

FACULTY OF ENGINEERING
TEERTHANKER MAHAVEER UNIVERSITY, MORADABAD

INNOVATION & STARTUP POLICY

(A Guiding Framework for Faculty, Staff & Students)

A Road Map for Institutional Innovation & Startup



Established by an 'Act' (No. 30) of 2008 of the Government of

Uttar Pradesh

and

Approved by the University Grants Commission (UGC), since inception in 2008,
vide letter No. F. 9-31/2008(CPP-1) dated October, 2008.

Near Delhi Road, NH-24

Pakbara, Moradabad

Uttar Pradesh-244001

<https://www.tmu.ac.in/faculty-of-engineering>

Table of Contents

Part-1	3
1.1 Introduction	3
1.2 Definitions	3
1.3 Faculty of Engineering Innovation & Startup Policy Framework	4
Part-2: Faculty of Engineering Entrepreneurship Development Cell	4
2.1 Purpose of FOEDC	4
2.2 Function of FOEDC	4
2.3 Constitution of FOEDC	5
2.4 FOEDC Innovation Activities	5
Part-3: FoE Centre for Innovation and Technology Transfer	8
3.1 Mission of FoE Centre for Innovation and Technology Transfer	8
3.2 Constitution of the FoE Centre for Innovation and Technology Transfer	8
3.3 Functions of FoE Centre for Innovation and Technology Transfer	9
Part-4: FoE Venture Pre-Incubation & Incubation Program	10
4.1 FoE Venture Pre-Incubation Program	10
4.2 FoE Venture Incubation Program Phase 1	10
4.3 FoE Venture Incubation Program Phase-2	11
4.3 (A) Setting up of FOEDC in Phase-2	11
4.3 (B) Management of FOEDC	12
4.3 (C) Role of FOEDC vis-à-vis the start-ups	12
Part-5: Guidelines for involvement of FoE faculty, Research scholars and students in start-ups	14
5.1 Modes of Engagement of Faculty with start-ups	15
5.2 Modes of Engagement for Research Scholars and students with start-ups	17
5.3 Guidelines for Equity sharing between start-ups of faculty/ students with FOEDC	19
5.4 Guidelines regarding Intellectual Property (IP) rights	19
Part-6 Conflict of Interests	22
6.1 Typical conflict of Interest situations	22
6.2 Guidelines Management of Conflict of Interests	26
6.3 Resolution of Conflicts	26
Part-7 Glossary	

1. Introduction:

National Innovation and Startup Policy 2019 was launched by the Ministry of Human Resource Development in 2019 for students and faculty of Higher Education Institutions (HEIs). The Policy is framed keeping in view the vision of Central Government on innovation and entrepreneurial startups. The framework was structured to enrich the HEIs to actively employ students, faculties and staff in innovation and entrepreneurship-oriented activities. In today's education system Innovation and Entrepreneurship must come forward as the important components to boost the economy of the nation and to become 5 trillion-dollar economy by 2024. In HEIs ecosystem must be created to convert the young aspirants into good quality technical human resources, which could eventually create wealth for the nation through Startups and entrepreneurship.

1.1 Definitions

"FoE" shall mean "Faculty of Engineering".

"FOEDC" shall mean "Faculty of Engineering Entrepreneurship Development Cell".

"TMU" shall mean "Teerthanker Mahaveer University"

"Policy" means FOEDC Startup Policy.

"Faculty Member" shall mean a faculty member of Faculty of Engineering.

"Student" shall mean a full-time student studying at Faculty of Engineering.

"FOEDC Member" shall mean any permanent faculty member on duty or on leave, faculty on tenure, research associates and students having live registration in Faculty of Engineering or FOEDC.

"Startup" is an entity that develops a business model based on either product innovation or service innovation and makes it scalable, replicable and self-reliant as defined in Gazette Notification No. G.S.R. 127(E) dated February 19, 2019 or as per the prevailing notifications of the Government of India issued from time to time. The current definition of startup is an entity that is headquartered in India, which was incorporated less than 10 years ago, and has an annual turnover less than Rs. 100 crores.

"Equity share" also commonly referred to as ordinary share, represents the form of fractional or part ownership in which a shareholder, as a fractional owner, undertakes the maximum entrepreneurial risk associated with a business venture. The holders of such shares are members of the company and have voting rights.

1.2 Faculty of Engineering Innovation and Startup Policy Framework

The FoE Innovation and Startup Policy Framework is proposed to have three main components:

1. FoE Innovation Council i.e. **FOEDC**
2. FoE Centre for Innovation and Technology Transfer
3. FoE Venture Pre-Incubation and Incubation Program
 - Faculty of Engineering Entrepreneurship Development Cell (FOEDC)
 - FOEDC Program – Phase 1
 - FOEDC Program – Phase 2

While formulating the FOEDC Startup Policy, the recommendations made by AICTE, MIC and Government of Uttar Pradesh have been taken into account.

2. Faculty of Engineering Entrepreneurship Development Cell (FOEDC):

FOEDC was established in order to provide technical assistance to the student's startups, innovative and entrepreneurial idea generators. The FOEDC Centre has been created to cater the needs of three important aspects of Startup activities – innovation, incubation and entrepreneurship.

FoE will constitute an Innovation Council in accordance with the directives of MHRD's Innovation Cell (MIC).

2.1 Purpose of FOEDC

The major focus of FOEDC will be:

- To create a vibrant innovation ecosystem.
- Identification of the best of ideas and providing them guidance to transform them into Startup or entrepreneur endeavor.
- Soliciting an entrepreneur through application of knowledge and expertise – academic as well as industrial.
- Provide Startup / Entrepreneurship supporting initiatives.
- Develop better cognitive abilities and hand skills amongst students.

2.2 Functions of FOEDC

The functions of FOEDC will be:

- To conduct various innovation and entrepreneurship-related activities
- Inspire and reward innovations.
- Organize workshops, seminars and interactions with entrepreneurs, investors and professionals and create a mentor pool for student innovators.
- Create network with peers and national entrepreneurship development organizations.
- Create FOEDC innovation portal to highlight innovative projects carried out by the Institution's faculty members and students.
- Organize Hackathons, Idea Competitions, Challenges, etc.

