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1. CONTRACT RESEARCH & DEVELOPMENT (R & D)

1.1 DEFINITIONS AND SCOPE

Contract research shall comprise all R&D activities undertaken through specific contractual arrangement agreed upon for the purpose. The projects to be undertaken should fall within the purview of approved research programmes of the Institute. Contract research shall cover:

SPONSORED PROJECTS

Projects wholly funded by the sponsor having specified R&D objectives and well defined expected project output/results, generally culminating in generation of intellectual property. Exception to full funding by sponsor can be made, with the approval of Competent Authority, for specific nationally relevant projects related to Social Staff and the like. Sponsored projects could be multiclient also, with two or more sponsors sharing the project funding and research outputs.

COLLABORATIVE PROJECTS

Projects partially funded by the sponsor, and supplemented by provision of inputs, such as expert manpower, infrastructural facilities or other inputs etc. Collaborative projects could be for upscaling/proving of Institute level know-how, technology development or generation of intellectual property etc. Like sponsored projects, the expected project output/results will be well defined.

COMPOSITE PROJECTS

Some projects are composite in nature and envisage diverse inputs, which may be termed contract R&D, consultancy, technical services etc. Such type of projects could, for purposes of IPIRTI costing/accounting be split into appropriate contract research, consultancy and technical services components; and approval of Competent Authority be obtained for each component indicating the overall project profile. The contract for and the charge to the client may be for a single composite project.

1.2 APPROVALS

1.2.1 FOR PROJECTS

Competent Authority		Projects
Director	:	upto Rs.25 lakh
		<ul style="list-style-type: none">• Including multi Institute inputs
Chairman, Board of Governors, IPIRTI	:	Beyond Rs. 25 Lakh or involving:
		<ul style="list-style-type: none">• foreign sponsors

The project proposals shall be placed before the Competent Authority for consideration and approval in the prescribed proforma (**Annexure-I**). The Competent Authority shall also have the powers to approve the terms and conditions of licensing the intellectual property resulting from contract research to the client/ sponsors.

1.2.2 CONTRACTS

Competent Authority		Contracts
Director	:	drawn up substantially as per the model agreement
Chairman, Board of Governors	:	a) largely deviating from the model agreement or b) With foreign clients or multiagency projects (involving more than Rs.25 lakhs)

1.3 AUTHORISED SIGNATORIES TO CONTRACTS

The authorised signatories for all contracts/ agreements shall be the Director. In the absence of Director, such documents will be signed by the Joint Director or senior most officers in the absence of joint Director. Administrative Officer of the Institute shall be the countersigning authority. In the absence of A.O. Section Officer will be the countersigning authority. For multi-agency projects, the signatories shall be the designated officers of the co-ordinating agencies.

1.4 FINANCIAL ASPECTS

1.4.1 COSTING OF CONTRACT RESEARCH PROJECT¹

The charges for contract research project shall comprise of two main components viz.:

1.4.1 (I) EXPENSES

- Cost of man-days of staff deployed.
- Cost of consumables/raw materials/components with 25% overheads.
- Cost of physical inputs/services/utilities with 25% overheads.
- Equipment usage cost/ cost of equipment procured specifically for the project, if any,
- External payment envisaged e.g. for hiring infrastructural facilities, experts, computer time, information etc.
- TA/DA
- Contingencies

Total Expenses = Sum of i(a) to i(g).

1.4.1 (II) INTELLECTUAL FEE

To be decided by the Competent Authority (minimum of 33.3% of total expenses²)

Project Charges = Total expenses + intellectual fee

i.e. (i+ii) above

¹ Note: - In case the contract research is to lead to generation of intellectual property, provision and charges for licensing the use of intellectual property to the client should be additionally (clearly) specified (see chapter 3).

Collaborative project is a joint endeavor. Thus while costing IPIRTI's inputs for a collaborative project, the intellectual fee should be included in notional project charges. As the- client may bear only a part of the IPIRTI's project expenses, the Institute should endeavour to ensure that the balance of project charges are recovered by earnings from licensing the R&D results/intellectual property to the collaborator/third parties.

