured pathway from research and innovation to commercialization. The objective is not only to promote and streamline activities related to research and intellectual property management but also to foster entrepreneurship, support incubation, and enable the transformation of knowledge into market-driven solutions. By aligning university research with national priorities and industry needs, these policies aim to strengthen the innovation ecosystem, enhance institutional reputation, and contribute to socio-economic development.

Capital University of Science and Technology,
Islamabad

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Note from Vice Chancellor

It gives me great pleasure to see this document compiled in such a professional and comprehensive manner. At CUST, we firmly believe that all academic and non-academic activities must be carried out in a planned and well-structured way. A clearly defined system ensures that every initiative is guided towards success.

This document will serve as an invaluable resource for faculty and students aspiring to take their ideas and products into the commercial realm. From the very outset, it is important for all involved to understand the available pathways and the opportunities that lie ahead. The policies outlined here safeguard the rights of every individual engaged in commercialization activities.

The University extends its fullest support to R&D and commercialization. Students' projects are not only funded but also incubated as startups, with mentorship provided by seasoned industry experts. Faculty members are offered financial incentives and administrative support to pursue such ventures. ORIC at CUST has been empowered with significant autonomy to sponsor and facilitate these activities. Moreover, faculty and staff are encouraged to participate in trainings, seminars, and related professional development opportunities.

CUST is also proactive in building partnerships, readily signing MoUs with relevant organizations. Through these collaborations, we have successfully engaged with numerous governmental and non-governmental bodies, working together on diverse projects.

In summary, I am proud to affirm that CUST is deeply committed to fostering a conducive environment where the talent, creativity, and ambition of both students and faculty can flourish. With dedication and perseverance, we will, InshaAllah, continue to reach new heights of excellence.

Prof. Dr. Muhammad Mansoor Ahmed
Vice Chancellor

Definitions:

Incubation Centre: is a specialized program or physical space designed to nurture and accelerate the growth of startups and new ventures that are based on university research, technology, and intellectual property (IP). Its primary goal is to bridge the gap between academic innovation and commercial success.

Intellectual Property (IP): refers to creations of the mind, such as inventions, literary and artistic works, designs, and symbols, names, and images used in commerce. It is a class of property that results from the workings of human intellect and has commercial value

Patent: is a legal right granted by a governing body to an inventor or assignee for a limited period of time, in exchange for the public disclosure of an invention

Spin-off: refers to a company established to commercialize university-owned IP, developed through Final Year Projects (FYPs), theses, funded research, or other institutional activities.

Startup: refers to a new business venture initiated by students, faculty, or staff based on skills, know-how, or project experience, without involving university-owned Intellectual Property (IP).

Venture Capital (VC): refers to a type of private equity financing provided by investors to startups and early-stage companies that have been developed from university research. This funding is given in exchange for an ownership stake (equity) in the company.

1. IP Disclosure Policy

IP disclosure generally refers to the process of publicly or formally revealing information about intellectual property (IP), such as inventions, innovations, designs, or trademarks. This disclosure serves multiple purposes, including establishing the timeline of an invention for patent filing, informing stakeholders about the scope and value of the IP, and fostering transparency and trust among collaborators and the public. IP disclosures are critical for protecting IP rights, complying with legal requirements, and facilitating commercialization or collaboration opportunities. Typically, an IP disclosure is a detailed and confidential document submitted by inventors or creators to initiate IP protection processes or to inform relevant parties in litigation or development contexts.

- a) The University encourages its Researchers to identify research results with potential commercialization value, as it may enhance the reputation of the University through bringing them to public use and benefit.
- b) The ORIC Office shall be responsible for the protection and commercialization of the University's Intellectual Property. The Inventor(s) however, shall be consulted in each phase of the procedure.
- c) Researchers shall be required to present in writing the draft publications containing scientific results to the relevant Head of Department before publishing them, and shall state in writing, that to the best of their knowledge such works do not contain any results for which protection may be obtained, or which can be exploited in any way.
- d) Inventors shall fully disclose all research activities and results relevant to the Intellectual Property and provide information about themselves, in particular the percentage of their contribution to the creation of the Intellectual Property and the circumstances under which it was created. The detailed description of the Intellectual Property shall be presented in such a manner that the inventive activity involved, and its novelty as well as its susceptibility of industrial application, becomes explicit and clear-cut for a person skilled in the art.
- e) Researchers, including employees and students are obliged to disclose all Intellectual Property falling within the scope of this policy.

