



# Indian Institute of Engineering Science and Technology ( IEST ), Shibpur

## **Draft Policy Guidelines for Entrepreneurship by Faculty- members, Students and Alumni of IEST – Shibpur**

### **Preamble**

*Faculty members at IEST, Shibpur are continuously engaged in knowledge generation and dissemination. A large number of R&D activities are being carried out by faculty members (with involvement of students in some cases) in several cutting edge science and technology areas. However, most of these research outcomes do not get translated into commercial products, benefiting the society in general, due to several reasons including proper facilitation of intellectual property protection and exploitation ,dearth of hand-holding support required for setting up of a new enterprise and lack of interest of the industry in commercializing new and futuristic technologies. Towards this end, IEST, Shibpur, in line with the best practices of other institutes of higher learning across the world, proposes to encourage interested faculty members in having their own start-ups or to be direct stakeholders in any of the enterprises dealing with promotion, adoption and propagation of new technologies .It is expected that faculty members will make all efforts to balance their academic responsibilities while assuming the above role.*

This document is aimed at formulating suitable policy guidelines to enable faculty members / students and as well as alumni of IEST-Shibpur to enter into technology –based entrepreneurship, avail of any available incubation facilities within the Institute for the purpose of setting up of new start-ups in different forms as specified below. It is expected that the faculty members / students of this Institute would be directly or indirectly involved in development, modification, augmentation, standardization of such technologies to be used in the new start-ups. The document also contains recommendations for appropriate mechanism and modalities to facilitate such enablement of faculty members / students / alumni of this Institute.

## 1. Kind of Start-up Companies

IEST, Shibpur should encourage and prioritize the companies in the following order.

- (a) Companies jointly owned by the faculty members and graduating students / alumni (along with possibly others)
- (b) Companies owned by the faculty members (one or many) along with possibly others.
- (c) Companies owned by the graduating students, alumni along with possibly others
- (d) Companies owned by alumni along with possibly others where the faculty is an advisor / mentor

In such cases, the faculty members and students / alumni / others will be known as founding members of the board of the company.

## 2. Role of the Stake-holders of the Institute joining Entrepreneurial activities

( a ) The Direct Stake holders of IEST-Shibpur ( faculty members/ students ) may be owners of such companies and / or associated with such companies in any form ( Chairman, Managing Director, Director, CEO, Advisor, Mentor or likewise ), only with prior approval of the Institute for which a written application is to be made to the Director of the Institute. Detail modalities for such application and approval process would be decided by the Institute.

( b ) Any financial gain ( by way of dividend / share of profit / honorarium / Fees / Charges / or otherwise ) to any of the direct stake-holders employed in any manner by IEST-Shibpur, arising out of such entrepreneurial activities, would be construed to be their additional income. A part of the portion of such additional income would be payable to the Institute as overhead charges as per the norm of Institute and to be decided by the Institute time to time. Detail modalities for payment of such overhead charges would also be decided by the Institute

( c )The faculties may take a sabbatical and work full-time in the business as may be permissible by the rules of IEST- Shibpur.

( d ) This may also be categorically mentioned that while the Faculty Members / students may be allowed for promoting such entrepreneurship, if approved by IEST-Shibpur in the interest of the individual /Institute or the society at large, for the interest, it would also automatically imply that such approval is accorded with the understanding that no compromise would be made with the primary assignment

/ duty / responsibility of any of the direct stake holders as have been assigned or deemed to be assigned to him/her by the Institute, be it academic, administrative or otherwise and it should take precedence over all other activities including involvement in the entrepreneurship activities.

( e ) All concerned direct stake-holders ( faculty member / students ) are expected to balance their additional entrepreneurial responsibilities without anyway hampering their primary assignment / duty / responsibilities / commitment (academic / administrative or otherwise ) in the institute.

( f ) Any direct stake-holder can undertake external projects / consultancy jobs / assignments, on behalf of and to be managed through their companies. However, for use of any facility, resources etc. of IEST-Shibpur, the necessary overhead charges and other usage charges to be paid by the Company to the Institute , as per the norms ( existing or to be decided by the Institute ) of the Institute..

