

GUIDELINES
FOR
BIRAC-PATH (PATENTING & TECHNOLOGY
TRANSFER FOR HARNESSING INNOVATIONS)
AND
BIRAC AS A FACILITATOR UNDER SIPP
(START-UP INTELLECTUAL PROPERTY
PROTECTION)

GUIDELINES FOR BIRAC-PATH (PATENTING & TECHNOLOGY TRANSFER FOR HARNESSING INNOVATIONS)

1. Guidelines for Patenting Support

- 1.1 All patent application filed by BIRAC will be in the name of host institution/Company and BIRAC will not have any ownership in the filed patents.
- 1.2 No Background IP will be supported
- 1.3 If recommended by IP & Technology Management Advisory Committee, the support will be provided based on below mentioned options:

OPTION 1: Support framework, if the proposal requests for ***Complete Indian Patent filing***; funding will be by way of grant-in-aid having corresponding obligation to pay royalty as mentioned below:

- Funding shall cover the cost towards complete patent filing and maintenance for the duration as mentioned below-
 - Six years from the date of filing or
 - Two year after date of grant of patent or
 - Commercialization in India, whichever is earlier

OPTION 2: Support framework, if the proposal requests for ***Complete Indian patent filing along with convention filing in not more than three convention countries***; funding will be by way of grant-in aid having corresponding obligation to pay royalty as mentioned below:

- Funding will be towards the cost of complete and convention patent filing and maintenance for the duration as mentioned below:
 - 100% funding towards allowed cost for Two years from the date of filing/date of priority, followed by 50% funding for the next two years for both complete and convention mode or
 - 50% funding towards maintenance for Two year after date of grant of patent for both complete (Indian Patent) and convention mode or
 - Commercialization in the territory of support, whichever is earlier

OPTION 3: Support framework if the proposal requests for ***Complete Indian filing and/or PCT filing***; funding will be by way of grant-in-aid having corresponding obligation to pay royalty as mentioned below:

- Funding will be towards the cost of complete Indian Patent filing and PCT application filing for the duration of Thirty one months from the date of filing/date of priority or Approval for national phase funding by BIRAC or Commercialization, whichever is earlier.

- Further funding for national phase entries will be considered based on the ISR published by WIPO and the commercialisation strategies
 - Funding will be towards the cost of complete and national phase entries and maintenance for the duration as mentioned below:
 - 100% funding towards allowed cost for two years from the date of National Phase filing, followed by 50% funding for the next two years for both complete (Indian Patent) and national phase entry or
 - 50% funding towards maintenance for Two year after date of grant of patent for both complete (Indian Patent) and national phase entry mode or
 - Commercialization in the territory of support, whichever is earlier
- 1.4 After this period the applicant has to bear the cost of patent application/patent maintenance etc.
- 1.5 It will be in the discretion of the Committee to recommend the number of countries and the name of countries that will be considered for funding under national phase entries
- 1.6 If the BIRAC supported Companies/Start-ups/Institutions are not able to transfer or license out their technology to any company within a period of two years (2) years after receiving the Patent support from BIRAC under BIRAC-PATH, BIRAC will step-in to facilitate the technology transfer or identification of the potential industrial partner for such technologies

2. Specific conditions for Patenting

- 2.1. The funding will be in the form of grant-in-aid.
- 2.2. Proposals should be submitted by the applicant with-in the first nine (9) months from the date of filing the provisional and not thereafter.
- 2.3. The proposal should be clear if request for funding is towards Complete Indian Filing and/or PCT Filing/Convention Filing
- 2.4. The proposal should contain all the required information/data/specifications/drawings etc. that are essential to evaluate the scope of Complete Indian Filing and/or PCT Filing/Convention Filing.
- 2.5. The proposal must also layout the commercialization strategies and the efforts in this direction should be put to license or transfer the IP filed with the BIRAC support, within the duration as mentioned below for all support framework.
- 2.6. Proposals where the applicant has already incurred the expenses towards IP protection shall be considered on reimbursement basis under this scheme. However, re-imburement shall be considered from the date of submission of their

request under BIRAC-PATH that will remain subject to other associated terms of sanction.

2.7. Conditions for re-imbusement: Re-imbusement for expenses towards IP expenses shall be decided by the IP & Technology Management Advisory Committee and shall be permissible as per the rate approved by BIRAC for different IP related services.

2.8. Background IP will not be supported

2.9. Benefit sharing

2.9.1 The applicant will have to inform BIRAC on Commercialization of the product(s).

2.9.2 The applicant shall obtain written permission from BIRAC before Licensing or Technology Transfer of the technology patented with BIRAC's Support.

2.9.3 The applicant shall share the benefit with BIRAC at the rate of 5 percent on-

- Annual Net Sales of the product(s) developed by the technology patented with BIRAC's assistance OR
- A mutually agreed upon percentage on fees in case of Licensing or Technology Transfer of the patented technology.