- f) Copyrighted works shall be excluded from the disclosing obligation, except for those which were developed in the performance of a sponsored research or other third party agreement.
- g) If an inventor has developed any IP, the ownership of which is vested in the University, the Inventor(s) must promptly disclose the full details of the IP to the ORIC within one month. The ORIC will evaluate the commercial potential and patentability of the IP. The ORIC may consult independent experts who are competent in the field to assist in the evaluation. In all cases where IP is disclosed by a member of staff for possible commercialization, the University is obliged to ascertain its commercial potential. Intellectual property disclosures are normally considered confidential by the University, but for the sake of ascertaining its commercial potential, ORIC will inform all members to get feedback.

2. Intellectual Property Rights Policy

2.1 Introduction

Intellectual Property (IP) refers to the legal rights that safeguard the products of human intellect, including inventions, literary and artistic creations, designs, symbols, names, and commercial images. It is essential for promoting innovation and creativity, as it grants creators exclusive rights to their inventions and works for a specified duration, motivating them to dedicate time and resources to the development of new concepts. The primary categories of intellectual property consist of patents, which protect inventions; copyrights, which secure original works of authorship; trademarks, which identify and differentiate goods and services; and trade secrets, which safeguard confidential business information. By offering these protections, intellectual property laws facilitate the dissemination of knowledge and creativity while ensuring that creators can reap financial rewards from their contributions, ultimately fostering economic growth and technological progress.

- a) Intellectual Property laws of Pakistan include copyright laws, patent laws and trademark laws. Law duly protects the work of creative individuals and businesses from unauthorized use or exploitation by third parties. By utilizing Intellectual Property laws, creators and innovators can fully protect, and benefit from their creations.
- b) Pakistan is a signatory to World Trade Organization (WTO), which aims to increase international trade. Under the provisions of this agreement all states, which subscribe to WTO become bound to a mutual recognition of Intellectual Property rights at a higher level of protection, far beyond what the older conventions could offer. Pakistani Intellectual Property laws take into account the provisions of WTO.
- c) Further, Pakistan is a signatory to the Berne Convention for the Protection of Literary and Artistic Work of 1886 and the Universal Copyright Convention of 1952, and Agreement on Trade Related Aspects of Intellectual Property Rights, 1995 (the “TRIPs”). The Berne Convention’s basic requirement is that each member state must follow the principle of national treatment, where in case, the country of origin of work is a Berne state, other members must accord the same treatment as they offer to their own nationals.

- d) The TRIPs is an international treaty administered by the WTO, which sets down minimum standards for most forms of Intellectual Property (the “IP”) regulation within all member countries of the WTO. TRIPs deal with: copyright and related rights, such as rights of performers, producers of sound recordings and broadcasting organizations; geographical indications, including appellations of origin; industrial designs; integrated circuit layout-designs; patents, including the protection of new varieties of plants; trademarks; trade dress; and undisclosed or confidential information, including trade secrets and test data.
- e) Pakistan Penal Code provides punishment under sections 478 to 489 against infringement of trade, property and other marks. This shows both international and national ramification of IP laws. Owner of the exclusive license of copyrights, in case of an infringement, are entitled to all such remedies by way of injunction, damages, accounts and otherwise as are conferred by law for the infringement of a right.

Similarly, the holder of a valid Patent in Pakistan shall have the right to prevent the third parties, not having owner’s consent, from the acts of making, using, offering for sale, selling, or importing and having the right to assign, or transfer by succession, the Patent and to conclude licensing contracts.

- f) The proprietor of a registered trade mark shall also have exclusive rights in the trade mark. The infringement of the registered trade mark shall entitle its proprietor without prejudice to the rights to obtain any relief, by way of damages, injunctions, accounts or otherwise as is available in respect of the infringement of any other property right, under any law in force, the proprietor shall also have the right to obtain relief under the ordinance if the trade mark is infringed.

2.1.1 Purpose

This policy provides guidelines for the staff, students and researchers of the University regarding Intellectual Property rights and their implications, and to protect their interest and rights against infringement. The IP policy seeks to provide proper guideline to facilitate the commercialization of research outputs.

For clarity, the term “research outputs” in this policy includes postgraduate theses, externally or internally funded projects, and undergraduate Final Year Projects (FYPs) where original work may result in Intellectual Property.

