

# Indian Institute of Technology Kanpur

## Faculty Entrepreneurship Policy

*Faculty members at IIT Kanpur are continuously engaged in knowledge generation and dissemination. A large number of R&D activities are being carried out by faculty members and students in several cutting edge science and technology areas. However, most of these research outcomes do not get translated into commercial products, benefiting the society in general, due to several reasons including lack of interest of the industry in commercializing new and futuristic technologies. Towards this end, IIT Kanpur, in line with the best practices of other institutes of higher learning across the world, proposes to encourage interested faculty members to open companies, be on the board of such companies in capacity of a Director, Chairman or any such role. It is expected that faculty members will make all efforts to balance their academic responsibilities while assuming the above role.*

This document proposes mechanisms for establishing incubation program for technology start-ups led by faculty and students, out of the research efforts carried out at IIT Kanpur, and later running them as companies as specified below.

### 1. Kind of companies

IIT Kanpur should encourage and prioritize the companies in the following order.

- (a) Companies jointly owned by the faculty members and graduating students/alumni (along with possibly others)
- (b) Companies owned by the faculty members (one or many) along with possibly others.
- (c) Companies owned by the graduating students, alumni along with possibly others

In such cases, the faculty members and students will be known as founding members of the board of the company.

### 2. Role of faculty

It is expected that the faculty members would be owners of such companies and be a Director on the Board. Also, the faculty member may choose to play an operational role (Technical Advisor, CEO, Marketing Manager etc). The faculty member can choose one of the following options:

- (a) Take a sabbatical and work full-time in the business
- (b) Dedicate part or all of the days allocated for consultancy work to the business. However, under no circumstance the total number of days of non-

institute activities would exceed the institute norms.

It should be noted that the faculty should take all possible steps to ensure that his/her duties and responsibilities of IITK take precedence over all other activities.

(a) A faculty member is expected to balance his outside managerial responsibilities with his academic responsibilities on full-time active duty in the institute. This will also apply to the students/employees involved in these activities.

(b) Faculty member can undertake projects, that could be conducted at IITK, and managed through their companies provided that the institute's overhead charges are duly paid as per the norms of the institute.

### **3. Usage of Institute Resources and IP Rights**

It is expected that the IP rights for the technology developed by the company shall be wholly with the company or at the disposal of the board of the company. Such companies may collaborate with other companies, sell, share or buy IP rights from other companies.

The current proposal is expected for the incubation of technologies developed at IIT Kanpur. The company may chose to not take any IP from within the institute. However, to enforce such a discipline will not be practical for the institute. Therefore, in the larger interest of the institute and persons involved within the company, it will be permitted to use the lab, library and other such facilities by the founding faculty members involved in the company. In lieu of this a blanket liability free equity may be retained by the institute as outlined later in this document. This equity will enable certain rights for the company within the institute including free use of the IP developed by the persons involved in the company as employees/students of IIT Kanpur.

The company may also use the testing facilities as per the prevailing norms of the institute. During the incubation period within the campus, the company may be allowed to use the lab facilities (free of charge). Utilization of lab facilities will be subject to availability of the resources. Priority is granted to IITK projects and students. Free utilization will be subject to acceptance by the department concerned, the department may also have the right to levy a suitable charge as and when it deems it necessary.

Any patents/copyrights etc. filed by the company will be property of the company. It is expected that the institute will share such IP rights for the technology developed within the institute œ a free use of which is permitted to be used by the company. The involved faculty member(s) and student(s) may sign such agreement with the institute.

The usage of space and facilities of SIDBI Innovation & Incubation Centre's (SIIC) by the faculty companies will be paid as per existing SIIC norms.

#### **4. Disclosure and Compliance**

Financial and non-financial disclosure agreement will be signed as per the existing institute norms.

#### **5. Support from other faculty**

Support from other faculty members of the institute during and after the incubation period would be treated under the institute's consultancy norms.

#### **6. Support from students**

Any support received from students for the faculty company would be as per the existing guidelines of the institute.

#### **7. Outsourcing of sponsored research/ consultancy assignment**

Outsourcing of full/part of institute's projects to faculty companies would be governed by institutes existing policy. In case such policy is not available then the outsourcing decision would be undertaken on a case by case basis by a committee comprising of DORD, Coordinator SIIC, Head of the concerned department and a representative from sponsoring agency.

#### **8. Funding for the company**

The company will have its own funding and accounting procedures in line with the existing industry norms. Institute may also provide loans to such companies which will be governed by the institute's norms.

#### **9. Methodology**

A faculty company will necessarily be required for incubation in SIIC. However, in the exceptional cases, where faculty wants to open the company outside institute, a sufficient justification has to be provided, which will be evaluated by a committee comprising of DORD, Deputy Director, Coordinator, SIIC and two faculty members. The recommendation of the committee will be final and binding.

For the incubation of the Faculty Company, evaluation will be as per the incubators policy of the institute. Upon approval, the institute shall exercise its discretion on:

(a) A liability free equity of 10 % in the company for a period of ten years. Against this equity, the institute shall permit the use of IP developed within IIT by the

founding faculty members and students.

(b) Equity against incubation will be as per Incubators Policy of the institute, if the Faculty Company is incubated at SIIC.

(c) In case the institute provides loan to the company, Institute's rules will apply for its repayment/additional equity holding

The founding faculty member(s) may be permitted to take sabbatical etc. for operating the company.

The money (in form of honorarium, salary or consultancy) paid to the founding members of the company will be counted entirely as income of the involved faculty members during the incubation period within the campus. After the company moves out of the campus, the faculty member may take long leave and work with the company as per the existing rules of the institute or may earn in form of consultancy as per the applicable rules of the institute.

## **10. Resolution of conflicts**

In situations in which the objectivity of a faculty member could reasonably be questioned, the Director may establish an independent committee to take steps including (but not limited to) the following: to review the appropriateness of the proposed research to be conducted at IITK, to oversee the conduct of the research, and to ensure open and timely dissemination of the research outcome.

The faculty may appeal to the Board of Governors of the institute for a review of the committee decisions. The decision of the Board, in this regard, would be final.