

## INTELLECTUAL PROPERTY RIGHTS (IPR) POLICY

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### 1. Introduction

“Stem Cells for Safer Medicines Limited” (“the Company”) has been formed as a result of a joint public / private sector initiative. The Company’s principal object, as set out in its memorandum of association, is:

- *To promote, support, facilitate and commission research into, and the development of, open standards, methodologies and services in the field of stem cells to facilitate drug discovery and development.*

In particular, it is intended that the Company should, by commissioning and funding research, make it possible:

- *To enable the establishment of a bank of stem cells, open protocols and standardised systems in stem cell technology that will enable consistent differentiation of stem cells into stable homogenous populations of particular cell types, with physiologically relevant phenotype suitable for toxicology testing in high throughput platforms.*

Research commissioned by the Company is likely to generate intellectual property, and will depend for its success on the use of intellectual property generated by previous research activity. This IPR policy sets out in general terms the principles which the Company will generally expect to govern the relationships between the Company, its Members and third

parties as regards intellectual property rights. However, specific and binding terms will be set out in the agreements entered into between the Company and those whose research it funds (“Project Agreements”). Each Project Agreement, and not this IPR Policy, will be the definitive and conclusive agreement governing the terms (including intellectual property provisions) on which the Project (as defined below) falling under each Project Agreement is performed.

The Project Agreements should be consistent with the IPR Policy, although alternative approaches may be considered for special reasons, such as for technology companies. Any deviation from the principles laid out in the IPR policy need to be approved by the Company’s Board. It should be noted that the IPR policy itself is not a legally binding document, nor does it set out the terms of a contractual offer to any person.

## **2. Principles**

2.0.1 The Company’s IPR policy is designed to support the following principles:

- *Encourage the open disclosure and publication of standards and protocols, to facilitate the wide uptake of arising knowledge.*
- *To facilitate the uptake of such knowledge, the Company will own the IPR (as defined below) generated in the course of research sponsored by the Company and will also manage the grant of licences to such IPR, for research and certain commercial purposes. Respect the valid IPR of third parties and encourage them to contribute and engage with the Company and the research it commissions, recognising the different perspectives of large and small companies.*
- *Aim to ensure that there are no unreasonable barriers to any necessary on-going access to certain pre-existing intellectual property whilst recognising that owners of those IPR may have business models which require protection of that IPR for future revenues.*
- *Reflect the Company’s “not for profit” principles: one of the functions of the Company is to serve as a vehicle for ownership and licensing of the IPR relating to the research which it funds, and any income generated from the licensing of IPR owned by the Company is to be allocated to further research consistent with the Company’s objects: should the Company cease to exist, any IPR owned or controlled by it and rights to future income will be transferred to another organisation with similar objectives.*
- *Ensure confidentiality of information within the company and the participants in the project calls.*

## **3 Definitions and interpretation**

This section sets out the meanings of particular words and phrases in the IPR policy. References in the singular include the plural and references in the plural include the singular; references in any one gender include all the others.

The headings to clauses are inserted for convenience only and shall not affect the interpretation or construction of this Agreement.

Unless otherwise specified, references to clauses are to clauses of this IPR Policy.

**“Affiliate”** - one legal entity (“A”) is the “Affiliate” of another legal entity (“B”) if:

- (a) A owns, directly or indirectly, at least 50% of the voting securities in B;
- (b) B owns directly or indirectly, at least 50% of the voting securities in A or an Affiliate of A; or
- (c) A has control or decisively influence over the taking of strategic business decisions by B, or B has such control or influence in relation to A (whether by means of contractual agreements, voting rights on a company board, or any constitutional arrangements of a body corporate or unincorporated association) .

**“Background IPR”** means IPR owned by or licensed to a Member or a Participant that is made available for use in carrying out a Project or for using the Foreground IPR as contemplated by this IPR Policy.

**“Company”** means “Stem Cells for Safer Medicines Ltd”, a company limited by guarantee and registered in England and Wales under number 6297652.