2.1.2 Objectives

The main objectives of this policy are to:

- a) Provide a platform for the encouragement of discovery spirit among the faculty and students and encourage and aid scientific investigation and research.
- b) Set out the procedures on the identification, ownership rights, protection and commercialization of Intellectual Property.
- c) Protect the ownership rights of researchers/innovators with respect to their intellectual efforts.
- d) Provide researchers assistance for Patenting of their creative work.
- e) Raise awareness and sensitize about Intellectual Property rights.
- f) Ensure that economic benefits arising from the commercialization of Intellectual Property are distributed in a fair and equitable manner, recognizing the contributions of the inventors, the University, as well as any other relevant stakeholder.
- g) Assure that name, insignia and logos of University are properly used, and to receive a fair share of any commercial gains from the use of its names.
- h) Protect the interests of the University, and ensuring that the University receives value in the commercialization of its intellectual rights.

2.1.3 Scope and Jurisdiction

- a) This policy shall apply to all Intellectual Property developed or created in the course of work or study at the University with university support including but not limited to:
 - Inventions and Patents
 - Software and Code

- Copyrighted Works (e.g., publications, course materials, multimedia)
- Trademarks
- Trade Secrets

Formal definitions of these and other related terms are provided in the **ORIC Policy Glossary**, which serves as a reference for all policies governed under ORIC.

- b) The jurisdiction of the policy extends to all University personnel and students, and applies to all programs supported by the University.
- c) This IP policy shall cover all types of Intellectual Property rights under relevant IP Laws of the country, such as:
 - (i) Copyright Ordinance, 1962
 - (ii) Registered Designs Ordinance, 2000
 - (iii) Registered Layout-designs of Integrated Circuits Ordinance, 2000
 - (iv) Patents Ordinance, 2000
 - (v) Trade Marks Ordinance, 2001
 - (vi) Merchandise Marks Act, 1889
 - (vii) The Trade Marks (Invalidation and Summary Registration) Act, 1950
 - (viii) The Electronic Transactions Ordinance, 2002
 - (ix) Sections relating to infringement of Trade, Property and Other Marks in the Pakistan Penal Code, 1860
 - (x) Press, Newspapers, News Agencies and Books Registration Ordinance, 2002

2.1.4 Ownership Policy Principles

- a) **University Ownership Principle:** All Intellectual Property (IP) created by employees or students in the course of their duties, research, or academic activities at the University shall be owned by the University. Creators shall be formally recognized as Inventors/Authors, and their contributions shall be recorded in all official IP filings and documentation.

- b) **Use of University Resources with External Funding:** If University resources are used and the research or activity is funded by an external source, the University shall retain ownership of the resulting IP, unless the funding agreement explicitly defines otherwise.
- c) **University-Funded Research:** Where research leading to IP is funded wholly or partially by the University, including grants from government or private bodies, the terms of the funding agreement may override default University ownership if explicitly stated.
- d) **IP Created Outside Normal Duties with Significant Resource Use:** If an employee or student creates IP outside their normal duties but with significant use of University resources, such IP shall be deemed assigned to the University in consideration for use of these resources.
- e) **Sponsored Research or Third-Party Agreements:** IP created pursuant to sponsored research or other agreements with third parties shall initially belong to the University, with final ownership determined according to the terms of the agreement.
- f) **Jointly Sponsored IP:** For inventions, improvements, discoveries, or works of authorship developed under joint sponsorship with a third party, IP rights shall be held jointly by the University and the sponsor, subject to the terms of the agreement.
- g) **Academic Visits:** IP created by University employees during academic visits to another institution shall be governed by agreements between the University and the host institution. If University IP rights are unaffected, IP created during the visit shall belong to the host institution unless otherwise agreed.
- h) **Visiting Researchers:** Visiting researchers shall assign to the University any IP they create in the course of activities arising from their association with the University. They shall be treated as University employees for the purposes of this Policy.
- i) **Student-Created IP:** All Intellectual Property created by students during their studies or research at the University, including Final Year Projects, theses, MS/MPhil/PhD research, and other academic work, shall be owned by the University. Students shall be formally recognized as Inventors/Authors.

Exceptions:

1. Where a student's work is funded through a third-party scholarship or agreement granting the sponsor IP rights, ownership shall follow the terms of the third-party agreement.
2. IP created pursuant to sponsored research or other agreements with third parties shall initially belong to the University, with ownership governed by the agreement.

- j) **Copyrighted Works:** All rights in copyrighted works are owned by their creators, regardless of University resources used. Exceptions apply where works are specifically commissioned by the University or developed under a sponsored research or third-party agreement, in which case the agreement terms shall govern ownership.

