

Dear Sir/Madam,

I am writing in response to your Innovation Funding and Competition consultation. Whilst I appreciate that the consultation is aimed primarily at water companies, as a university with a strong interest in water sector-focussed research, and many years of successful collaboration with the sector, I wanted to feedback specifically on questions 1 and 2.

Q1: Do you agree with our proposed default arrangements for managing IPR and royalties? Do you think these arrangements work for different types of projects and activities (e.g. new technology vs. process innovation, roll-out activities etc.)?

Q2: What alternative arrangements should we be considering for IPR/ royalties?

When working with companies, we would take a similar approach to differentiating between Background and Foreground IPR. (NB within 'Background', we might also include 'side ground' – ideas/concepts/knowledge that have been created after the project start date, but not as a result of the project). We agree that each participant should retain all rights in and to its Background IPR, including where a bid involves more than one participant. However in collaborations between academia and industry, we would not normally grant licenses to use Background IPR, since participants would lose sight and control of uses outside of their own project.

More significantly however, we believe that the suggestion that Foreground IP is made available royalty-free and in perpetuity to all companies could be problematic for academics and supply chain companies / SMEs who might be undertaking research within these projects. Whilst new IP won't be generated in every project, in some cases solutions will be developed which can be commercialised. These IP arrangements will act as a disincentive to anyone outside of the water companies (including research institutions) who might wish to collaborate, and who normally expect to commercialise the output of their research. It will be a particular disincentive for researchers with multiple years of experience who have had previous commercialisation success – which is surely the kind of research collaboration you would be wanting to encourage? On this basis, we believe the IPR arrangements as they stand could stifle innovation and participation.

The "Small Business Research Initiative" (<https://innovateuk.blog.gov.uk/2018/03/13/sbri-more-than-1-billion-pounds-in-value-to-uk-economy/>) may be a helpful model to look at (and in terms of IPR, the motivations / outcomes / expectations of a research institution aren't really that different from an SME) and it may be helpful to talk with Innovate UK directly if you haven't already – we could identify a contact if this would be helpful. The Lambert Toolkit (<https://www.gov.uk/guidance/model-agreements-for-collaborative-research>) provides model agreements to help parties involved in collaborative research to determine ownership of IP generated, and was developed by universities, UK companies and professional organisations, and may also be useful.

I hope this is helpful feedback; please do contact me if you would like to explore this further. I wish you the very best of luck with this initiative - we met with  back in January when they visited the university, and we are excited by the opportunity offered by the Innovation Fund for enhanced collaboration between academia and industry. We see the fund as a springboard for genuine innovation in the sector and believe universities such as ours can play an important part in this going forward.

Best wishes,





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