( g ) Faculty-Member / Students / alumni while undertaking any sponsored project / consultancy jobs on behalf of the Institute ( IEST-Shibpur ) can also avail the services or facilities of their Company as an outsourced agency on explicit approval and as per norms of the Institute.

( h ) All direct stake-holders of the Institute joining entrepreneurial activities in any form would be required to report to the Institute on a periodic and regular interval. The contents and other modalities for such reporting would be decided by the Institute.

### **3. Usage of Institute Resources and IP Rights**

It is expected that the IP rights for the technology developed by the company shall be wholly with the company or at the disposal of the board of the company. Such companies may collaborate with other companies, sell, share or buy IP rights from other companies.

The current proposal is expected for the incubation of technologies developed at IEST, Shibpur. The company may chose to not take any IP from within the institute. However, to enforce such a discipline will not be practical for the institute. Therefore, in the larger interest of the institute and persons involved within the company, it will be permitted to use the lab, library and other such facilities by the founding faculty members involved in the company. In lieu of this a blanket liability free equity or share of revenue may be retained by the institute as outlined later in this document. This equity will enable certain rights for the company within the institute including free use of the IP developed by the persons involved in the company as employees/students of IEST, Shibpur.

The company may also use the testing facilities as per the prevailing norms of the institute. During the incubation period within the campus, the company may be

allowed to use the lab facilities (free of charge or on a chargeable basis). Utilization of lab facilities will be subject to availability of the resources. Priority is granted to IEST, Shibpur projects and students. Free utilization will be subject to acceptance by the department concerned, the department may also have the right to levy a suitable charge as and when it deems it necessary.

Any patents/copyrights etc. filed by the company will be property of the company. It is expected that the institute will share such IP rights for the technology developed within the institute or a free use of which is permitted to be used by the company. The involved faculty member(s) and student(s) may sign such agreement with the institute.

#### **4. Disclosure and Compliance**

Financial and non-financial disclosure agreement will be signed as per the existing institute norms.

#### **5. Support from other faculty**

Support from other faculty members of the institute during and after the incubation period would be treated under the institute's consultancy norms.

#### **6. Support from students**

Any support received from students for the faculty company would be as per the existing guidelines of the institute.

#### **7. Outsourcing of sponsored research/ consultancy assignment**

Outsourcing of full/part of institute's projects to faculty companies would be governed by institute's policy. In case such policy is not available then the outsourcing decision would be undertaken on a case by case basis by a committee to be constituted by the Institution for the purpose.

#### **8. Funding for the company**

The company will have its own funding and accounting procedures in line with the existing industry norms. Institute, at its discretion, may also provide loans to such companies which will be governed by the institute's norms.

## 9. Methodology

A start-up company will preferably be required to be incubated in the Incubation facility ( if any ) provided by the Institute.. However, in the exceptional cases, where faculty wants to open the company outside institute, a sufficient justification has to be provided, which will be evaluated by a committee to be constituted by the Institution for the purpose The recommendation of the committee will be final and binding.

For the incubation of any of the start-up Company by the stake-holders of the Institute, evaluation will be as per the incubation policy of the institute. Upon approval, the institute shall exercise its discretion on:

- (a) A liability free equity of 10 % in the company for a period of ten years . Against this equity, the institute shall permit the use of IP developed within IEST by the founding faculty members and students.
- (b) Equity against incubation will be as per Incubators Policy of the institute, if the Start-up Company is incubated at the Incubation facility of the Institute.
- (c) In case the institute provides loan to the company, Institute's rules will apply for its repayment/additional equity holding.

## 10. Resolution of Conflicts

In situations where the objectivity of any of the stake-holders of the Institute joining entrepreneurship could reasonably be questioned, the Director may establish an independent committee to take steps including (but not limited to) the following: to review the appropriateness of the proposed research / entrepreneurship to be conducted at IEST-Shibpur to oversee the conduct of the research, and to ensure open and timely dissemination of the research outcome.

The faculty may appeal to the Board of Governors of the institute for a review of the committee decisions. The decision of the Board, in this regard, would be final.