2.1.6 Ownership Attribution Framework

ORIC shall initiate a contributor documentation process for all Intellectual Property created at the University. This includes faculty, staff, students, and external collaborators, where applicable. ORIC shall:

1. Record all contributors' roles as Inventors or Authors.
2. Ensure that external agreements affecting ownership are properly documented.
3. Maintain signed records for every disclosed IP, including contributor names, roles, and any special terms agreed with third parties.
4. Facilitate recognition of contributors in IP filings, publications, and commercialization activities.

2.2 Administrative Procedures

The Office of Research, Innovation and Commercialization (ORIC) will be responsible for the management of this policy, including all activities regarding implementing, evaluation, patenting, providing drafting of patent applications, and licensing of new inventions and discoveries made at the University. Requests for any transfer of rights from the University to the Inventors(s), or any other third party, should be made in the first instance to the person or department designated by the University.

2.2.1 IP Ownership Dispute Resolution

In the event of a dispute regarding IP ownership, inventorship, or attribution, the matter shall be resolved by the University IP Committee chaired by the ORIC Director. The committee may consult legal or technical experts, and its decision shall be binding unless appealed to the University Vice Chancellor within 30 days.

2.3 Revenue Distribution

For University-owned IP, any revenues generated through commercialization shall be received and administered by ORIC. Costs incurred in protecting or transferring the IP will be deducted from gross income before calculating net proceeds.

The distribution of such net proceeds among the inventor(s)/creator(s), department(s), and the University shall be carried out in accordance with the University's Commercialization Policy or based on mutually agreed terms recorded in writing.

3. Incubation Policy

3.1 Introduction

Major jobs all around the world are created in new small and large enterprises. These enterprises are of extreme importance for economic progression of a country as they produce and develop *new* products/goods and services. Development comes with creativity and these new and small enterprises provide flexibility and creativity playing an important role in country's economy.

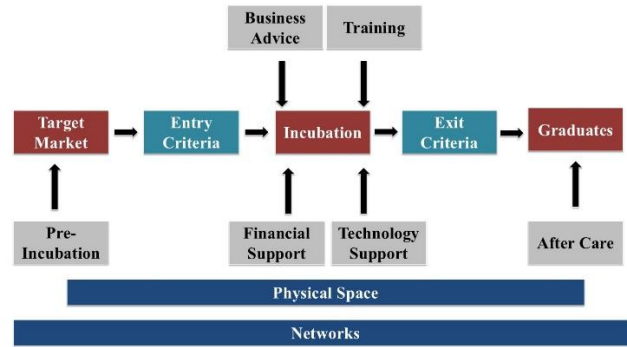
Establishing a new startup is difficult and may result in failure. The biggest cause of failure in new startup is that small businesses have to “go it alone” with no support directly provided to entrepreneurs to help them remain enthusiastic in the face of difficult conditions and long working hours. In transition countries, difficult registration and legal procedures, as well as the lack of support services to companies make these first years of operation especially difficult.

Universities can play a vital role in this phase of startup by providing a business incubator to these new startups. When startup is incubated in Incubation Center it gives them a chance to bring their business in shape, before they reach out to the world. By integrating students, entrepreneurs, and universities, business incubators have the most significant impact on the economy when they are tied to universities.

3.2 What is an Incubation Center?

Incubation center provides a whole new startup ecosystem for the young entrepreneur. It may be defined as “a platform where idea can be nurtured into viable business or where you can get some expert mentoring.”

Business incubation is a business support process that accelerates the successful development of start-up and fledgling companies by providing entrepreneurs with an array of targeted resources and services.



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Figure 1: Incubation Support at Takhleeq@CUST

As illustrated in the figure above, the Pre-Incubation process takes place while finalizing an undergraduate FYP or graduate research topic. Once the work approaches completion and a working model or prototype is ready, students are encouraged to participate in the startup competition initiated by ORIC. Selected participants, or incubates, are chosen through a competitive process. The subsequent steps of the incubation program are then carried out at the Incubation Center, continuing until the incubates successfully graduate from the program.

3.2.1 Takhleeq: the Incubation Center at CUST

The competent authority has officially designated the incubation center at CUST as Takhleeq. In the remainder of this document, it will be referred to as Takhleeq@CUST. The objectives of Takhleeq@CUST are as follows:

- To provide focused support to entrepreneurs through a supportive environment that helps them establish their business ideas and develop their concepts into market ready products.
- To develop and commercialize new ideas and technologies.
- To introduce the entrepreneurs to business networks.