2.3 Constitution of Faculty of Engineering Entrepreneurship Development Cell

FOEDC Innovation Council's composition, in line with AICTE and MHRD recommendations, is proposed to be as follows:

Senior Faculty Member of the FoE	President	1
Faculty Member	Convener	1
Faculty Member	Member	5
FOEDCs Coordinator (UG Student 4th Year)	Coordinator	1
Representative from nearby Incubation Centre	Member	1
Representatives of SIDBI / NABARD / Lead Bank / Investor or Local	Member	1

entrepreneur		
Technical Experts from nearby Industry	Member	2
Alumni Entrepreneurs from FoE	Member	2
UG Students from FoE	Member	5
PG Students	Member	5
PhD Students	Member	2
Patent Expert (Optional)	Member	1

2.4 FOEDC Innovation Initiatives

The following programs and opportunities are suggested to begin with under the FOEDC Innovation Initiative.

A. FOEDC Entrepreneurship Club

The objective of the Club will be to inculcate ‘Entrepreneurial Thinking’ among students by providing resources and learning experiences to students who are planning to start their own ventures or startups. In the Entrepreneurship Club, students can generate ideas, build teams, learn about fundraising and much more. The Club can facilitate interaction with experienced entrepreneurs, industry experts and funding agencies to gain insight and inspiration.

B. FOEDC Launchpad Online

In the FOEDC Launchpad Online program, students will be encouraged to enroll in entrepreneurship and finance courses offered by edX, Coursera, LinkedIn Learning, Lynda and other online platforms. FOEDC could shortlist a few courses from these platforms as “Elective Courses” in Entrepreneurship and Finance that students can enroll for, provide guidance to students for selection of other courses as electives, and also provide suitable credit to students availing these courses during their undergraduate and postgraduate courses. Such courses are useful to understand basic theory and practice of entrepreneurship and finance. While many courses are available free, a few are paid. Entrepreneurship courses are appropriate for anyone interested in starting and growing a successful business.

C. FOEDC Expert Chats

These Expert Chats can be intimate conversations with entrepreneurs, small business owners, and other experts. These experts can share their experiences on managing a business, managing work-life balance, build marketing strategies or tips to leverage tiny budgets. They can also share their challenges, successes and tips and answer burning questions about entrepreneurship.

D. FOEDC Alumni Power tank

Alumni will play an active role by supporting innovation and entrepreneurial activity at FOEDC by pairing prospective entrepreneurs with volunteer mentors.

E. FOEDC BizTek

This is an annual business plan competition. Here participants will articulate a ten-minute pitch of a product, service or solution in front of a panel of experienced judges and get feedback on ideas and presentations from both judges and mentors. The best three participants can receive awards/certificates.

F. FOEDC Startup Internship

FOEDC Startup Internship program could be specifically encouraged for students who want to experience working at a startup full time. The duration of the internship could be similar to the current regular internship program for undergraduate students. Alternatively, students could be encouraged for such internships in the summer break.

3. FoE Centre for Innovation and Technology Transfer

Encouraging technology transfer from universities to the Industries has been identified as a desirable goal, not only to enhance the competitiveness of the Industries through access to innovative research results but also to ensure that university R&D results are made available to society through their commercialization. IP rights have become a widely used tool to promote university-industry partnerships as they can provide the necessary incentives to facilitate effective transfer of technology.

Technology transfer activities within universities are generally best served through the establishment of a dedicated office. Their tasks may be broader, including not just technology transfer but any interaction or contractual relation with the private sector. The advantage of having an office that is specialized in technology transfer is that it enables universities to professionalize their technology transfer activities. A Technology Transfer Office (TTO) may be internal to the institution or may be a separate agency, foundation or university-owned company. The establishment of joint TTO for a group of universities that are based in the same region or specialize in similar fields implemented by institutions, is also an option that may be considered. One of the main reasons for establishing a joint TTO is that individual universities may not generate sufficient work to justify the creation of a specialized office with skilled human resources and having a critical mass helps hiring highly skilled human resources at a lower cost for each individual institution.

3.1 Mission of FoE Centre for Innovation and Technology Transfer

To be an effective interface with the industry to foster, promote and sustain commercialization of innovations, patents and technologies developed at the institute for mutual benefits.

3.2 Constitution of the FoE Centre for Innovation and Technology Transfer

To begin with, the FoE Centre for Innovation and Technology Transfer will be structured as an office under the aegis of TMU. This Centre will subsequently be transferred to the legal entity (Section 8 company under The Companies Act, 2013) constituted for FOE-Entrepreneurship Development Council (FOEDC) in Phase 2 described later in this Policy.

While under FoE, a committee consisting of the Vice Chancellor, Director, two faculty member and one eminent person nominated by the Governing Council / Board shall have the overall authority for running the FoE Centre for Innovation and Technology Transfer.

The Committee shall identify a suitable professional to be appointed as Head/ COO – FoE Centre for Innovation and Technology Transfer. He/she shall be responsible for the day-to-day operations and assist the Committee for smooth management of the Centre.

Technology transfer professionals are the main liaison between industry and academia. As the main connection for these industry-university relationships, the Centre will need to be headed by an experienced professional with the following skill sets –

- Relationship-building to establish industry-academia partnerships.
- Strategic planning to assess commercial potential.
- Commercial acumen and communication skills to promote new technologies.
- Legal and regulatory skills to negotiate licenses and commercialize patents.
- Entrepreneurial mindset to develop spin-off companies.

The Centre will have a minimum support staff for day-to-day operations. Any other accounting, legal and secretarial services may be outsourced on contract basis.

3.3 Functions of FoE Centre for Innovation and Technology Transfer

- Devise innovative ways to create partnerships and linkages for FOE with businesses and the wider community to enable knowledge transfer for the common good.
- License Intellectual Property Rights (IPR) to corporates.
- Raise funds for research.
- Foster technology development, technical consultancy, collaborative R&D, organize industry site visits, professional HR development and other training programs.
- Enable sponsorships for organizing/participation in conferences/events.
- Organize short-term courses on emerging technologies for both the Institute and the industry.

