

Guidelines for the Financial Exploitation of Research Results at ETH Zurich (Exploitation Guidelines)

Status 1 January 2020¹

The Vice President Research and Corporate Relations hereby issues the following guidelines based on Art. 10 Par. 4 Sect. a of ETH Zurich's Organisationsverordnung of 16 December 2003²:

ETH Zurich is committed to teaching, research and the transfer of knowledge and technology. The transfer of knowledge and technology takes place primarily via the entry of ETH-Zurich graduates into the private sector. The development of new scientific knowledge, methods and technologies that are to be made accessible to industry and society through direct, effective transfer is equally important. Through the successful use of this new knowledge, especially the exploitation of patents and computer programmes, the creation of innovative products and jobs can be promoted.

ETH Zurich encourages collaboration with industry and the commercial exploitation of research results with its technology transfer office *ETH transfer*, which supports members of ETH Zurich in all contacts with industry and ensures that the research freedom and scientific independence of ETH-Zurich members remains intact and that conflicts of interests are disclosed. In this respect, the acceptance of personal responsibility by all members of ETH Zurich's staff is the best prerequisite to work together constructively and in an ethically correct manner (see also Weisungen des ETH-Rates betreffend Umgang mit Meldungen von Angehörigen des ETH-Bereichs zu rechtlich und ethisch unkorrektem Verhalten³).

These guidelines govern the commercial exploitation of research results at ETH Zurich, especially the exploitation of inventions and computer programmes. They contain implementing regulations on the ETH Domain's Regulation on Immaterials (Immaterialgüterverordnung)) of 9 July 2014⁴. The guidelines are mandatory for all employees (incl. professors⁵) at ETH Zurich. Other intellectual property, such as trademarks or designs, are to be treated analogously.

1. Contracts with Third Parties

The handling of contracts with third parties in the Executive Board domain for Knowledge Transfer and Corporate Relations (hereinafter "Bereich Wissenstransfer") is regulated in the Research Contract Guidelines⁶. Licence and option contracts must, without exception, be reviewed by *ETH transfer* and signed by the professor responsible and the Vice-President for Knowledge Transfer and Corporate Relations (VPKC). In most cases, *ETH transfer* shall undertake the contract negotiations in collaboration with the professor.

2. Inventions

2.1 Ownership

¹ Editorial adjustment due to partial revision of the Organisationsverordnung dating from 17.01.2020, in force since 01.01.2020

² RSETHZ 201.021

³ RSETHZ130.1

⁴ SR 414.172

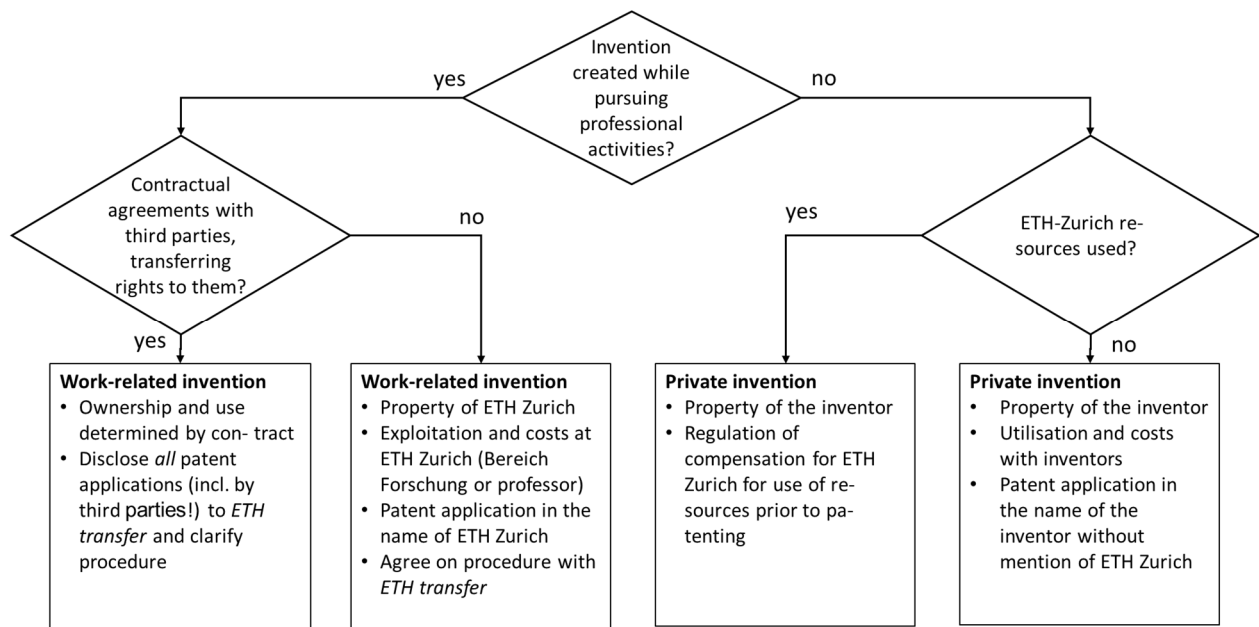
⁵ Here and hereinafter, professor or chair shall stand for all units of *elected* professors at ETH Zurich.