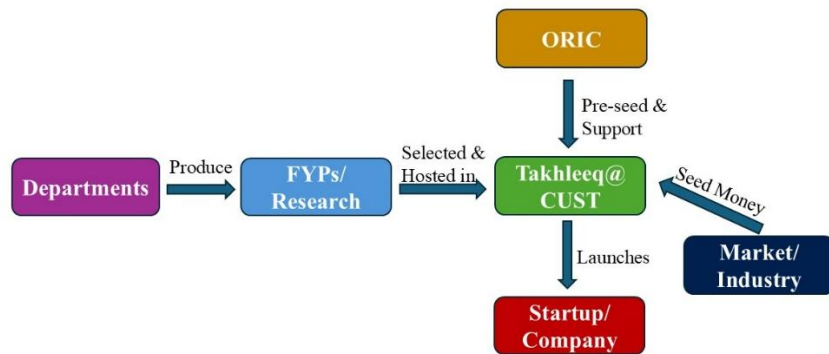


Figure 2: Incubation Process at Takhleeq@CUST

All of these should substantially reduce the level of failure and increase their chances of survival and success by building capacity and networks.

3.2.2 Program feature of Takhleeq@CUST

The following services will be provided to the incubates in partnership with industries/companies and professionals in the concerned fields.

Consulting Services: The goal of the consulting services is to help the entrepreneur start and grow his/her business and achieve economic milestones.

Workshops: Arrange workshops on requirement basis including but not limited to:

- (i) How to pitch a business plan to investors?
- (ii) Developing new technology skills.
- (iii) Market accessing strategies
- (iv) Other areas of interests to the incubator clients.

Meeting with industry Experts: Meeting with the successful entrepreneurs and professional industrialists will be arranged to enhance the motivational level and act as intellectual property attorneys for the clients/incubatees.

Mentorship Program: Mentorship relationships will be initiated with industry experts to provide additional guidance and support to Incubator clients

3.2.3 Working Model of Takhleeq@CUST

Takhleeq@CUST will have registered companies consisting of CUST Faculty, Researchers and Students with dedicated working zone assigned to them.

- a) CIC team will identify commercially viable business ideas and projects from the industry.
- b) The identified ideas and projects will be evaluated by a team of technical experts consisting of CUST faculty, industry and senior executives.
- c) Technical experts' team will submit the project brief to the CIC after extensive evaluation in the light of CIC objectives.
- d) Based upon the project brief Takhleeq@CUST team will prepare proposal and submit it to the relevant industry.

3.2.5 Physical Infrastructure:

For a smooth operation the incubation center requires resources which include:

- a) Space
- b) Connectivity – internet/telephone/electricity
- c) Data center
- d) Services – maintenance, security
- e) Furnishing – chair, table, cubicles
- f) IT Infra and Support – software, LAN, leased lines, Wi-Fi, printer, scanner, copier
- g) Others – board rooms, meeting rooms.

3.2.6 Selection Policy of Incubates

The incubator management will define the selection criteria for incubates on basis of following qualities but not limited to:

- a) A capable team with entrepreneurial abilities.
- b) Technology based or knowledge-based business
- c) Business compatible with Takhleeq@CUST objectives
- d) Cross-faculty or cross-discipline ideas will be highly encouraged

3.2.7 Selection Procedure

Three stage criteria will be followed for the process of enrollment of a startup at Takhleeq@CUST.

Stage 1: Call for Proposals: The enrollment will be announced and an online application portal will be available for the applicants. The submitted applications will be screened and evaluated by a team formed by the respective HoD. Each department will forward three short-listed projects to ORIC.

Stage 2: Presentations and Evaluation: In the second stage, the short-listed student teams will be invited to ORIC–CUST to present their ideas before a panel. The panel will include members with a marketing background to evaluate the commercialization potential of the idea, the preparedness of the teams, and the quality of their presentation. The panel will also, preferably, include members from industry. Each team will be required to deliver a 3–5 minute pitch of their idea. After each presentation, the evaluators will provide feedback and suggestions for improvement from a commercial perspective. The panel will then make its final decision based on both the submitted application and the live presentation.