² Note:- National and International Govt. funding as per the their rules for intellectual fees

1.4.2 EXPLANATION

1.4.2 (i) Expenses

- a) Man-days costs are the charges for the time (in days) of S&T staff deployed on the contract research as per prescribed man-day rates for different categories of staff **(Annexure III)**.
- b) Cost of consumables/ raw materials/ components: comprise chemicals, glasswares, stationery, raw materials, components and other store items required for the project and should be charged at 100% cost plus overheads @ 25% of the cost (towards expenses for purchase, storage, handling etc.).
- c) Cost of physical inputs/ utilities/ services: should be charged at 100% cost plus overheads @ 25% of the cost (towards installation, maintenance etc.).

d) Equipment Usage:

Existing Equipment: Pro-rata charges for usage based on an annual usage charge @ 20% of cost of equipment and installation. In case of old equipment, where its cost is not readily available, the costing of this component could be decided by the Competent Authority.

New Equipment: The new equipment shall either be provided by the client at his cost as per the specifications given by the Institute or purchased by the Institute and charged to the client with an additional procurement and handling charges of 5% of the cost of equipment. The ownership of the equipment after the completion of the project period would be governed by terms and conditions as may be specified.

e) External payments: Comprise payments towards hiring by the Institute, of outside infrastructural facilities, experts, computer time, information etc. to supplement its expertise/facilities.

f) TA/DA: Comprises of expenses on travel and daily allowances of IPIRTI staff visiting/travelling for the work related to the contract research project. In this regard the following guidelines would apply:

- Allowances for travel on tour (Air journeys, Hotel accommodations, Per-diem, incidentals etc.) should be governed on the basis of agreement made with the client.
- Client's hospitality, wherever available, may be accepted by the employees at their discretion subject to the DA being limited to 25% in the event of both boarding and lodging being provided free, or 50% if only either boarding or lodging is provided free.
- Air-travel may be allowed for non-entitled staff by the Director, as per applicable rules, on functional basis and if it is expedient to do so in the interest of the project.

g) Contingencies: Provide for any unforeseen expenditure likely to be incurred on the project for which no provision has been made in the cost of project. The quantum of contingency charges would vary for each project as may be mutually agreed between the Institute and the sponsor. However, estimated contingency charges of about 3 to 5% of total project costs are normal.

1.4.2 (ii) INTELLECTUAL FEE

This reflects charges for IPIRTI's investment, over the period of time, in building up and sustaining the extent level of expertise, knowledgebase and facilities. Intellectual fee to be charged should, therefore, be commensurate with quantum and quality of IPIRTI's resource inputs and also the likely benefits to be derived by the client on implementation of the project results. There are varieties of ways of estimating and linking the intellectual fees, to project parameters, such as expenses on manpower, inputs etc. Whatever be the method of estimating the intellectual fees, these should in no case be less than 33.3% of the total expenses (**see para 1.4.1 (i)**) excluding the cost of equipment purchased at the cost to or provided by the client. The intellectual fee for grant-in-aid projects, which do not lead to generation of commercial intellectual property could however be reduced/ waived, at the discretion of the Competent Authority.

1.4.3 TERMS OF PAYMENT

The Institute shall endeavour to obtain an advance on or before signing the agreement as negotiated with the sponsor. The balance amount of payment could be availed in installments, to be negotiated with the client, having regard to the project schedule. The final installment shall be payable after the submission of the project report.

1.4.4 USE OF IPIRTI FACILITIES

In case the client's personnel are to make use of the library/ computer/equipment in the Institute, suitable charges and a suitable interest free security deposit, to be fixed by the Director of the Institute, should be collected from the client. On completion of the project the security deposit may be refunded to the client after deducting for any loss/damage. The decision of the Director on the deductions if any, shall be final and binding on the client.

1.5 Research Output

1.5.1 PUBLICATIONS

The client shall be consulted prior to publishing of any research results arising from the contract research work. The publications shall duly acknowledge the inputs of the client.