⁶ Richtlinien über Verträge im Bereich Forschung der ETH Zürich" of 1. January, 2016 (RSETHZ 440.31) Guidelines for the Financial Exploitation of Research Results at ETH Zurich of 1 May 2014 (Status 1 January 2020) This is an English translation only. Only the German original is binding.

Inventions by members of ETH Zurich's staff created while pursuing their professional activities shall be owned by ETH Zurich (work-related invention, Art. 36 Par. 1 ETH Act⁷), with the exception of inventions generated within the scope of research collaborations with third parties, wherein ownership will be determined by a separate agreement. If neither the VPKC nor the professors involved are interested in submitting a patent application, the VPKC can transfer ETH Zurich's rights to the invention to the inventor(s) in writing.

If an invention was created by an ETH Zurich employee outside his/her professional activities and without using ETH-Zurich resources or infrastructure (e.g. working hours, equipment, lab), it shall belong to the inventor (private invention) and is not subject to these guidelines. If ETH Zurich's resources or infrastructure were used, ETH Zurich can claim compensation. In using such inventions, the distribution of claims, costs of usage and possible profits must be agreed between the inventor and ETH Zurich in advance.

To whom does an invention created by members of ETH Zurich's staff belong?



Inventions created by professors within the scope of secondary activities (e.g. consulting) in accordance with Art 6 Par. 1 of ETH Zurich's Professorenverordnung⁷ where no ETH-Zurich resources or infrastructure have been used shall be regulated in a private contract between the professors and the contracting partners and are not subject to these guidelines.

Inventions that are exclusively created by students who are not employed by ETH Zurich within the scope of their degree (e.g. within their Bachelor's or Master's projects) shall belong to the student(s) (private inventions) and are also not subject to these guidelines. If, in addition to the student(s), members of ETH Zurich's staff are also involved in such an invention (e.g. supervisors of Bachelor's or Master's projects), ETH Zurich shall be entitled to joint-ownership of the invention. However, the stu-

⁷ RSETHZ 111

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dents can transfer their rights to inventions to ETH Zurich and shall then be treated the same as ETH-Zurich's staff members in accordance with these guidelines.

2.2 Procedure

Inventors from ETH Zurich must disclose **every** invention in accordance with these guidelines to the technology transfer office *ETH transfer* in writing as quickly as possible via the "Invention Disclosure" form (www.transfer.ethz.ch). *ETH transfer* shall evaluate the patentability and usability of the invention. Inventions by professors within the scope of consulting activities or other private inventions without using the infrastructure mentioned under 2.1 are excluded.

All inventors involved in generating a work-related invention shall record the percentage distribution of the inventor shares amongst themselves in writing on the invention disclosure and send the signed original to *ETH transfer*. If there is no agreement between the inventors regarding their inventor shares or they fail to reach an agreement, the VPKC shall decide.