Stage 3: Selection and Support: The selected teams will be formally contacted and provided with support, which includes:

- a) Workspace at Takhleeq@CUST
- b) Optional pre-seed funding, as approved by the University
- c) Guidance and mentoring in accordance with ORIC policies

Before availing these benefits, teams are required to sign an agreement with ORIC, affirming:

- a) Their availability at Takhleeq@CUST for the minimum time and duration agreed upon between the team and ORIC.
- b) Their commitment to comply with the University's Intellectual Property (IP) and Commercialization policies.

Upon signing this agreement, teams will be allocated dedicated workspace within Takhleeq@CUST to carry out their project activities.

3.2.8 Eligibility

Following are eligible for getting a place in the Takhleeq@CUST:

- a) CUST faculty members (current and past)
- b) CUST student and Alumni
- c) CUST R & D partners
- d) CUST Partner/ Collaborating Universities.

3.2.9 Graduation/Exit Policy

The ultimate objective of incubating student and faculty projects is to support their transition into viable startups or spin-offs. The University will continue to provide all necessary assistance during this progression, including mentoring, pre-seed funding, and access to workspace, as outlined in earlier sections.

A project may graduate or exit from Takhleeq@CUST when the team (students and, where applicable, the supervising faculty member) is confident in its ability to operate independently. At this stage, the University will facilitate the formal registration of the company with the appropriate regulatory body (e.g., SECP), with the student(s) and supervisor registered as founding shareholders. In accordance with the University's Commercialization Policy, the University will also enter into an agreement with the founders securing a 10% equity share for the University in recognition of the institutional support, resources, and early-stage commercialization assistance provided.

Teams that wish to continue using the facilities of Takhleeq@CUST after registration may request extended access. The University may approve such requests based on available space and strategic value. Continued use of facilities may be provided at no cost for a limited period, after which standard usage fees may apply as determined by ORIC and the University.

The above incubation policy will be applied in the true letter and spirit by the ORIC with the approval of competent authority. The incubation cycle will be executed in the form of two cohorts each academic year. During the incubation period, the selected teams will be provided with the mentorship sessions by different industry experts.

4. Commercialization Policy

4.1 Introduction

The degree programs offered at Higher Education Institutions (HEIs) like CUST are designed to culminate in meaningful academic and practical outcomes that show the learning and capabilities of their students. For undergraduate students, this is typically expressed through the Final Year Project (FYP), while for graduate students, it is the research contribution made during the course of their studies.

However, when these efforts are limited to just producing reports that remain idle on library shelves, stored on hard drives, or forgotten entirely, a possibly valuable opportunity is lost. The true value of university-based research and innovation lies not just in almost wasted documentation, but in its potential to solve real-world problems, contribute to societal improvement, and support economic development.

The Commercialization Policy of CUST aims to bridge this gap by enabling the transformation of academic outputs into practical, real-world solutions. It establishes a framework through which faculty and student innovations can be assessed, protected, and brought to market — offering a win-win scenario for both creators within the university and stakeholders outside who benefit from such advancements.

4.1.1 Purpose and scope of the policy

The purpose of this policy is to define the concept, process, potential risks, and benefits associated with the commercialization of work produced within the University. It aims to safeguard the rights and interests of all individuals involved in the creation and development of such work.

This policy applies to all university-originated work — whether or not it results in a formally recognized Intellectual Property (IP) — and whether it emerges from undergraduate projects, graduate research, or independent academic or creative efforts.

The Commercialization Policy outlines the principles and procedures for the fair and transparent distribution of any proceeds generated through commercialization, ensuring that contributors and the University each receive their due share.

4.1.2 Linkage with the Intellectual Property (IP) Policy

The Commercialization Policy and the Intellectual Property (IP) Policy are closely interlinked. While the IP Policy governs the identification, protection, and ownership of intellectual assets created within the University, the Commercialization Policy provides the framework for monetizing those assets.

Importantly, the Commercialization Policy may apply to university-originated work regardless of whether it has been formally recognized or filed as IP. This includes projects or contributions that have commercial potential but may not meet the formal criteria for intellectual property registration.

It is also important to note that ownership share in IP, as defined under the IP Policy, does not automatically determine revenue share. Rather, IP ownership defines the right to participate in decisions and negotiations related to the commercialization of that work. The actual distribution of proceeds is governed by this Commercialization Policy, subject to mutual agreements or default institutional guidelines.