4. FoE venture pre-incubation and incubation program

Amongst the different ecosystem stakeholders, incubators have played a critical role in the growth of startups. Incubators provide a combination of support services, such as providing incubation or co-working spaces, laboratory spaces, access to technology and testing facilities and utilities, growth funds, business advisory support, networking and linkages. Incubators support startups by mitigating various risks that startups face and provide both generic as well as specific incubation services. In line with the global trends in higher technological education, ICT is keen to encourage entrepreneurship amongst its faculty members, research scholars, and post-graduate as well as undergraduate students. It is envisaged that the commercialization of technology developed at the Institute as a result of these incubation initiatives can benefit both the Institute as well as society at large

4.1 FoE Venture Pre-incubation Program:

Setting up a new business is a process that requires commitment, determination and knowledge of the reference sector. In this phase, called Pre-incubation, advice regarding appropriate training programs on entrepreneurship, incubation facilities, services, grants and other funding programs, fundraising process, etc. will be provided, besides providing networking opportunities and connections with the entrepreneurs both within and outside the TMU alumni network. During this period, faculty members, researchers and students will work on validating their ideas for technical feasibility and market viability before approaching incubators and/or investors.

4.2 FoE Venture Incubation Program- Phase 1:

To accomplish this objective given the current constraints of unavailability of adequate clearly demarcated incubation space of at least 10,000 square feet of built-up space (minimum requirement as per AIM) at FoE, TMU, Moradabad, it is proposed that FoE would in Phase 1 consider:

- Setting up FoE Entrepreneurship Development Cell (FoEDC) as an independent entity either as a Section 8 company under The Companies Act, 2013 (previously Section 25 company under The Companies Act, 1956) or as a Society under Society Registration Act, 1860.
- Consider initiating pre-incubation/incubation using its own small laboratory spaces across the Institute to incubate startups by its faculty members, research scholars and students to commercialize technologies and intellectual property (IP) developed at FoE labs. This would however be done in partnership with the some of the established incubators across the country so to enable structured funding support and advisory services to startups incubated at FoE.

It is expected that the faculty member/student seeking incubation under this program will be required to incorporate a company before seeking any assistance under this Incubation Program. However, in exceptional circumstances, FoE may permit the faculty member/student to initiate incubation without the incorporation in which case the same will be required to be achieved within six months of incubation.

FoE could also provide incubation support to external startups in which faculty members, research scholars or students are associated as consultants or mentors.

4.3 FoE Venture Incubation Program- Phase 2:

In Phase 2, FoE would consider setting up a proper Incubation Centre as an independent facility of the “FoE Entrepreneurship Development Cell” with a minimum 10,000 square feet built-up area or then prevailing norms as prescribed under AIM to incubate startups by its faculty members, research scholars and students to commercialize technologies and intellectual property (IP) developed at FoE laboratories. FoE could also provide incubation support to external startups in which faculty members, research scholars or students are associated as consultants or mentors.

4.3(A) Setting up of FoE Entrepreneurship Development Cell (FoEDC) in Phase 2:

- FOEDC can lease built-up space from TMU at its premises. The space for the same will be a minimum of 10,000 square feet built-up area as prescribed under AIM or as per prevailing regulations at that point of time. For creating other necessary facilities, FOEDC can seek grant-in-aid support from NITI Aayog under Atal Innovation Mission (AIM), Government departments such as Department of Science and Technology, National Science and Technology Entrepreneurship Development Board (NSTEDB), Biotechnology Industry Research Assistance Council (BIRAC), Ministry of Electronics and Information Technology, Ministry of Micro, Small and Medium Enterprises (MSME), State Government or from corporates under the Corporate Social Responsibility (CSR) program.
- In case such built-up space is not available at TMU premises, FOEDC may make alternate plans to lease/build such a facility from grant-in-aid from Government departments listed above either at TMU or at a location preferably close to TMU.
- FoE may also explore the possibility of setting up the FOEDC in public-private partnership model on build, operate and transfer mode.
- FOEDC shall charge basic rent, maintenance and reimbursable charges from its incubatees. FoE may also recover the cost of the services it provides to FOEDC.
- FOEDC shall endeavor to build relationships with the FoE & TMU alumni network, angel funds, angel investors, seed funds/venture funds and Government funding agencies to facilitate financing of the startups incubated at its premises.

- FOEDC shall endeavor to be a self-sustaining entity within a reasonable period from its commencement.
- FOEDC can also extend its incubation facility to the alumni of FoE as well as outsiders.

4.3(B) Management of FoE Venture Incubator:

- An eminent person nominated by the Governing Council/Board shall be the Chairperson of the Board of Directors (BOD) of the FOEDC. He/she shall have the overall authority for running the FOEDC. The Vice-Chancellor of TMU and Director of FoE will be the member of the Board.
- The BOD shall meet at least once in six months to discuss and take decisions for smooth running of FOEDC.
- The BOD shall hire services of a professional as a Managing Director or CEO to manage the FOEDC. He/she shall, inter alia, be responsible for day-to-day operations and assist the Chairman and BOD for smooth management of FOEDC.
- FOEDC will have a minimum support staff for day-to-day operations. Any other accounting, legal and secretarial services may be outsourced on contract basis.
- FOEDC shall evolve a standard legal agreement (with necessary modifications from case to case) to be entered between FOEDC and the incubated company/startup availing of its services as well as with FoE separately for use of its facilities and other infrastructure.

4.3(C) Role of FoE Entrepreneurship Development Cell vis-à-vis the startups:

FOEDC will on behalf of FoE carry out all dealings with startups right from the selection of the startup. FOEDC will actively support the startup with a combination of inputs and services covering:

- Office and operational space
- Permission to use laboratories and equipment
- Advice on Intellectual Property protection and commercial transactions
- Business and financial structuring advice
- Mentoring and networking support
- Advice on fund raising
- Logistics support
- Monitoring and reporting
- Permission to use the brand of FOEDC

FOEDC could outsource some of the above services to external consultants, advisors and vendors on a case-to-case basis.

FOEDC can allow the startup to use its facilities and services for a period of three years from the date of formal approval extendable to a maximum period of five years from the date of

formal approval on a selective basis if such extension and support is warranted. The FOEDC Board will formulate rules for the functioning of the startup at FOEDC which will cover extent of period stay allowed and conditions under which the startup will have to exit the FOEDC before the completion of the contacted maximum period of three or five years, as the case may be. Some of the criteria for deciding the same could be gross annual revenues, number of employees exceeding a certain threshold, underperformance or unviability of the business proposition, irresolvable disputes between promoters/founders, changes in promoters/founders' team or business proposition, merger or acquisition deal with change in ownership or non-compliance with FOEDC's terms and conditions. It will also formulate rules regarding the holding period, valuation and disposal of equity shares held by FOEDC.