The inventors shall discuss a patent application with *ETH transfer* and jointly determine the strategy for the use of the patent application. *ETH transfer* shall decide as quickly as possible (no later than within three months of receiving the invention disclosure) whether ETH Zurich will apply for a patent.

All patent application based on work-related inventions must be filed in the name of ETH Zurich (applicant: ETH Zurich, ETH transfer HG E43-49, Raemistr. 101, CH-8092 Zurich). Otherwise, ETH Zurich can arrange for an application in ETH Zurich's name at the expense of the applicant. This shall not affect inventions generated within contractual agreements with third parties within the scope of research collaborations.

The inventors are obliged to provide all necessary signatures to preserve and obtain the associated property rights. The inventors are also obliged to inform *ETH transfer* of any changes of address.

By way of exception, applications for patents by third parties, e.g. due to a contract with ETH Zurich, can be submitted, naming ETH-Zurich staff members as inventors. In this case, the ETH-Zurich staff members named as inventors must disclose the patent application to the technology transfer office *ETH transfer* no later than four weeks after the initial application.

2.3 Funding Patents

Ideally, the inventors or *ETH transfer* already know a possible partner prior to a patent application who will assume the patenting costs and receive a (fee-based) license to use the invention in return.

Without such a partner, the patent costs shall, as a rule, only be covered by *ETH transfer* if:

- The invention appears to be patentable and of interest to ETH Zurich based on the information available
- The exploitation strategy has been discussed with *ETH transfer* in advance and *ETH transfer* endorses an exploitation
- There is a potential market or an interested party

If *ETH transfer* decides on an application, *ETH transfer* will stipulate exactly how long the patent costs shall be covered by the Bereich Wissenstransfer. If *ETH transfer* decides against an application, the professor(s) involved can submit a patent application at the research group's expense or the expense of the institute in the name of ETH Zurich, such a scenario will also be supervised administratively by *ETH transfer*.

If *ETH transfer* and the respective institute or professor is against filing a patent application, the inventors can request the written transferral of the invention under mutually agreed conditions, which take

into account the needs of ETH Zurich with regard to teaching, research and collaboration with third parties. They can then file a patent application for the invention privately in their own name and at their own expense and exploit it. In this case, ETH Zurich shall not normally file any financial claims. This procedure also goes for patent applications that ETH Zurich has no interest in maintaining, in this case the inventors are informed in due time.

2.4 Allocation of Revenue

Any revenue generated is initially used to cover the patenting and exploitation costs (e.g. for patent lawyers, official fees accrued or scheduled).

The remaining revenue (= net revenue) shall normally be divided up as follows, subject to possible financial claims of third parties:

- 1/3 shall go to the inventors and be divided up in accordance with Section 2.2 Par. 2
- 1/3 shall go to the professorship that created the invention, for research purposes. In exceptional cases, the VPKC shall decide on the use of this share, namely if professors retire or leave, whereupon their share shall usually fall to the department
- 1/3 shall go centrally to ETH Zurich

This allocation also applies to revenue from the sale of such company investments, which are contractually clearly part of the licence fee. It does not apply if, conversely, ETH has made pre-investments, in-kind or cash contributions, or, such revenue shall go centrally to ETH Zurich. In such cases the inventors do not have any entitlement. The allocation can only take place if a payment has been received. The VPKC shall decide on sales. If a patent application is funded wholly or in part by the professor, his/her share shall increase to max. 50% (see table below).

The allocation of the revenue takes places through ETH Zurich's infrastructure department Finances and Controlling in accordance with the instructions issued by the VPKC. In the case of revenue in excess of CHF 10 million (one-off or accumulated from CHF 10 million), the Executive Board can, at the request of the VPKC, decide on a potentially different basis of allocation.

