

## FACULTY OF MEDICINE

### PRICING INDUSTRY FUNDED RESEARCH – POLICY AND GUIDANCE

#### **Purpose:**

The Faculty of Medicine and the Enterprise Division's Industry Partnerships and Commercialisation, Medicine (IPC, FoM) team, manage numerous different relationships with industry, many of which are cross-faculty and involve a number of Principal Investigators (PIs) and projects.

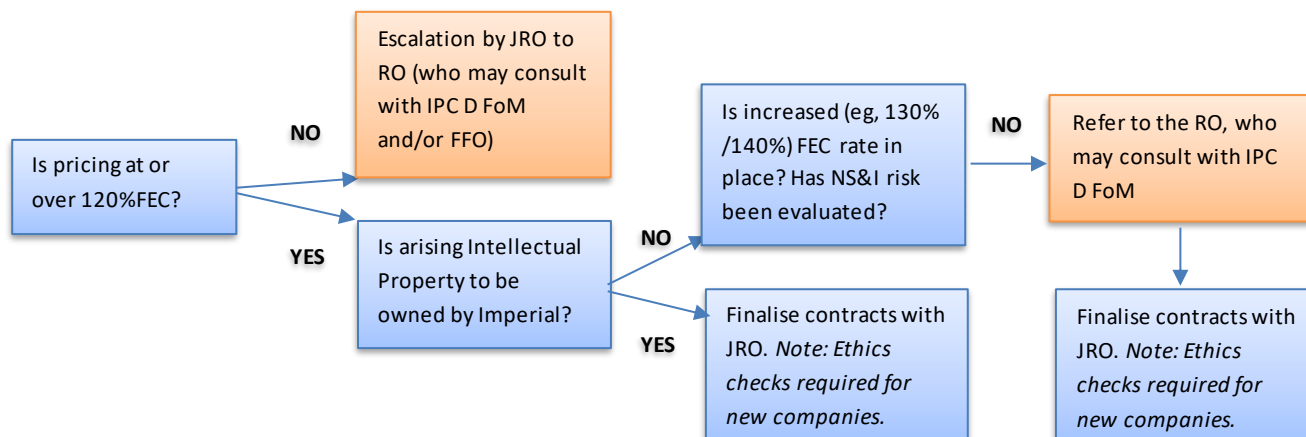
To create a consistent approach to pricing industry funded research and managing ownership of arising intellectual property (IP), IPC FoM and the Research Office have developed the following Pricing Industry Funded Research - Policy and Guidance. This will help ensure industry funded projects are priced at the appropriate FEC rate in line with IP rights granted to the commercial funder.

This Pricing Industry Funded Research Policy and Guidance primarily focuses on research projects and programmes to be fully funded by industry. Examples are provided in **Table 1**. Where research projects leverage additional sources of funding, for example, Government-subsidised and/or charity-subsidised schemes and initiatives, those relevant funder terms and conditions, including those outlining pricing requirements and IP management, will ordinarily prevail. Examples are provided in **Table 2**. Please note there are also other instances of industry engagement which may not involve direct funding from industry and instead involves other 'in-kind' exchanges of value. This can include (though is not limited to) Material Transfer Agreements, Sample Analysis Agreements, Data Transfer Agreements etc. Often these types of Agreements can also include IP provisions which may impact the academic freedom to operate in future research projects by Imperial researchers. These Agreements must be reviewed by the JRO, who may liaise with IPC FoM if needed.

#### **Responsibilities:**

- IPC FoM, in consultation with the Research Office (RO) is responsible for developing and recommending the Pricing Industry Funded Research - Policy and Guidance for the Faculty of Medicine.
- The Dean of Medicine has responsibility for approving IPC FoM's recommendation for Pricing Industry Funded Research - Policy and Guidance.
- Faculty of Medicine Heads of Departments (HoD) have responsibility for ensuring the Policy and Guidance is adhered to within their respective Departments.
- The Departmental and Divisional Managers and JRO are responsible for implementing the Policy and Guidance within the respective Departments.
- Deviations from this Policy and Guidance will be escalated by JRO contracts team to the RO who may consult with Director of IPC FoM (IPC D FoM) and/or Faculty Finance Officer (FFO) depending on the nature of the deviation, for example, Pricing, IP or inconsistencies with National Security and Investment Act 2021 (NS&I). A high-level illustration is provided below in **Figure 1: Pricing Workflow Overview**.