5. Guidelines for involvement of FoE Faculty, staff, Research Scholars and students in startups

Universities, the world over encourage and enable their faculty members, researchers and students to involve in startups in various capacities while in professional employment with the university/institute. Such measures encourage translation of inventions and innovations into commercial products for the larger good of the society. In many instances, such startups are often established in campuses of universities/research institutions due to their special needs and resource requirements such as domain expertise, specialized facilities and knowhow. Faculty members and students at FoE too are continuously engaged in several cutting-edge research areas. However, most of these research outcomes may/may not get translated into commercial products, benefiting the society in general, due to several reasons. To promote entrepreneurship among faculty members, FoE in line with the best practices of other institutes of higher learning across the world, encourages faculty members and students to undertake entrepreneurship-related activities. The objective of supporting entrepreneurship is to encourage participation of faculty members and students in commercial ventures, companies or similar entities with equity participation as an additional dimension to their existing roles as faculty members or students. FoE encourages its faculty members and students to engage in businesses that are direct results of the research activities at FoE, be on the board of such companies in the capacities of director, chairperson, promoter or any such role, subject to the terms and conditions of FoE Startup Policy applicable across FoE's various departments, thus breaking the existing silos. The overall goal of implementing this Policy is to encourage entrepreneurship at FoE and to link innovation to enterprises to financial success. With a view to permitting and enabling the faculty members, research scholars and students to set up and involve in startups set up both at the campuses as well as outside the campuses, FoE may consider the following guidelines for the same. Any permanent faculty member or staff on duty or on leave, faculty on tenure, research associates, post-doctoral fellows and students having live registration (hereinafter referred to as "FoE member"), will be permitted to involve with startups either on a full or part-time basis as promoter/advisor/consultant/any other approved role.

- A FoE Member as defined above will be permitted to use specified physical and/or intellectual resources (e.g. laboratory and workshop equipment, laboratory instrument, IT resources and assistance of other FoE Members) of FoE as per prevailing rules notified by FoE.
- The definition of startup considered for the purpose of this document will be as per the prevailing notifications of the Government of India from time to time. The current definition of startup is an entity that is headquartered in India, which was incorporated less than ten years ago and has an annual turnover less than Rs. 100 crores.

- The startup formed by the faculty member/staff /student would be promoted by the individuals and not by FoE nor FOEDC.
- It has also to be ensured that no reputational or financial liabilities accrue to FoE, and the equity stake of FOEDC (as agreed in the agreement between FOEDC and the company) in the company is protected.
- Participation in startup related activities will be considered as a legitimate activity of faculty members in addition to teaching, conducting research, guiding researchers, providing industrial consultancy and completing management duties. The same will be considered while evaluating the annual performance of faculty members. Each faculty member is encouraged to mentor at least one startup.
- It should be noted however that the FoE Member should take all possible steps to ensure that his/her duties and responsibilities as a member of FoE take precedence over all other activities regardless of the nature of his/her engagement with the startup. His/her engagement with the startup during regular work hours or on leave would be subject to the prior approval from the Institute's competent authorities. The faculty member/student has to take prior permission from the Institute before associating with any business venture or starting a new venture, through a proper application process.

5.1 Modes of Engagement of Faculty members with startups:

a) Capital Investment by faculty members by way of shares in a startup with no involvement:

- A FoE faculty member may be involved in a startup by providing capital investment alone in return for shares with no other managerial, technical or mentorship role whatsoever.
- If a FoE faculty member makes a financial investment in a startup or a company without making any contribution in the form of technical/consulting advice or any involvement of FoE in the form of any commercial transaction or intellectual property or use of FoE facilities, then such an investment will be treated as a private matter of the faculty member and of no concern to FoE.
- FOEDC too will have no role to play in such instances.
- The faculty member may however declare this to FoE or to FOEDC as a matter of good practice to avoid any conflict-of-interest situation.
- If a startup or any company awards a consultancy project to the FoE faculty member, the prevailing FoE rules and regulations for consultancy projects will apply.

b) Part time engagement of faculty members in a startup:

- Faculty members are allowed to participate in a startup on a part time basis as per prevailing FoE norms.
- The faculty member will prior seek approval of FoE for engagement with a startup on a part time basis as per prevailing FoE rules. The faculty member must

apply for approval for engagement with the startup and the startup must enter into an agreement with FOEDC. Such an agreement should establish the mode of engagement of the faculty member with the startup besides including the FoE technology / Intellectual Property being licensed to the startup.

- With regard to the extent of time spent on such participation, the compensation to the faculty member may be in cash for which FoE norms for consultancy projects will be applicable.
- Alternately, the faculty member will be allowed to obtain shares of the startup/company as compensation for engagement with the company in part or in full, in lieu of cash payment. In such cases the faculty member will offer a certain percentage of these shares to FOEDC. The shares shall be transferred to FOEDC on the same valuation terms.

c) Full Time Engagement of Faculty member in a startup with availing of sabbatical and special Leave (SPL) for setting up a startup/ pursuing Entrepreneurship:

- A FoE faculty member may avail of either sabbatical or special Leave (SPL) of up to one year, extendable by another one year (i.e., maximum two years) as per prevailing TMU rules and may work full time for the startup. Permission will be initially given for six months and must be extended every six months therefrom.
- The faculty member will prior seek approval of TMU in consent with FoE for the above-mentioned sabbatical or SPL as the case may be in accordance with the prevailing TMU rules. Permission for sabbatical or SPL would be decided by a three-member committee appointed for the same.
- The faculty member must apply for approval for engagement with the startup and the startup must enter into an agreement with FOEDC. Such an agreement should establish the mode of engagement of the faculty member with the startup besides including the FoE technology / Intellectual Property being licensed to the startup.
- The faculty member will receive salary during sabbatical leave but will not receive any salary when he/she is on SPL.
- During the period of SPL, the faculty member can receive compensation from the startup in cash which need not be shared with FoE as he/she will not be receiving any salary during this period. However, in the case where the faculty member is on a sabbatical leave and receives compensation then FoE, norms for consultancy projects will be applicable and he/she will be required to share a certain percentage as per the then prevailing norms.
- However, when on SPL, if the compensation received from the startup is related to any work done in FoE then FoE norms for consultancy projects will be applicable and he/she will be required to share a certain percentage as per the then prevailing norms. This will also apply to those on sabbatical leave.