Inventors who leave ETH Zurich are obliged to disclose their valid address and bank details to *ETH transfer*. If the disbursement of revenue is due and *ETH transfer* fails to receive the valid address and bank details of the inventor within a year, this person's claim for all further payments shall expire. The corresponding shares shall fall to the Bereich Wissenstransfer to support research and technology transfer at ETH Zurich.

If the rights to more than one invention are paid for by a third party in a lump sum and *ETH transfer* does not have an agreement signed by all the inventors affected with regard to the allocation of the compensation for the individual inventions, the VPKC shall decide on the allocation, if necessary after consultation with those involved.

Costs and revenue in the case of work-related inventions

	Application by <i>ETH transfer</i>	Application by <i>ETH transfer</i> and financing directly by professors	Application by inventor (only after transferral)
Patent costs	100% Bereich Wiss.transfer	100% professor	100% inventor (private)
Support	Help from <i>ETH transfer</i>	-	-
Application	In the name of ETH Zurich	In the name of ETH Zurich	In the name of the inventor after written transfer to inventor by VPKC
Allocation of revenue	The allocation of the net revenue usually takes place as follows: 1/3 inventor, 1/3 chairs, 1/3 Bereich Wissens-transfer The VPKC can grant exceptions in justified cases.	The allocation of net revenue usually takes place as follows: 1/3 inventor, 1/2 chair, 1/6 Bereich Wissens-transfer If the professor only assumed responsibility for the funding later on, the professor receives up to 1/2 of the net revenue, depending on the portion of costs assumed.	ETH Zurich is not entitled to any revenue.

2.5 Inventions with Advance Sale of Intellectual Property

If in a research collaboration with third parties, the intellectual property arising out of a project is transferred in advance to such a collaboration partner (see Research Contract Guidelines, Section. 5.2) and the party applies for a patent with inventors from ETH Zurich no later than a year after completion of the project, these inventors shall receive compensation to the amount of CHF 1,000 per inventor from the Bereich Wissenstransfer, provided that the patent application has been disclosed to *ETH transfer* in accordance with Section 2.2.

3 Copyrighted Works

3.1 Rights of the Creators and ETH Zurich

The copyrights to works created within the scope of the professional activities (textbooks, scientific publication etc.) shall remain with the creator. A contractual transfer of the copyrights (as far as legally permissible) or the exploitation rights to the copyrighted works to ETH Zurich is possible.

In the case of software (computer programmes), ETH Zurich is entitled to the exclusive use and exploitation rights if the computer programme was created within the scope of professional activities and the performance of duties at ETH Zurich (special regulation in accordance with Art. 36 Par. 2, ETH Act). Smartphone apps are also considered software and fall under these guidelines. This shall not affect contractual agreements of ETH Zurich with third parties within the scope of research collaborations. In the case of software developed based on code by third parties, this further development and the corresponding exploitation rights must either be regulated in advance through a collaboration contract with the third party or it must be guaranteed that ETH Zurich shall at least receive non-exclusive exploitation rights. It is expressly forbidden to use public funds (e.g. internal ETH-Zurich or SNF projects) to develop such third party software, wherein the combination or the merging of the pre-existing and new copyrights will result in programmes that only the third party can utilise commercially.

If a software programme was created at ETH Zurich by staff members outside their professional duties, ETH Zurich can assert its claims on account of the use of its resources (e.g. personnel, technical equipment, time). In the utilisation/exploitation of such computer programmes, these claims of ETH Zurich are to be clarified with *ETH transfer* by the creator in advance and an agreement reached.

3.2 Procedure for Computer Programmes

Computer programmes that were created within the scope of employment at ETH Zurich and are to be commercialised must be disclosed to *ETH transfer* in writing using the form “Software disclosure” (www.ethz.ch/software-disclosure). This is to clarify who is entitled to which rights to a computer programme with the creators and, if need be, jointly determine the strategy for the utilisation of the computer programme. If computer programmes are utilised directly by the creators without carrying out this clarification, ETH Zurich can assert its claims retrospectively.