1.5.2 INTELLECTUAL PROPERTY (IP)

i. Sponsored Research

The ownership of the intellectual property generated shall be of IPIRTI. Obtaining and maintaining the relevant intellectual property rights shall be the responsibility of and at the cost of IPIRTI. The decision, whether or not an intellectual property right be obtained, shall be that of the Director of the Institute, which shall be final and binding on the sponsor.

ii. Collaborative Research

Intellectual property generated through projects with technical contribution from the collaborator, shall be jointly owned. The expenses for obtaining and maintaining the intellectual property rights shall be borne equally by IPIRTI and the collaborator. The decision whether or not intellectual property rights be secured shall jointly be taken by the Director of the Institute and the collaborator.

iii. Grant-in-aid

Intellectual property rights in case of government departments and agencies may be as per their standard terms and conditions. However, where the donor has no standard conditions and for non-government agencies, ownership rights shall be that of IPIRTI.

1.6 LICENSING OF INTELLECTUAL PROPERTY

1.6.1 SPONSORED RESEARCH

- i. The rights of licensing intellectual property shall rest with IPIRTI.
- ii. The sponsor shall be given the first right for commercial exploitation of intellectual property. However, this right shall be exercised by a written communication to the Institute within a pre-specified period of time commencing from the receipt of final report. In the event, the sponsor fails to exercise his option within the specified period, or having done so fails to commercially exploit the intellectual property within the stipulated time-frame, IPIRTI shall be free to license the intellectual property to others. **The money accruing there from shall be shared as follows.**
 - **IPIRTI's share shall not be less than 51%**
 - **Sponsor share shall not be more than the amount sponsor had paid to IPIRTI as sponsorship charges.**
 - **All the IPR rights rests with IPIRTI**

- iii. Wherever feasible, the sponsor shall be given a non-exclusive license failing which an exclusive license for a limited period of time, normally not exceeding 5 years, for commercial exploitation of the intellectual property.
- iv. For the license granted for commercial exploitation of the intellectual property to the sponsor, IPIRTI shall charge an adequate amount as fee. This could be a lumpsum and/or recurring royalty.
- v. IPIRTI shall have the right to license the intellectual property to any other party on the terms and conditions it may decide in the case, where it has granted non-exclusive license or in case of exclusive license on the expiry of the exclusivity period. In such cases, if the licensing of intellectual property is only by IPIRTI without any further assistance of the sponsor, then the money realised shall be shared on a 50:50 basis with a ceiling on the total amount receivable by the sponsor to the amount the sponsor has paid to IPIRTI as sponsorship charges. In case IPIRTI seeks assistance of the sponsor to license the intellectual property, the sharing of the monies shall be specifically negotiated depending upon the inputs to be provided by the sponsor.
- vi. Notwithstanding the exclusive license granted to the sponsor, IPIRTI shall have the right to license the intellectual property during the period of license if:
 - a) there is a proposal before the Government of India for import of the same/similar intellectual property as developed under the sponsored project.
 - b) Government of India desires IPIRTI to disclose the intellectual property for its own use. In such cases the money accruing there from shall be shared equally between the sponsor and IPIRTI without any ceiling on the share of the amount receivable by the sponsor.

1.6.2 COLLABORATIVE RESEARCH

- i. The rights of licensing of intellectual property shall be jointly held by IPIRTI and the collaborator.
- ii. The collaborator shall have the first right for commercial exploitation of intellectual property. However, the right shall be exercised by the collaborator by a written communication to the Institute within a prespecified period of time not generally exceeding six months, commencing from the receipt of the final report. In such a case, the intellectual property shall be licensed to the collaborator for use, on terms to be mutually decided between the IPIRTI and the collaborator.
- iii. In the event, the collaborator fails to exercise the option or fails to commercially utilize the intellectual property within the pre-specified period, IPIRTI shall have the right to license the intellectual property to others on terms to be mutually decided between the collaborator and the IPIRTI. In such a case, the money accruing shall be shared with the collaborator, commensurate to his inputs in the project and in transfer of technology.
- iv. Wherever feasible, the collaborator shall be given a non-exclusive license, failing which, an exclusive license for a limited period of time, normally not exceeding 5 years, for commercial exploitation of the intellectual property.
- v. The intellectual property can be licensed to others by IPIRTI on terms and conditions to be mutually agreed to between the IPIRTI and the collaborator in case of non-exclusive license granted and for exclusive license on expiry of the exclusivity period.
- vi. Notwithstanding the exclusive license granted to the collaborator, the IPIRTI shall have the right to license the intellectual property, during the period of exclusivity if:

- a) there is a proposal for import of same/similar intellectual property as developed under the collaborative project;
- b) Government of India desires IPIRTI to disclose the intellectual property for its own use. The monies accruing shall be shared between IPIRTI and the collaborator commensurate with inputs provided by each party to the project and in technology transfer.