- Faculty member on SPL will be allowed to obtain shares of the startup/company as compensation for engagement with the company in part or in full, in lieu of cash payment. He/she will however not be required to share any part of these shares with FoE as he/she will not be receiving any salary during this period.
- However, if this compensation is related to any work done in FoE, then FoE norms for consultancy projects will be applicable and the faculty member on SPL will be required to share a certain percentage of shares with FOEDC as per the then prevailing norms. The shares shall be transferred to FOEDC on the same valuation terms.
- Faculty member on sabbatical leave too will be allowed to obtain shares of the startup/company as compensation for engagement with the company in part or in full, in lieu of cash payment. He/she will however be required to share a certain percentage of shares with FOEDC as per the then prevailing norms irrespective of whether it is related to any work done at FoE or not as he will be receiving salary also during this period. The shares shall be transferred to FOEDC on the same valuation terms.
- The faculty member after completing his sabbatical or SPL will rejoin FoE. Post this, no compensation is due to FoE as long as the involvement of the member, for which the compensation was paid, completely ceases after the leave period.
- Faculty member may continue to involve with the startup as shareholder on re-joining FoE after sabbatical or SPL. In case the faculty member is involved as a mentor, consultant or any other form other than a shareholder after sabbatical or SPL, then rules applicable will be same as that of part-time engagement listed below.

5.2 Modes of Engagement for Research Scholars and Students with Startups

a) Part time engagement of research scholars and students in a startup:

- A FoE research scholar/student can seek permission from FoE to work for a startup on a part-time basis as per prevailing TMU rules.
- A research scholar/student must apply for approval for engagement with a startup and the startup must enter into an agreement with FOEDC. Such an agreement should establish the mode of engagement of the research scholar/student with the startup besides including the FoE Technology / Intellectual Property being licensed to the startup.
- With regard to the extent of time spent on such participation, the compensation to the research scholar/student may be in cash for which FoE, TMU norms for consultancy projects will be applicable only to research scholars and not to students.
- Alternately, the research scholar/student will be allowed to obtain shares of the startup as compensation for the engagement with the company in part or in full, in lieu of cash payment. In such cases research scholars will offer a certain percentage

of these shares to FOEDC. The shares shall be transferred to FOEDC on the same valuation terms. Students will not be required to share any percentage of his/her shares with FOEDC.

- The research scholar/student will have to satisfy all norms including attendance requirements for his/her program of study in order to earn a degree.

b) Full time engagement of research scholars and students with a startup

- A FoE, TMU research scholar/student can seek permission from FoE, TMU to take Special Leave (SPL) for a up to one year, extendable by another one year (i.e., maximum of two years) as per prevailing ICT rules and may work full time for the startup.
- The research scholar/student must apply for approval for engagement with startup and the startup must enter into an agreement with FOEDC. Such an agreement should establish the mode of engagement of the FoE member with the startup besides including the FoE, TMU Technology / Intellectual Property being licensed to the startup.
- Research scholar/student will not receive any fellowship when he/she is on SPL.
- During the period of SPL, the Research scholar/student can receive compensation from the startup in cash which need not be shared with FoE as he/she will not be receiving any fellowship during the period.
However, if the compensation is related to any work done in FoE, then FoE, TMU norms for consultancy projects will be applicable only to research scholars and not to students, and will be required to share a certain percentage as per the then prevailing norms.
- Alternately, the research scholar/student will be allowed to obtain shares of the startup/company as compensation for engagement with the company in part or in full, in lieu of cash payment. Again, he/she will not need to share any part of these shares with FoE as he/she will not be receiving any fellowship during this period. However if this compensation is related to any work done in FoE, then FoE, TMU norms for consultancy projects will be applicable to research scholars and not to students and will be required to share a certain percentage of shares with FOEDC as per the then prevailing norms. The shares shall be transferred to FOEDC on the same valuation terms.
- The research scholar/student, on returning, has to satisfy all norms including attendance requirements for his/her program of study in order to earn a degree.

5.3 Guidelines for Equity sharing between Startups of Faculty Members/Student with FOEDC

- In return of services and facilities, FOEDC may take 2% to 9.5% equity stake in the startup/company, based on brand used, faculty contribution, support provided and use of Institute's IPR. (A limit of 9.5% is suggested so that FOEDC or FoE, TMU has no legal liability arising out of startup. FOEDC will normally take much lower equity share, unless its full-time FoE member has a substantial share). Other factors for consideration will be space, infrastructure, mentorship support, seed funds, support for accounts, legal advice, patents, etc.
- It is expected that FOEDC will take no more than 20% of shares that FoE member takes while drawing full salary from the Institute; however, this share will be within the 9.5% cap of company shares mentioned above.
- There will be no restriction on shares that FoE members can take, as long as they do not spend more than 50 man-days in a year of office time on the startup in advisory or consultative role and do not compromise with their existing academic and administrative work/duties.
- In case of a largely equity model, the startup may be given a cooling period of one year extendable by another one year (i.e., maximum two years) or until the time of the first investment by an external investor, whichever is earlier, to use incubation services on rental basis and to take a final decision for sharing of equity based on services offered by FOEDC.

5.4 Guidelines Regarding Intellectual Property (IP) Rights

A FoE member, while on duty or on leave, may be involved in the creation of IP either solely or in association with a startup or a company. The definition of IP will include, but is not limited to, inventions/innovations (whether patentable or not), invention/innovation disclosures, trademarks, trade secrets, know-how, proprietary information, technical data, documentation, data collections, databases, concepts, processes, prototypes, software, designs, drawings, names, symbols, images, materials, biological material, plant genetic material, support services and the like, whether or not the foregoing are in tangible or intangible form, which enable people to earn recognition and financial benefit.