ETH transfer shall decide whether ETH Zurich will commercialise the computer programme within three months from receiving the disclosure. If *ETH transfer* decides against it, the creator can request the transferral of the exclusive usage and exploitation rights. In this case, ETH Zurich shall not exert any further claims, except for the unrestricted usage in teaching and research.

3.3 Open Source Software

Open Source Software, as meant in these guidelines, is a software programme that is always distributed to third parties with the source code. It is often published together with a scientific paper. If, after agreement with the professor responsible, creators want to make the software they have developed available to the public as open source code, the open source software must be registered on ETH-Bibliothek’s server (www.ethz.ch/software-disclosure). The open source software is registered by filling in the form available there. By registering, the creators confirm the following points:

- All creators agree to publication as open source software
- The open source software does not contain any code by third parties, except code that is also available under an open source licence that is compatible with the planned open source licensing
- A licence designated by the Open Source Initiative is used (www.opensource.org/licenses)
- No fee is required from ETH Zurich, the research group, or the creators for the distribution of the open source software to the licensees

If these prerequisites have been fulfilled, no registration is necessary.

If the prerequisites cannot be fulfilled or there is doubt regarding the inclusion of third party code, or whether different open-source licenses are compatible, the recommendation is to contact the IT Services’ Open Source office (FOSS, www.foss.ethz.ch), which will offer advice with regard to objectives that can or should be achieved with open source publishing. Moreover, *ETH transfer* advises creators on the strategy concerning open source or freeware publication, especially with regard to the choice of a suitable licence and the associated risks, e.g. regarding liability issues.

If the creators intend to charge a fee for the distribution of the software or transfer exclusively machine-readable code to third parties free of charge (e.g. freeware or free apps), this software is to be disclosed to *ETH transfer* in accordance with Section 3.2.

3.4 Allocation of Revenue

All creators involved shall agree on their percentage of their contributions to the development of the programme and record this in writing for the purposes of allocating the revenue (with an original for *ETH transfer*). If there is no agreement between the creators regarding their copyrights or they cannot agree, the VPKC shall decide on the allocation of revenue, if need be, after consultation with the parties involved.

Possible external costs for the commercialisation of computer programmes shall be deducted from the revenue in advance.

The remaining revenue (=net revenue) arising for ETH Zurich from the commercialisation of computer programmes shall normally be allocated in accordance with the allocation of revenue from inventions (Section 2.4 of these guidelines), whereby “creators” correspond to “inventors” and “computer programme” to “invention”. In justified exceptions, namely in the case of a specific appointment of a person to programme known algorithms, programme simple user interfaces or perform other programming work without any notable creative input on their part, exceptions to this regulation can be made at the request of the VPKC.

4. Other Intellectual Property and the Sale of Materials

4.1 Other Property Rights and Knowhow

ETH transfer shall decide on the registration and utilisation of other property rights (e.g. brands or designs) or knowhow created by members of ETH Zurich’s staff while performing their professional duties on a case-by-case basis. The VPKC shall decide on the allocation of potential revenue from the utilisation of such rights on a case-by-case basis.

4.2 Exploitation of Materials, Templates or Prototypes

A contract is to be concluded for the exploitation (e.g. sale) of materials (e.g. biological material), templates, prototypes or datasets created by members of ETH Zurich’s staff within the scope of their professional duties. The allocation of revenue from the utilisation of these materials, templates, prototypes or datasets shall usually be conducted as follows:

The professor responsible and other possible ETH-Zurich offices shall have the costs that were necessary for the direct production or provision of the material, template, prototype or dataset reimbursed. The remaining revenue (=net revenue) shall be shared equally between the Bereich Wissenstransfer and the professor. The professor can compensate members of staff who were involved in the production or provision of the material appropriately from his/her share of the net revenue.

5. Entry into Force

These guidelines shall come into force on 1 May 2014.

The Exploitation Guidelines of 1 February 2005 shall be repealed.

27 March 2014

Vice-President Research and Corporate Relations