4.2 Guiding Principles

To protect the rights of everyone involved, this policy has been formed keeping in view the following:

4.2.1 Fair benefit-sharing for stakeholders

Whether the output is an undergraduate Final Year Project (FYP) or a graduate-level research contribution, it typically represents years of intellectual effort — including reading, analysis, experimentation, and practical application. The final outcome is rarely the result of a single individual's effort. Instead, it is shaped through the contributions of multiple stakeholders, such as students, faculty supervisors, external mentors or collaborating institutions, funding bodies, and the university itself through its infrastructure, resources, and administrative support.

To ensure fairness and maintain long-term motivation for research and innovation, it is essential that all contributors receive a just and proportionate share of any financial or reputational benefit resulting from commercialization. A transparent and equitable distribution framework not only reinforces institutional integrity but also encourages future collaboration and a culture of impact-oriented research.

4.2.2 Transparency and accountability

From the initial definition of revenue or equity distribution to the actual receipt of benefits, the commercialization process must ensure that the share of each contributor is clearly defined, formally recorded, and practically implemented. These arrangements should be established as early as possible — ideally at the start of the commercialization activity or at the time of IP filing — and updated as necessary to reflect evolving contributions.

A commitment to transparency and fairness must be embedded in every stage of the process. All agreements, decisions, and financial transactions should be properly documented and subject to review, to ensure clarity and prevent future disputes.

While ORIC is the central body responsible for facilitating and enforcing commercialization processes, all individuals involved are accountable for upholding their roles and responsibilities. In the event of a disagreement regarding benefit sharing or contribution, the policy provides for timely and neutral dispute resolution led by ORIC. This principle of collective responsibility, transparent execution, and auditable fairness is a cornerstone of this Commercialization Policy.

4.2.3 Alignment with IP Policy and Agreements

All commercialization efforts must observe the University's Intellectual Property (IP) Policy and any legally binding agreements associated with the work, such as research funding contracts, collaborative MoUs, or sponsorship terms. Commercialization rights cannot override existing ownership or usage rights defined in prior agreements. ORIC shall ensure that commercialization is followed within these boundaries, and all stakeholders are expected to operate in accordance with institutional and contractual obligations.

4.2.4 Encouraging innovation for societal impact

Final-year projects and other research outputs should not merely serve as academic exercises for fulfilling degree requirements. Instead, they should aim to address real-world challenges, whether local or global, with a clear intention to create a positive societal impact. Innovation that improves lives, solves pressing problems, or contributes meaningfully to the community should be the primary motivation for both faculty and students.

By embedding this value system into the academic culture, universities can become engines of positive change. As this mindset takes root among faculty and students, it will enhance the university's relevance and visibility in society and establish it as a contributor to national and global development.

4.3 Scope of Policy

This policy applies to any commercial activity arising from work conducted as part of a Final Year Project (FYP), research thesis, or any other academic, research, or development Endeavor undertaken within the university. The policy remains applicable regardless of whether the work resulted in formally registered Intellectual Property (IP) or not.

This Commercialization Policy specifically covers:

- Licensing to third parties
- Formation of startups/spin-offs

Additional commercialization pathways, such as consultancy-based IP monetization and use of university branding in commercial contexts, may be incorporated in future revisions of this policy.

4.4 Commercialization Pathways

Pathways refer to the different scenarios through which commercial activity may arise from degree-related work, research projects, or independently undertaken initiatives by faculty, students, or staff. These commercialization efforts typically follow one of two routes: licensing to third parties or the formation of startups or spin-offs.

This section outlines the distribution of revenue generated through these pathways under various scenarios.

4.4.1 Licensing to Third Parties

Licensing is a key pathway for commercializing university-generated work by granting rights to third parties to use, produce, or sell innovations developed through academic or research activities. Licensing applies only where the university holds or has a claim to Intellectual Property (IP)—such as patents, software, copyrighted material, or proprietary designs—arising from such work. All licensing agreements must be negotiated in coordination with the university’s designated office (e.g., ORIC or Legal Affairs) and require formal approval from the University Commercialization Committee (UCC), comprising representatives from ORIC, Legal Affairs, and Academic Affairs. Faculty, students, or staff must not enter into licensing discussions independently. Licenses may be exclusive or non-exclusive, depending on the nature of the agreement. Revenue generated through licensing will be shared as described in section 4.4.3.

4.4.2 Formation of startups/spin-offs

The university encourages the formation of startups and spin-offs as a means to translate academic work and research outcomes into real-world impact.

- A spin-off refers to a company established to commercialize university-owned IP, developed through Final Year Projects (FYPs), theses, funded research, or other institutional activities. In such cases, the university may retain equity or other forms of return, depending on the nature of its contribution.

