

Start-up policy: Framework for knowledge and technology transfer and the foundation of enterprises at the University of Basel

Approved by the President's Office on 15 December 2020

This policy is based on Art. 2 para. 4 of the University Statute and the "Regulations governing secondary employment, agreements with third parties and the use of intellectual property in the context of work at the university". It outlines the framework conditions for knowledge and technology transfer (KTT) and the foundation of enterprises at the University of Basel. It is supplemented by further documents (guidelines, commented term sheets, factsheets) that establish the associated procedures and conditions in detail. This policy is intended primarily for informational purposes and may not be used as a basis for legal claims.

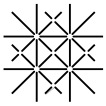
Preamble

In addition to its core teaching and research tasks, the University of Basel wants to support the transfer of research findings, technology and knowledge as its "third mission". Transfer is achieved either by collaboration with public and private partner institutions, usually private enterprise companies, through the licensing of technology developed at the University of Basel, or through the spin-off of a company (start-up) with or without licensing of a technology.

The President's Office launched an innovation initiative in 2017 to consolidate and develop activities in this area. The goal is always to make an "impact on society" by supporting innovative ideas from the University of Basel's researchers. The university sees itself as an important actor in the regional innovation ecosystem: by supporting knowledge and technology transfer and in particular by founding start-ups, it creates high-skilled jobs and makes an important contribution to the scientific power and dynamism of the Basel region.

1. Definitions

- a) *Intellectual property* refers to patent rights, trademarks, designs, software, material and trade secrets. Intellectual property developed by members of the university community while engaging in university-related activities belongs to the university. Intellectual property can be made available to a transfer partner, including a university start-up, through *licensing*. This is regulated by a license agreement.
- b) The term *collaboration* covers the following forms of research cooperation:
 - Contract research: The transfer partner defines a goal that the researchers achieve using established knowledge. The partner pays a market price that at least covers the research costs. In this case, the intellectual property generated normally belongs to the partner.
 - Research collaboration: The university researchers and the transfer partner jointly define the goals, with the focus on development of new scientific findings by the researchers. The intellectual property normally belongs to the university.



- Knowledge transfer: Collaboration in which transfer of knowledge rather than creation of intellectual property is the goal. This includes more or less formalized continuing education programs. This collaboration may be bilateral with a transfer partner or can take place within skills networks.
- c) University *start-ups* are innovative companies (co-)founded by members of the University of Basel. The goal of a start-up is always to implement technology or knowledge developed at the university, for which a license agreement may be concluded. A start-up is usually a company, or more rarely an association or non-profit organization.
- d) University *spin-offs* are start-ups, as defined by 1c), that specifically use intellectual property belonging to the university and have accordingly concluded a license agreement with the university.

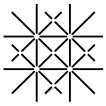
2. Guiding principles

- a) The university supports knowledge and technology transfer and the foundation of enterprises by creating framework conditions that facilitate transfer and by offering targeted transfer opportunities in innovation and entrepreneurship. It designs processes to be as transparent and simple as possible.
- b) The University of Basel's activities and services in innovation and entrepreneurship are aligned with globally leading universities and innovation ecosystems, and linked to these where appropriate. In this context, the university also aspires to set standards itself.
- c) It welcomes collaboration between researchers and private companies, both without and without creation of intellectual property, if they serve the interests of both partners and contribute to knowledge and technology transfer. The university's regulations always continue to apply, in particular the freedom of teaching and research.
- d) The university particularly welcomes collaboration with start-ups at the University of Basel or start-ups from other universities. These collaborations also concern knowledge and technology exchange between start-ups and the university. If university researchers are themselves participants in a start-up, possible conflicts of interest must be considered (see section 8).
- e) The university is aware of the challenges facing start-ups as well as their potential. For this reason, it places particular emphasis on funding and support, particularly in the early stages.
- f) As a full university, the University of Basel fosters interdisciplinarity and openness in innovation and start-up funding. It supports innovations that offer high social benefits in all fields.

3. Support options for collaboration

A collaboration is usually started on the initiative of University of Basel researchers. The university offers advice and support for communication, establishing contacts and preparing contracts. In specific cases, it offers start-up funding to raise additional external funds.

- a) Advice and communication: The university offers advice on how to organize a collaboration. It also supports communication by maintaining contacts with companies and transfer partners and organizing events, and can help researchers establish contacts with transfer partners.



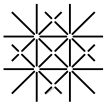
- b) Contracts and conditions: A contract must be signed for every collaboration. Various conditions apply to title and rights of use to intellectual property, time of publication and budget conditions/overheads, depending on the nature of the collaboration and the funding. The conditions for individual contract types can be found on the university website.
- c) Start-up funding: If it is in its strategic interest, the University of Basel offers start-up funding in support of larger applications for external funding from national and international funding organizations (Innosuisse, European Union research funding).

4. Support options for start-ups

The University of Basel supports the transfer of technology and knowledge developed at the university by raising awareness and by providing advice to university members on founding start-ups. It recognizes the importance of a start-up community and promotes communication between start-ups and with supporters. To support entrepreneurship, it offers practical activities, may support start-ups financially and materially, and can award a start-up label.