**“Confidential Information”** means all written information exchanged between the Members, Participants and/or other third parties engaging with the Company, clearly marked as being confidential at the moment of its disclosure, except for the information which the receiving party can demonstrate (a) is, at the time of disclosure, in the public domain, (b) after disclosure, becomes part of the public domain by publication or otherwise, except by breach by the receiving party, (c) is obtained from a third party not in breach of any obligation of confidentiality, (d) is known by the receiving party prior the date of the disclosure, (e) is required to be disclosed by the receiving party pursuant to any applicable law or judicial or governmental order, provided that the receiving party shall give immediate written notice of such requirement to the disclosing party with the view to agreeing the timing and the content of such disclosure. Any Confidential Information which is disclosed orally shall be confirmed in writing by the disclosing party within thirty (30) days after such disclosure.

**“Direct Exploitation”** means the right to, or authorise others to, develop, sell, dispose, or otherwise commercialise products or processes which are the subject of the Foreground IPR.

**“Foreground IPR”** means IPR generated by Participant(s) in the performance of a Project.

**“Intellectual Property Rights” or “IPR”** means rights in, data and information, inventions (whether or not patentable), patents and applications, know-how, copyrights, databases and designs.

**“Members”** means the person or persons whose names are for the time being entered on the Register of Members as Members and **“Members”** and **“Membership”** shall be construed accordingly.

**“Participant”** means a Member or other natural or legal person that participates in a Project and is party to the Project Agreement, and includes that person’s Affiliates. A Member may be a Participant.

**“Project”** means the research commissioned and funded by the Company that is specified in a Project Agreement. The Project shall comply with the Company’s Ethics Policy.

**“Project Agreement”** means an agreement between the Company and one or more other parties specifying the research commissioned and funded by the Company that is to be carried out by the other party or parties. Project Agreements shall be consistent with this IPR Policy.

**“Research Purposes”** means the right to, or authorise others working on behalf of the party concerned, to apply (i.e. make and use, but not commercialise) IPR for all purposes relating to research, discovery, development, approval and commercialisation of diagnostic or pharmaceutical products.

## **4. Ownership of IPR**

### ***4.1 Ownership and Control of Background IPR***

Each Member or Participant will remain the exclusive owner of its Background IPR.

4.1.1 Members and Participants acknowledge that for the objects and principles set out above to be achieved, certain Background IPR may need to be made available to the Company and the other Members and Participants under licence for the purposes of completing the Projects and for the ongoing use of Foreground IPR as contemplated in this IPR Policy. Members and Participants will commit to granting such licences on appropriate and reasonable terms and conditions. In respect of a Project, the Participants may elect, or the Company may require, such terms to be included within the Project Agreement. Where the Company believes that such licences to Background IPR may be necessary for the ongoing use of Foreground IPR as contemplated in this IPR Policy, but has been unsuccessful in concluding such a licence from the Member or Participant concerned, the Company shall aim (without incurring any liability whatsoever) to inform the relevant parties of such belief.

4.1.2 Prior to the execution of a Project Agreement, each Participant shall disclose to the Company (and the Company shall disclose to the other Participants) any restrictions of which it is aware which would limit or prevent the use or dissemination of any of its Background IPR within the Project or for the future use of Foreground IPR for Research Purposes.

4.1.3 Each Participant shall remain free to license, assign or dispose of its ownership rights in Background IPR, subject to any licences it has granted for the purposes of completing the Projects and for the ongoing use of Foreground IPR as contemplated in this IPR Policy.

### ***4.2 Ownership of Foreground IPR***

4.2.1 All Foreground IPR will be owned by the Company and this will be reflected in the Project Agreement.

## **5. Grant of Licences to IPR**

### ***5.1 Licence of Background IPR from the Members to the Company***

5.1.1 Subject to Section 4.1 above and in relation to each Project, each Member will grant to the Company a royalty-free, non-exclusive, perpetual, worldwide and sub-licensable licence of its Background IPR solely for the purpose and to the extent necessary for each Project to be undertaken and completed. This will enable the Company to sub-license Members' Background IPR to Participants in order for each Project to be undertaken and completed.

**5.2 Licence of Background IPR and Foreground IPR between Participants and the Company for the purposes of completing the Project**

5.2.1 During the performance of a Project, each Participant and the Company will provide each other Participant with the information that it reasonably needs to perform its part of the Project and will undertake such joint effort as reasonably needed to achieve the objectives of the Project as described in the Project Agreement.