- If such an IP is created with the involvement of the FoE member, then any contract between FoE/FOEDC *and* the startup specifying the sharing rights for the IP will hold good on terms defined either in terms of equity in the startup and/or license fees and/or royalty to obviate the early-stage financial burden. License fees could be either/or a mix of
 - a) Equity shares in the company licensing the product
 - b) Upfront fees or one-time technology transfer fees
 - c) Royalty as a percentage of sales

In the absence of such a contractual obligation, the prevailing FoE, TMU IPR Policy, Rules and Regulations will apply.

- In case a FoE member develops an IP (both during part-time association or while on leave) at a startup or company which leverages prior IP developed at FoE, the member must ensure the prior IP is properly licensed by the startup. In the absence of such a contractual obligation, the prevailing FoE, TMU IPR Policy, Rules and Regulations will apply.
- The same will apply on the FoE member's retirement/superannuation/change of job.
- In the event the startup or company uses any "know-how" for business purpose, which has not been secured through any IP registration application, the faculty member has to disclose the source and origin of such "know-how".
- In case the startup or company to which the IP has been licensed to further sublicenses the same to any other entity, then the licensing revenue generated by the said company will be distributed among the inventors and FoE/FOEDC as per the extant IPR Policy of the Institute.
- If product/IPR is developed by faculty members/students not using any Institute facilities, outside office hours or not as a part of the curriculum by students, then product/IPR will be entirely owned by inventors in proportion to the contributions made by them. In this case, inventors can decide to license the technology to third parties or use the technology the way they deem fit.
- If there is a dispute in ownership of IPR or matters related to IPR, a committee, consisting of two faculty members (having developed sufficient IPR and translated to commercialization), two of the Institute's alumni/industry experts (having experience in technology commercialization) and one legal advisor with experience in IPR matters, will examine the issue after meeting the concerned parties to help them settle the same. The Institute can appoint alumni/faculty members of other institutes as members, if sufficiently experienced Institute alumni/faculty members are not available.
- The startup or company may be permitted to use the laboratory and other such facilities to which the founding faculty member(s) is/are entitled and allowed with a clearly defined conflict of interest policy. The company may also use other facilities of the Institute on payment basis as per prevailing norms. In addition, to ensure safety and security of all concerned, all compliances and procedures for laboratory usage should be strictly adhered to.
- If any IP is generated by the startup during their course of incubation, the information about its filing and status of IP application should be provided to FoE for records and information.

The above points on IP explain the policy framework in general. For more details, please refer to FoE, TMU IPR Policy documents.

5.5 Guidelines regarding Non-Disclosure Agreements, Indemnification, Arbitration & Dispute Resolution

a) Confidentiality

It is understood that all FoE members will undertake to sign suitable non-disclosure undertakings wherever sharing of any confidential material is involved with external parties on behalf of FoE, TMU or themselves and submit a copy of the same to FoE.

b) Indemnification

FoE Members shall indemnify and keep fully indemnified FoE, its affiliates, directors and employees from and against all direct losses, liabilities, penalties, interests, actions, proceedings, claims, demands, costs (including without prejudice to the generality of this provision, the legal costs) awards and damages arising directly as a result of, the following but not limited to (i) any breach or non-performance by the FoE members and / or Core Team of any of their undertakings, representations, warranties or obligations (ii) fraud, gross negligence or willful misconduct by them, their company and/or Core Team; or (iii) claims arising out of Material Breach.

c) Governing Law and Arbitration

This policy document and all procedures outlined by FoE based on this Policy document shall be governed by and construed in accordance with the Laws of the India, without giving effect to its choice of laws rules and shall be submitted to the exclusive jurisdiction of the competent Courts of Moradabad.

d) Arbitration & Dispute Resolution

- If any dispute arises between the Parties hereto during the subsistence of this Policy document or thereafter, in connection with the validity, interpretation, implementation or alleged breach of any provision of this Policy, the Parties hereto shall endeavor to settle such dispute amicably through mutual discussion among the Parties in dispute.
- In the event the Parties are unable to resolve the dispute through mutual discussions shall be resolved by binding arbitration conducted by a sole arbitrator appointed under the provisions of the Indian Arbitration and Conciliation Act, 1996 and the rules made thereunder.
- No arbitrator chosen shall be related to, employed by or otherwise affiliated with any Party, or any of their relatives or affiliates.

- The arbitration proceedings shall be conducted in English, and in Moradabad. The decision and award of the arbitrator shall be in writing and in English, and final and binding on all the Parties to this Agreement.
- The arbitrator in his or her final arbitral award shall determine the final allocation of the costs of arbitration.
- The award shall be binding on the Parties subject to the Applicable Laws in force and the award shall be enforceable in court of law in Moradabad.

6. Conflict of Interest

FoE, TMU is keen to encourage its faculty members, research scholars and students to convert their innovations and new ideas into commercial ventures for personal, institutional and social benefits. However, when doing this, complexities surrounding actual and potential conflict of interests are expected to arise, especially in the context of their commitment to FoE, student education and objective research, as well as their obligations to society. For them to benefit from education and research, a fine line has to be drawn between using Institute resources for Institute activities and for personal economic interests.

When an Individual holds two positions in different roles and when he/she tries to use a position for personal satisfaction of his/her aspirations in another, a situation of conflict of interest arises. This could be as simple as employees of FOEDC exploring equity stakes in startups incubated on a selective basis (cherry picking). Care must be taken to clearly separate the personal financial aspects of the entrepreneurial activities of faculty members, research scholars and students from their respective roles, duties and responsibilities at FoE and should be consistent with the value system of FoE.

Similarly, the use of FoE, TMU facilities and equipment must be free from unauthorized and conflicting uses and must be suitably compensated for as per the policies of FoE, TMU. Appropriate judgement should be applied by all concerned parties, the faculty members, research scholars, students, FOEDC employees and associates besides the incubated startups, their promoters, employees and staff.

6.1 Typical Conflict of Interest Situations

A few situations leading to conflicts of interest are given below. These are not exhaustive and only representative for guidance to all stakeholders.

- All stakeholders may come in possession of proprietary and confidential information. Recipients of such information should make all efforts to preserve the

confidentiality of such information and not disclose or use it for their personal and other benefit without explicit approval of the disclosing party.