**Figure 1: Pricing Workflow Overview:**



- The IPC FoM team has responsibility for business development, industrial opportunity creation and finalisation (ENTP-IPC-001 and ENTP-IPC-002). IPC FoM team members lead on outreach activities, determining academic and corporate requirements, communicating with internal stakeholders, leading corporate discussions and coordinating contract negotiations with JRO contracts team, with the aim of securing industry funds for Imperial researchers.
- In instances where contract negotiations for industry funded projects are not being coordinated by the IPC FoM team, contract negotiators may consult IPC D FoM for specific advice on commercially related IP matters.
- Whether IPC FoM or the Faculty Contracts Team are the lead contact on the industry funded opportunity, an Ethics Check on any new corporate partner must be conducted prior to contract execution. The ethics check (sometime known as 'know your customer' check (KYC)) is to ascertain risk profiles regarding certain items, such as financial, ethical, conflicts of interest and/or national security (e.g., arising from acquisition of control over assets). For IPC FoM ethics checks operating procedure, see ENTP-CP-001. For JRO contracts team ethics check, please see Relationship Review Due Diligence.

## Modes of Engagement for Industry Funded Research:

The tables below have been created to be disseminated across Faculty to help HoDs, Departmental Research and Section Managers, as well as academics, understand the various scenarios when pricing for industry funded research.

There are essentially 2 types of engagement with industry for industry funded research:

### 1. Full Industry Funded Research

Where research programmes are fully funded by industry, FoM considers several aspects when pricing the proposed scope of work, including (but not limited to):

- Size of the programme
- Proposed ownership model for arising intellectual property rights
- Complexity of implementation and risk implications of the programme

- Strategic priority for College/FoM and/or academic laboratory(s)
- Level of dedicated support resource required for ongoing project and corporate management
- Follow on opportunities within FoM and elsewhere in College

This type of engagement with industry is dynamic, reflective of the changing nature of FoM's corporate partnerships. Pricing considerations are often made on a case-by-case basis, however, some standard pricing principles apply:

- 120% FEC is FoM's base cost recovery rate for industry funded research. This is the starting level for all full industry funded research programmes. At this level, Imperial must own all arising IP, with only standard R&D licence rights back to the funder.
- An appropriate premium must be added in order for alternative arising IP rights to be considered, (see **Table 1**). The JRO and/or IPC FoM may escalate to RO and/or FFO for cases not adhering to internal requirements, relating either to this Policy and Guidance, or other research related College Policies:
  - o [Costing and Pricing of Externally Funded Research](#) (ROP/01)
  - o [Approval and Authorisation Policy](#) (ROP/02)
  - o [Preferred Terms and Conditions for Research and Related Agreements](#) (ROP/05)
  - o Proposal Development and Bid Management of Research Proposals and Related Agreements (ROP/06)
- An industrial programme over £100k with an overhead of less than 25% will be forwarded by the Department Manager and/or JRO contracts team for review by the Faculty Finance Manager and/or FFO.
- An industry programme over £3m should be entered on College's [Big Bids Register](#) by relevant Divisional, Departmental or Finance Manager or IPC FoM team member. The Big Bids Register is reviewed monthly by Vice-Provost's Advisory Group for Research (VPAGR).
- An industry programme over £5m should go to the Dean (or delegate) for final approval, submitted by relevant Divisional, Departmental or Finance Manager, or IPC FoM.
- Industry funded non-clinical research programmes should use the College Lambert Contract Agreement templates where possible.