5.2.2 The Participants and the Company will grant a royalty-free, non-exclusive and worldwide licence of the rights they have to Background IPR and Foreground IPR to the other Participants solely for the purpose and to the extent necessary for undertaking and completing each Project.

**5.3 Licence of Foreground IPR to Participants upon completion of each Project**

5.3.1 Upon completion of each Project, the Company shall grant to the Participants in each such Project a non-exclusive, perpetual, royalty-free, worldwide licence to use for Research Purposes the Foreground IPR developed within that Project. Such licence will be sublicensable, but only to parties working with or on behalf of the Participants.

**5.4 Licence of Foreground IPR to Members for Research Purposes**

5.4.1 The Company shall grant to Members a non-exclusive, perpetual, royalty-free and worldwide licence to use for Research Purposes the Foreground IPR developed during its period of membership. Such licence will be sublicensable, but only to parties working with or on behalf of the Members.

**5.5 Licence of Foreground IPR to Third Parties for Research Purposes**

5.5.1 Third Parties may apply to the Company for a non-exclusive licence to Foreground IPR, for Research Purposes. Such a licence may be granted by the Company following approval of its board. The terms of such a licence will be determined on a case-by-case basis consistent with the objectives and policies of the Company.

**5.6 Licence of Background IPR required to practise the Foreground IPR**

5.6.1 Where the Company has been granted rights to Background IPR pursuant to Section 4.1.2, the Company will grant a licence to such Background IPR necessary to practise the Foreground IPR as part of the licences granted pursuant to Sections 5.3, 5.4 and 5.5 above. For the avoidance of doubt, any such licence granted by the Company will be for this strictly limited purpose.

**5.7 Licence of IPR for Direct Exploitation**

5.7.1 Members, Participants and Third parties may apply to the Company for a non-exclusive licence of Foreground IPR for the purposes of Direct Exploitation. Such a licence may be granted by the Company following approval of its board. The terms for such a licence will be determined on a case-by-case basis consistent with the Company's objects and the principles embodied in this IPR policy.

5.7.2 Where the Company has been granted rights to Background IPR pursuant to Section 4.1.2, the Company will grant a licence to such Background IPR that is necessary to practise the Foreground IPR for the purposes of Direct Exploitation as part of the licences granted pursuant to Section 5.7.1. For the avoidance of doubt, any such licence granted by the Company will be for this strictly limited purpose.

## **6. Confidential Information and publication**

6.1 The Members, Participants and/or external third parties engaging with the Company will not disclose or use the Confidential Information received from any of the foregoing parties except as necessary to perform the Project Agreement or other agreements to which they are party or as permitted by the Company.

6.2 Unless otherwise agreed in the Project Agreement, each Participant may publicly disclose (through journals, lectures, or otherwise) information relating to the results of the Project, provided that a copy of the proposed disclosure shall have been provided to the Company at least thirty (30) days prior to the submission of any written publication or any oral public disclosure to allow the Company to determine whether any invention or Confidential Information would be disclosed and take the necessary steps to submit. The Company shall have the right to (a) require a delay in publication or presentation in order to protect patentable information, (b) require modifications to the publication for patent reasons or (c) require that Confidential Information be maintained as a trade secret.

## **7. Dissemination of Results**

7.1 Notwithstanding clause 6, the results of any Project should be publicly disseminated by the Company within twelve (12) months of the completion of such Project.

## **8. Patenting and Infringement**

8.1 The Company will have the sole right (at its expense) to:

- (a) Prosecute and maintain any patents or obtain any other applicable protection covering the Foreground IPR; and
- (b) Take or defend any infringement or other actions or claims concerning the Foreground IPR.

## **9. Biological Materials**

9.0.1 All biological materials (including stem cell lines) owned by a Participant and supplied for use in a Project will remain the property of that Participant and will only be used in the performance of such Project.

9.0.2 Unless agreed otherwise in the Project Agreement, all biological materials (including stem cell lines) derived or generated in the performance of a Project will be owned by the Company.

9.0.3 The Company may decide on a case by case basis that a stem cell line derived or generated in the performance of a Project should be maintained. If so, the Company will make such stem cell line available to a third party that operates in compliance with applicable laws and the Company's policies. The Company may try to secure favourable terms of release to Participants of any such maintained stem cell line.