- Use of FoE students or employees to perform work for a startup without any compensation when the work is not related in any way to their academic pursuits.
- Use of FoE facilities for the benefit of a startup without proper permissions/arrangements and where he/she is an interested person.
- Procuring consultancy research assignments and business in the name of FoE and outsourcing the same to the startup in which he/she is an interested person.
- Influence policy decisions of FoE or FOEDC with an intention to benefit a startup in which he/she is an interested person.
- Influence department decision to procure specific laboratory equipment, which could benefit a startup in which he/she is an interested person.
- Act in any manner to benefit the startup at a disadvantage of FoE or FOEDC.
- Neglecting their commitments to FoE for their association with supported entities.
- Differential pricing of shares in the same round in a startup for faculty members/research scholars/student vis-à-vis FOEDC.

Council for Scientific & industrial Research (CSIR) has issued a comprehensive list of “Possible Conflict” examples. Those which are applicable to FoE are reproduced below as additional representative situations for guidance of FoE members:

1. Relationships that might enable FoE members to influence FoE’s interactions with outside organizations in ways that may lead to personal gain, to the taking of improper advantage by anyone, or the improper diversion of FoE’s assets including the time and talents of its faculty members, staff and researchers.
2. Situations where a FoE member directs students (including post-doctoral fellows, other trainees or guest workers) into a research area or other activity from which the member intends to realize personal financial gain. For example: projects sponsored by a for-profit business in which he/she, a member of his/her family or an associated entity holds an equity or similar ownership interest.
3. A conflict may also arise if students are directed to areas of lesser scientific or scholarly merit to enhance the potential for monetary gain or if the financial potential exists only for the FoE member or the use of students, without recompense from salary or academic credit, for work on behalf of an outside agency.
4. Transmission to any entity or individual or any unauthorized use of the information, records, results, materials, or work product, etc. which have been acquired through research at FoE or through studies conducted on behalf of private and public bodies by FoE for the private gain of the FoE member particularly when such results/reports are not made generally available.

5. Disclosure or use for personal gain or any unauthorized purpose of privileged information acquired in connection with FoE member's official activities. Such information, for example, might include knowledge (prior to general announcement) of discoveries or inventions made by other faculty members; knowledge of impending private or public policy changes; possible new sites for government installations; knowledge of impending research or development programs in advance of official announcements or assisting outside organizations by giving them access to such information except as may be authorized by FoE, TMU rules/Government policies.
6. Consultation that imposes obligations that conflict with FoE, TMU's IP Policy or with FoE's obligations to research sponsors.
7. A FoE member receiving financial compensation for conducting research externally that would ordinarily be conducted within FoE (particularly situations where a substantial body of research that could and ordinarily would be conducted by the FoE member within FoE, TMU is directed elsewhere) or some FoE members may have economic interests in companies. Such economic interests are of consulting or other engagements undertaken by the FoE member under the aegis of the company that might reasonably be performed through FoE, TMU as part of the FoE member's normal duties.
8. Situations where a FoE member is offered research support from an organization in which the member serves as a director, a member of an advisory board, or as a consultant, or in which the member holds a significant equity position.
9. Situations where the FoE member occupies a position in a company doing business in the area of the member's official responsibility which is related to that field i.e., the company's activities compete with those of FoE, TMU.
10. Situations where the member is involved in independent business ventures as owner, operator or major investor, particularly if that entity is doing business with FoE, TMU.
11. Undertaking or orientation of research to serve the needs of a company in which the individual has an economic interest.
12. Participation by a FoE member in Institute decisions to purchase research related goods or services from a company in which the individual has an economic interest.
13. Negotiation or influence upon the negotiation of contracts between FoE and outside organizations with which a FoE member has consulting or other significant relationships.
14. Hiring of close relatives by FoE members in conducting sponsored research, consulting assignments or any related activity in FoE or any entity associated with FoE irrespective of whether any monetary compensation is paid or not for such participation.

- 15.** FoE as an institution possesses both tangible assets, such as its buildings and equipment, research materials like biological materials, chemical samples, prototype devices and equipment, circuit diagrams, computer software and databases and intangible assets, such as different forms of IP as well as its repute and prestige. FoE members hold custody of the bulk of these assets and must be conscious of the fiduciary duty this entails. The misuse of these assets for personal benefit or use of these assets and resources in sponsored research or in consulting by a FoE member without referring to the appropriate official the question whether appropriate costs should be defrayed by the outside agency.
- 16.** FoE members are often called upon to act as consultants in the professions, to advise on the conduct of research, or to give expert testimony before a court of law. Such experts may find themselves in the employ of several clients whose interests are competitive in nature. All types of conflicts to which attention was called in the foregoing points are potentially present here as well. For example, a FoE member may well be consulted with regard to equipment needed for a laboratory installation to be operated by a client agency and may thus have to choose among suppliers of equipment in some of whom he or she has a substantial interest.
- 17.** FoE members very often act as expert members/advisors/consultants to one or more government agencies. These positions present special problems with regard to conflicts of interest, even when the FoE member holds no government-sponsored research grant or contract. When one is a consultant, direct monetary involvement is but one type of problem that can arise. Care must be taken to avoid giving advice that may be of questionable objectivity because of its possible bearing on the FoE member's other interests. Secondly, any decision that is likely to benefit the private entity raises a needle of suspicion. For example, if a FoE member is a consultant to an Engineering firm and he/she is also a member of a Government committee to fix the prices of essential machineries and if that decision is going to benefit the said firm. Similarly, the FoE member might be asked to evaluate proposals for new technology evaluation/financing of a new venture or conduct investigation for compliance of government rules by a firm in which he or she has a significant interest, or in which close friends or immediate family have interests.
- 18.** Very often FoE members act as consultants to industry and/or perform sponsored research for industry and also serve on a committee of an industrial trade association and that association uses the expertise of the FoE member/goodwill of FoE, TMU to influence or lobby government agencies. The situation is particularly objectionable if a FoE member or his/her family member or an associated entity have a financial interest in any business which operates in the industry.

19. A FoE member publishing or formally presenting research results, or providing expert commentary on a subject without simultaneously disclosing any financial interest relating to such results or such subject.
20. It is improper for a member of FoE to accept benefits or favors from outside organizations with which the FoE does or may conduct business, or to extend benefits or favors to employees of the outside organizations under circumstances which might reasonably be interpreted as an attempt to influence the recipients in the conduct of their duties. For example: receipt of any kind of shares in a company during private placement or from director's quota.
21. A FoE member taking administrative action within FoE which is beneficial to a business in which he/she has a financial interest.
22. Associating one's name or one's work with the FoE in such a way as to profit monetarily by trading on the repute of the Institution, rather than on one's professional competence.
23. Speaking or acting or writing as a private person in such a way as to create the impression that one speaks for FoE.