## 2. Subsidised Industry Funded Research

Several schemes encouraging university-industry engagement are offered and subsidised by UK Government through research councils. These can include (but are not limited to):

- Doctoral Training Programmes (DTP)
- Centres for Doctoral Training (CDT)
- Collaborative Training Partnerships (CTP)
- CASE studentships (Collaborative Awards in Science and Engineering)
- Knowledge Transfer Partnerships (KTP)
- Stratified Medicine Graduate Training Programme (STRATiGRAD) etc.

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These schemes often have pre-agreed terms and conditions already in place (**Table 2**). The funders may stipulate eligible and ineligible cost items and/or cost categories, recovery rates for different cost items and/or cost categories, whether inflation (i.e. indexation) can be included and at what rate etc. FoM follows these funder's prescribed pricing rules, programme requirements, principles for management of arising IP and contract templates aligned with the relevant scheme where required.

**Table 1: FoM Modes of Engagement with Industry – FULL INDUSTRY FUNDED PROGRAMMES – Estimated Price and Terms 2021/22**

Possible models, dependent on funding levels and project circumstances, e.g., co-funding, Background IP use, future research intentions, future exploitation plans etc, are set out below. NB. IP positions must be agreed with JRO/IPC FoM, with any required escalation to the RO BEFORE offer and agreement to a funder.

Fully Industry Funded PhD	Industry Funded Project Involving RAs	Industry Funded Project Supervision
<b>Project Scope and Deliverables:</b> Decided jointly by Imperial and the Company		
<b>Duration :</b> 3.5 years	<b>Duration :</b> Ideally >12 months, might be more flexible for PIs with existing RAs	
<b>Costs:</b> Approx. £240K, 120% FEC Home/EU Approx. £385K, 120% FEC Overseas student (includes fees and stipend, supervision time and overheads)  Consumables and travel to be added on a per project basis. A premium can be added depending on IP terms.	<b>Costs:</b> Approx. costs: 1FTE Junior PDRA (20% of PDRA's) ~£160k 1FTE Senior PDRA (80% of PDRA's) ~£175k 1FTE Senior Research Fellow: £210k  (120% FTE)  Consumables and travel to be added on a per project basis. A premium can be added depending on IP terms.	<b>Costs:</b> Lecturer/Senior Lecturer 0.1FTE ~£20k Reader 0.1 FTE ~£20-25k Professor 0.1FTE £17-52k (Average £27.5k) (75% are between £20-30k)  (120% FTE)  Consumables and travel to be added on a per project basis. A premium can be added depending on IP terms.
<b>Arising IP:</b> <u>120% FEC is FoM base cost recovery for industry funded research. This is the starting level for all full industry funded research programmes.</u>  Flexible approach linked to cost recovery thereafter. <b>120%FEC:</b> Imperial owns Arising IP and Company may receive royalty-free, non-exclusive, non-sublicensable licence for internal R&D only. <b>130% FEC:</b> Company may receive first-to-negotiate option to licence for commercial purposes on terms to be agreed. <b>Circa 130% FEC:</b> Mixed model – IP ownership may be divided between the Imperial and the funder. <b>Circa 140% FEC:</b> This is the minimum recovery for full company ownership to be considered, subject to consideration of circumstances, consultation with PI, Enterprise and referral to the RO		
<b>Agreement:</b> Standard Research Contract, tailored to IP terms to be discussed. May use College's Lambert 1, Lambert 2 or Lambert 3.		

Table 2: FoM Modes of Engagement with Industry – **SUBSIDISED PROGRAMMES** – Estimated Price and Terms 2021/22