Startups and spin-offs seeking to use university facilities, branding, or incubation services must follow the university’s formal approval process. The revenue or equity share from

spin-offs involving university-owned IP will follow the same distribution principles as outlined under the licensing pathway, unless otherwise negotiated with the university's designated body in consultation with relevant stakeholders.

Where the university opts to retain equity in a spin-off instead of receiving direct revenue, such equity will be held in the name of the university and managed through ORIC (or a designated office). ORIC shall maintain proper records, monitor performance, and represent the university in shareholder matters.

- A **startup** refers to a new business venture initiated by students, faculty, or staff based on skills, know-how, or project experience, without involving university-owned Intellectual Property (IP). Startups are typically launched after the completion of a student's academic work—such as a Final Year Project (FYP) or research thesis—where the output can serve as a prototype or proof of concept to attract investors or external stakeholders.

If the student(s) involved in the original work choose to participate in the startup, contributing their time and effort to further develop the project, the equity/revenue distribution given in section 4.4.3 will apply.

4.4.3 Revenue Distribution

In all the cases mentioned in section 4.4.1 and 4.4.2 involving student(s) and supervisor, the following default equity/revenue distribution will apply:

- a) Student(s)/Inventor(s): 70%**
- b) Supervising Faculty: 20%**
- c) University: 10%**

However, if one or more students choose not to participate in the startup, the supervisor through ORIC, will obtain a written declaration from them confirming that they waive any future claims to ownership, equity, or revenue arising from the commercialization of the project. The shares of those who opt out will be equally distributed among the remaining partners.

If there is no involvement of student(s), and the work is conducted by faculty member(s) only, in that case revenue distribution will be as follows:

a) Faculty Member(s): 80%

b) University: 20%

This distribution serves as a general guideline. The actual share may be negotiated on a case-by-case basis by the appropriate university body, in consultation with all relevant stakeholders, taking into account the nature of the work, level of contribution, and strategic value of the commercial opportunity.

4.4.4 External Funding

Securing external funding—such as venture capital, angel investment, or funding from innovation agencies—is a key objective in the commercialization pathway. When a venture capitalist or any funding agency invests in a startup or spin-off, the original stakeholders shall sign a formal agreement with the funding entity. As a result, the funding agency may receive an equity share or revenue percentage from the proceeds of commercialization.

The terms of investment, equity dilution, and changes in shareholding must be documented and approved by the university's designated body (e.g., ORIC or the University Commercialization Committee) prior to finalizing the deal. All stakeholders are responsible for updating their agreements accordingly.

The university reserves the right to monitor the use of its IP, branding, or facilities throughout the investment period and shall review its position periodically to ensure alignment with its commercialization goals.

4.4.4 Dispute Resolution

In case of any dispute related to licensing terms, revenue/equity sharing, IP ownership, or participation in commercialization activities, the matter shall be referred to a University Dispute Resolution Panel (UDRP) constituted by the university. This panel shall include representatives from ORIC, Legal Affairs, and the relevant academic unit. The panel's decision shall be binding unless otherwise resolved through mutual agreement or legal remedy.

4.4.5 Exit and Reallocation of Equity or Revenue Share

In the event that any stakeholder—student, faculty, or university representative—wishes to exit the startup/spin-off after commercialization rights and revenue/equity shares have been established, the stakeholder must notify ORIC in writing.

The exiting party's share may be:

- Transferred to another approved stakeholder (subject to university review), or
- Bought back by the remaining stakeholders under mutually agreed terms.

In the absence of such agreement, the university's designated body shall mediate the reallocation of shares, ensuring that the commercial venture remains viable and the interests of all parties are protected.

This Commercialization Policy shall take effect upon its approval by the University's designated academic and governance bodies. All commercialization activities initiated thereafter shall adhere to its principles and procedures.

The University, through ORIC, shall be responsible for implementing and monitoring this policy, and for supporting stakeholders in navigating commercialization processes.

Recognizing that commercialization practices, legal requirements, and innovation ecosystems evolve over time, this policy shall be reviewed periodically—at least once every three years—or earlier, if needed. Revisions may be proposed by ORIC in consultation with relevant academic, legal, and administrative units.

By institutionalizing this policy, the University affirms its commitment to fostering innovation, encouraging entrepreneurial activity, and ensuring that academic work leads to meaningful societal and economic outcomes.