6.2 Guidelines for Management of Conflict of Interest

Following guidelines are suggested for FoE members:

- Obtaining appropriate approvals in advance
- Disclosure of conflict situations
- Abstain from participating in a decision-making process involving such situations
- Immediate reporting of the breach of policy
- Disputes should be reported to the appropriate notified authorities of FoE, TMU and FOEDC.

6.3 Resolution of Conflicts

- In situations in which the objectivity of a FoE member, due to his/her association with a startup or company could reasonably be questioned, the Vice Chancellor of TMU may establish an independent committee to investigate the operation of the startup/company and possible conflict of interest between the functioning of the startup/company and the responsibilities towards FoE of the FoE member associated with the company. The FoE member may appeal to the Board of Governors of the Institute for a review of the committee's decisions. The decision of the Board, in this regard, would be final.
- In case of a conflict situation, FoE expects the concerned people to disclose all information regarding the conflict of interest in a transparent manner to the

Institute and other relevant stakeholders. The disclosed information will be evaluated for the genuineness of conflicting interests by the relevant committee/stakeholders using appropriate judgment. The committee will discuss and try to resolve disputes over conflict of interest in such cases, and the decision should be duly approved by the competent authority.

7. Glossary

“Incubation” is a unique and highly flexible combination of business development processes, infrastructure and people, designed to nurture and grow new and small businesses by supporting them through the early stages of development.

“IPR Licensing” is a partnership between an intellectual property rights owner and another who is authorized to use such rights (licensee) in exchange for an agreed payment (fee, royalty or equity).

“Pre-incubation” typically represents the process which works with entrepreneurs who are in the very early stages of setting up their company. Usually, entrepreneurs come into such programs with just an idea of early prototype of their product or service. Such companies can then graduate into full-fledged incubation programs.

“Angel Investor” shall mean a wealthy individual who invests his or her personal capital and shares experiences, contacts and mentors. Angels are usually accredited investors, and most are associated with Angel Funds. Since their funds are involved, they are equally desirous in making the startup successful.

“Entrepreneurial Culture” refers to a culture/society that enhances the exhibition of the attributes, values, beliefs and behaviors that are related to entrepreneurs.

“Prototype” is an early sample, model, or release of a product built to test a concept or process.

“Executive Capacity” shall mean a role as a Director or a Chief Executive Officer, Chief Operating Officer or Manager or any person, enjoying similar role, by whatever name called, in a company, having executive power(s) in the company.

“Science Park” also known as a Research Park, Technology Park or Innovation Centre, is a purpose-built cluster of office spaces, laboratories, workrooms and meeting areas designed to support research and development in science and technology.

“Special Purpose Vehicle” also called a Special Purpose Entity, is a subsidiary created by a parent company to isolate financial risk. Its legal status as a separate company makes its obligations secure even if the parent company goes bankrupt.

“Technology Business Incubator” (TBI) is an entity which helps technology-based startup businesses with all the necessary resources/support that the startup needs to evolve and grow into a mature business.

“Technology Commercialization” is the process of transitioning technologies from research laboratories to the marketplace.

“Technology Licensing Agreement” is where an owner of a technological intellectual property (the Licensor) allows another party (the licensee) to use, modify, and/or resell that property in exchange for a compensation.

“Technology Management” is the integrated planning, design, optimization, operation and control of technological products, processes and services.

“Venture Capital” is funding to startup companies and small businesses in which there is a substantial element of risk, but which are believed to have long-term growth potential. Venture Capitalists do not just invest capital, but also add value with their strategic insights, as well as connect to their network for access to management talent, customers and other resources necessary for success.

FORMS

**PERMISSION TO ESTABLISH A START-UP
SUBMITTED TO
THE VICE CHANCELLOR
THROUGH
DIRECTOR, FACULTY OF ENGINEERING
&
DEAN RESEARCH AND INNOVATION**

1. Name:
2. Designation:
3. Department:
4. Course and year of study (for students):
5. Faculty mentor (if any) (applicable to student applicants only):
6. Brief description of the proposed Start-Up:

7. Legal structure contemplated for proposed Start-Up:

8. List of Primary Stakeholders in the Start-Up and their Roles (please attach CVs of each stakeholder):

9. Capacity in which the applicant will be associated with the proposed Start-Up:

10. Details of Institute resources utilized / to be utilized for the proposed Start-Up:

11. Amount proposed to be invested by the faculty member:

12. IPR status of the technology that the proposed Start-Up will use:

13. Details of incubation facilities proposed to be availed (if applicable):

I agree to abide by all relevant rules and regulations applicable to faculty, staff members and students, as detailed in the Institute Start-Up Policy, and amendments therein from time to time.

Signature:

Date:

Director, Faculty of Engineering Recommendation:

Dean R&I Recommendation:

Approval by Vice Chancellor:

Kindly convert to Word document, fill and submit hard copy or pdf document online

**APPLICATION FOR SUPPORT FOR IDEA/POC
SUBMITTED TO
DIRECTOR, FACULTY OF ENGINEERING
&
DEAN, RESEARCH AND INNOVATION,
THROUGH
PRESIDENT, FoE INNOVATION COUNCIL**

Name:

Designation:

Department / Course and year of study:

Faculty name (if any) associated with the Idea/PoC:

Department:

Would you like to apply for mentoring (applicable for student applicants only)? YES/NO
(Note: We can try and put you in touch with faculty or FoE, TMU Alumni who can serve as your mentors)

Brief description of innovative idea / proof of concept:

Work done / experiments performed:

Results (if obtained):

Further work planned:

Funding support if required (in rupees):

(Note: Include justification for the funds requested, and expenditure heads proposed)

Signature:

Date:

Recommendation of President IIC:

Recommendation of Director, Faculty of Engineering:

Recommendation of Dean R&I:

Approval by Vice Chancellor:

Kindly convert to Word document, fill and submit hard copy or pdf document online