2.9.4 Sharing of benefit shall fall due beginning with the first sale of the product(s) and it will terminate upon the first of any of the following two events to occur:-

- Sharing of benefit shall amount to 5% of the Annual Net Sales of the product(s) developed by the technology patented with BIRAC's assistance has been paid to BIRAC; and
- Sharing of benefit will terminate when the share of the benefits paid to the BIRAC becomes equal to the amount of the grant-in-aid disbursed under PATH.

2.9.5 Provided, if the applicant is already a beneficent under such Scheme of BIRAC that has Royalty obligation and the particulars of such pre-existing Project pertains to the same Intellectual Property as proposed to be protected hereinabove then, on Commercialization of the Patent, the applicant shall pay royalty to BIRAC at a rate of **7 (seven) per cent on annual Net Sales of the product(s)** developed with BIRAC's assistance till such time the share of the benefits paid to the BIRAC becomes equal to the cumulative amount of the grant-in-aid disbursed under such scheme and PATH.

2.9.6 For this purpose-

- Benefit sharing shall mean fair sharing of the monetary benefits arising from the commercialization of the product(s) developed "Product" shall mean products,

services, processes, technologies, materials, software or other innovations resulting from the protected IP which would generate commercial income.

- o 'Net Sales' for this purpose shall mean gross sales by the Company/its licensee/ its sub-licensee excluding excise duty and sales tax, as certified by the Chartered Accountant.
- o If the Company intends to transfer or sell/assign/exclusively license the Product's interests to any third party, it shall take prior written permission from BIRAC and BIRAC will recover the due Royalty amount or 5% of the resultant income excluding excise duty and sales tax, as certified by the Chartered Accountant, whichever is less, before grant of such permission?

2.9.7 Discharge of the liability to share the benefits: Benefits to be shared for each financial year shall be payable to BIRAC within 60 (sixty) days of close of audit of the corresponding financial year. In case of delay in payment, the applicant shall be liable to pay simple interest at the rate of 12 (twelve) per cent per annum on the amount of default for the period of delay.

3. Monitoring and Reporting

3.1 BIRAC shall monitor the prospect and monetization of the supported IP for not less than 10 years from issue of BIRAC PATH Order.

3.2 The grantee has the duty to disclose and report commercialization or inability to commercialize during the above stated duration.

3.3 The grantee shall submit the audited annual accounts for the duration (10 years as stated earlier) to BIRAC.

4. Guidelines for Technology Transfer Support

4.1 Interested party which may be an individual entrepreneur, start-ups, SMEs supported under any of BIRAC's program will sign the Power of attorney with BIRAC for technology transfer/ license. This will include the full right to sublicense the technology to others. BIRAC will transfer the case to empanelled agency for technology transfer /license.

4.2 An invention can be licensed to multiple licensees, either non-exclusively to several companies or exclusively for few companies, based on field-of-use (application) or geography.

5. Specific conditions for Technology Transfer

5.1 Mode to be followed for Technology transfer and licence at BIRAC:

- Interested party which may be an individual entrepreneur, start-ups, SMEs supported under any of BIRAC's program will sign the Power of attorney with BIRAC for technology transfer/ license. This will include the full right to

sublicense the technology to others. BIRAC will transfer the case to empanelled agency for technology transfer /license.

- An invention can be licensed to multiple licensees, either non-exclusively to several companies or exclusively too to few companies, based on field-of-use (application) or geography.
- BIRAC in turn will take the help of its empanelled agency to get the technology transferred /license.

5.2 Revenue Model under Technology Transfer Support

- For each successful technology transfer by empanelled agency, 30 % of the upfront technology fee will be kept by BIRAC/ Empanelled agency. 70% will be given to the licensor/interested party
- 30% of the upfront technology fee retained will then be distributed in ratio of 1:2 between BIRAC and empanelled agency. Similar model will be followed for the royalties decided for post monitoring of the technology after transfer.

GUIDELINES FOR BIRAC AS A FACILITATOR UNDER SIPP (START-UP INTELLECTUAL PROPERTY PROTECTION)

In respect to the Scheme for Facilitating Start-ups Intellectual Property (SIPP) announced by the Government of India, following procedure to be adopted for filing/processing of Start-ups' applications for Patents, Designs and Trademarks and fees to be paid to the facilitators in respect thereof. This to be followed as per the announcement made on 8th June, 2016 by the Government of India.

- The facilitator after assessing the patentability of the invention and other aspects as per Patent Act and Rules and being satisfied that the application for patent can be filed, shall draft the patent specification in consultation with the start-up.
- Thereafter, the facilitator shall file a complete Patent specification at the appropriate Patent Office on behalf of the start-up as per jurisdiction by following the prescribed procedure under the Patent Act and Rules.
- Fee for filing patent application and other statutory fees, as per First Schedule, shall be borne by the Start-up
- The Facilitator shall monitor and perform further steps of proceedings of start-ups' patent application, prepare the reply to any query from Patent Office, attend the hearings etc. and shall file the relevant documents in the Patent Office by following the time line, as and when required, on behalf of the start-up and may submit the claim for payment of the fee as per the fee schedule of SIPP Scheme as per the procedure elaborated above.