DTP (Doctoral Training Partnerships)		CDTs (Centre for Doctoral Training)		EPSRC iCASE		CTPs		Stratigrad	
Project Scope and Deliverables: Decided jointly by Imperial and the Company, Duration: 4 years with 3 months at company.									
<a href="#">Imperial College MRC DTP – iCASE conversions</a>		<a href="#">Imperial College MRC DTP - Enterprise DTP CASE</a>		<a href="#">BBSRC Doctoral Training Partnerships (DTP)</a>		<a href="#">ai4Health: UKRI CDT in AI for Healthcare</a>		<a href="#">EPSRC Smart Medical Imaging CDT (with Kings )</a>	
<b>Eligibility:</b> Under the current themes of the MRC DTP, studentships can be converted to iCASEs. (DTP expires in 2021) Themes: • Informatics for Health • Experimental Medicine • Infection and Anti-Microbial Research Companies must have a UK footprint and be able to host the student for 3 months.		<b>Eligibility:</b> Academics apply to the annual Faculty call for iCASE projects with company letter of support for a PhD that will start ~1.5 years later. Companies must have a UK footprint and be able to host the student for 3 months. The number of Enterprise DTP places Imperial has in MRC or EPSRC themed projects is limited each year.		<b>Eligibility:</b> All companies, but Imperial has limited placements under specific PhD training programme. - Bioscience for Health		<b>Eligibility:</b> All companies. Projects must fit with the theme.		<b>Eligibility:</b> All companies. This is managed by Kings, best approach is to go through the Imperial supervisor.	
<b>Costs:</b> • SME – no costs • Non-SME: ~£45k • (fees and stipend, supervision time, overheads and consumables)  A premium can be added depending on IP terms and additional project costs.  (MRC covers ~£110k)		<b>Costs:</b> • SME – no costs • Non-SME: £45K (£15k p.a.) minimum contribution (fees and stipend, supervision time, overheads and consumables)  A premium can be added depending on IP terms and additional project costs.		<b>Costs:</b> To be negotiated between company and department to top-up for the industry placement.		<b>Costs:</b> £80k for the full programme, looking also to secure some fully funded industry PhDs		<b>Costs:</b> ~£50k in total Similar terms to the other EPSRC CDTs at Imperial.	
						<b>Other CDTs led by FoNS and FoE</b>		<a href="#">EPSRC iCASE</a>	
						<b>Eligibility:</b> All companies eligible (no UK footprint needed). Project must fit within a CDT theme and supervised by academic associated with the CDT. CDTs relevant to FoM: • <a href="#">Chemical Biology: Innovation for Life Sciences</a> • <a href="#">Bio-Design &amp; Engineering</a> • <a href="#">Advanced Characterisation of Materials</a>		<b>Eligibility:</b> (1) Companies are allocated iCASE vouchers by EPSRC, then select the partner, PI and topic. (2) CASE conversions allocated to the faculty and offered as an open call	
								<b>Eligibility:</b> Companies are allocated as a CTP partner company by BBSRC, then they select the academic partner, PI and topic.  See <a href="#">Imperial BBSRC DTP for more details</a> .	
								<b>Eligibility:</b> All companies in discussion with Fiona Pereira. Projects must be in “Systems Medicine and Spectroscopic profiling”	
								<b>Costs:</b> Partners need to commit to funding 5 studentships at £660k (£165k/year) for fees and stipend, supervision time, overheads and consumables.	
Arising IP:									
Who generate owns. Each party grants the other a royalty-free, non-exclusive licence to its Arising IP for internal R&D/academic teaching and research The Company can receive option to take a non-exclusive/exclusive licence for commercial purposes, which may be restricted by field, on terms to be agreed									
Arising IP : Results relating to Partner-owned product or processes belong to Partner. All other arising IP owned by Imperial.									

### Related Policies and Processes:

- College's [Costing and Pricing of Externally Funded Research](#) (ROP/01)
- College's [Approval and Authorisation Policy](#) (ROP/02)
- College's [Preferred Terms and Conditions for Research and Related Agreements](#) (ROP/05)
- College's Proposal Development and Bid Management of Research Proposals and Related Agreements (ROP/06)
- Enterprise Division's **Operating Procedure for Opportunity Management** (ENTP-IPC-001)
- Enterprise Division's **Operating Procedure for Relationship Management** (ENTP-IPC-002)

### Frequency of Review:

This Pricing Industry Funded Research - Policy and Guidance is to be reviewed at least annually.

### Version Control

Version	Date	Summary of Change	Authorised by
1.0	31 July 2021	First Edition	Director of IPC, Medicine