- a) Raising awareness: The university offers a variety of activities and events to increase interest in start-ups and entrepreneurship by raising awareness among university members.
- b) Entrepreneurial skill building: The university supports the "entrepreneurial skills" of its members through courses and workshops specifically tailored to the needs of young companies.
- c) Advice and coaching: The university supports interested members and start-ups with accessible individual advice and coaching.
- d) Start-up community: The university supports exchange among start-ups and between start-ups and supporters through events, initiatives and activities, and on an individual basis.
- e) Financial support: The University of Basel creates specific programs to financially support particularly innovative projects that aim to found a start-up.
- f) Material support: The university may provide start-ups with rooms and infrastructure. The relevant conditions are described in section 7.
- g) Start-up label: After successful foundation and consultation with the university, start-ups of the University of Basel may use the label "Start-up University of Basel".
- h) Additional support options: The university supports members who wish to found a start-up by connecting them to other public and private supporters, providing information about funding opportunities and generating visibility through communication activities.

5. Patent process and conditions



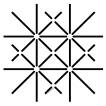
The purpose of patenting inventions is commercial exploitation through licensing. In this way, scientific discoveries lead to social progress and the University of Basel's role as a driver of innovation is strengthened. The following rules apply in this context:

- a) The university pursues a patenting strategy that includes a commercial exploitation strategy, identification of strategic and high-priority fields, a patenting budget for new patents and regular review of the patent portfolio.
- b) University members receive advice on questions relating to patentability and patenting strategies, procedures and timelines. If an invention is reported, the university will review whether it can be patented; if it can and the patenting strategy criteria (see 5a) are met, the university registers the patent and pays the associated costs. The research group itself may also pay the costs of patenting.
- c) The university relies on patent lawyers with the necessary specialist knowledge for a more detailed review of patentability and to draft the patent specification. To provide the best support for inventors, the university supplies references to the various patent lawyers.
- d) If the university decides against patenting, it may relinquish the intellectual property rights if requested. The relevant conditions can be found in the "Guidelines for commercial exploitation of the research findings of the University of Basel".
- e) The university makes information about technology available for licensing publicly available.

6. Licensing process and conditions

The licensing process should be completed in just a few months in a transparent, efficient and timely manner. For this reason, incentives to conclude license agreements have been created. The following rules apply:

- a) Both exclusive and non-exclusive licenses may be granted. Start-ups are typically granted an exclusive license within the field of application.
- b) Exclusive licensing of a patent by a start-up requires a simple business plan or a pitch deck, which will be reviewed for feasibility by external experts.
- c) The University of Basel is generally compensated at market rates for granting licenses to transfer partners. For start-ups, compensation typically follows one of the following three models:
 - The university receives a free stake in the company in lieu of a license fee and early milestone payments. The stake is negotiated and falls within predefined ranges, published in a separate factsheet.
 - The university is compensated in the form of royalties based on the sale of products, shares in non-royalty-based income under sub-license agreements and milestone payments. The license fees are negotiated and fall within a market range.
 - Generally, a combination of the above models.



- d) After a license agreement is signed, the transfer partner pays the costs of maintaining the intellectual property right. This also applies to start-ups.
- e) Companies with an exclusive license to commercially exploit intellectual property of the university agree to milestones for development and commercial implementation in order to maintain the license.
- f) The required license agreements for start-ups are based on a term sheet with explanatory notes and published on the university's website.

7. Use of infrastructure by start-ups

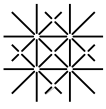
- a) Start-up companies may use the University of Basel's infrastructure (including power connections) depending on availability and by agreement with the Office of Infrastructure and Operations. This use must be regulated in a written contract, which will specify the term of the lease and the rent.
- b) Use of the University of Basel's address (c/o University of Basel) requires the prior approval of university management (a declaration of acceptance of domicile signed by the Vice President for Research).
- c) The university also provides specific work and event spaces for innovation-related activities and start-ups in the Innovation Center. This increases the visibility of the university's innovation and start-up promotion. The innovation spaces can also house advice centers and enable networking between start-ups, partners and the university.
- d) Start-ups are responsible for obtaining their own insurance.

8. Dealing with potential conflicts of interest

A potential conflict of interest exists if a university employee has a personal interest in a (start-up) company that wishes to license the university's intellectual property and/or interacts with the individual or employees subordinate to the individual in the context of their university work. The following rules apply:

- a) Potential conflicts of interest must be disclosed to the university by the person concerned immediately. The applicable rules can be found in the "Regulations governing secondary employment, agreements with third parties and the use of intellectual property in the context of work at the university".
- b) University employees who are registered as inventors of a patented technology and simultaneously have a personal interest in the (start-up) company that wishes to license this technology generally do not participate in licensing negotiations. An exception may be made if the person is employed by the university only for a limited period of time.
- c) Research collaborations must always be governed by a written agreement. If a potential conflict of interest exists, the agreement must be co-signed by the appropriate member of the President's Board.

Annexes



- Terms and Conditions for Industry Collaboration
- Commented term sheet for license agreements with spin-offs
- Factsheet on equity and royalties when licensing to start-ups