1.6.3 GRANT-IN-AID PROJECTS

Licensing rights of intellectual property in case of government departments and agencies may be as per their standard terms and conditions. However cases where the grantor has no standard conditions and for non-government agencies, licensing rights shall be that of IPIRTI.

1.7 INDEMNITY/LIABILITY

The liability, if any, for IPIRTI arising out of or in connection with contract research/IPR licensing shall be subject to a ceiling of the amount received by IPIRTI from the client for the Contract Research/ IPR licensing.

1.8 OWNERSHIP OF REPORTS/PLANS/GUIDES/SOFTWARE ETC.

The ownership of the above mentioned outputs shall normally be the property of the sponsors. For collaborative and Grant-in-Aid projects, the ownership shall be specifically agreed upon between IPIRTI and the collaborator/grantor and so included and specified in the agreement.

1.9 FEEDBACK TO BOARD OF GOVERNORS, IPIRTI

Feedback about agreements entered into shall be placed before the Board of Governors meeting. Information shall be furnished vide item III of Performa at Annexure - IV.

2. CONSULTANCY

2.1 DEFINITION AND SCOPE

All consultancy services in IPIRTI shall be institutional. Consultancy shall be in an area of expertise of the Institute, preferably its thrust areas. For purpose of definition, there shall be two categories of consultancies viz. Advisory & General consultancy.

2.1.1 ADVISORY CONSULTANCY

Advisory consultancy shall comprise scientific, technical, or other professional advice, provided to a client purely on the basis of available expert knowledge and experience of individual(s), rendered outside the IPIRTI and not envisaging use of any facilities of the Institute (including experimental, informational, computational etc.), and also not involving any kind of survey, detailed study or report preparation/submission.

2.1.2 GENERAL CONSULTANCY

General consultancy shall comprise scientific, technical, engineering or other professional advice / assistance based on the available knowledgebase/ expertise of the Institute, and envisaging only minimum use of the Institute facilities for essential experimentation, computation and other facilities needed to meet the objectives of the consultancy assignment. General consultancy may *interalia* cover:

- Preparation of literature survey/feasibility studies, state-of the art technology sources, forecasting/evaluation reports/ management plans etc;
- Interpretation and validation of test results and data, risk and hazard/environmental impact assessment studies etc.;

- Rendering of expert advice in the field of wood based Industries , Management Plans and trouble shooting.

2.1.3 The Competent Authority for approving the consultancy shall have the power to decide on the category of a particular consultancy assignment. Any consultancy assignment, which does not strictly fall under the category of Advisory Consultancy shall be taken up as General Consultancy.

2.1.4 It should be ensured that financial benefits accruing to staff members from consultancy work may not affect the regular R&D activities of the Institute. A proper balance of the manpower and other resources of the Institute to be deployed between R&D activities, consultancy and technical services should be decided upon by the Training, Research & Academic Council of IPIRTI.

2.2 APPROVALS

2.2.1 FOR PROJECTS

Competent Authority

Projects

Director:

up to Rs. 25 lakh and not involving the Director

Chairman BOG, IPIRTI:

beyond the powers of the Director or

a) Involving the Director

b) For foreign sponsor.

The project proposal will be placed before the Competent Authority, for consideration and approval in the prescribed Proforma (**Annexure-II**).

2.2.2 FOR CONTRACTS

Competent Authority

Contracts

Director: drawn up substantially as per the model agreement;

Chairman BOG, IPIRTI: a) largely deviating from the model Agreement;

b) **For foreign clients or multi-agency projects involving more than Rs.25 lakhs**

2.3 AUTHORISED SIGNATORIES TO CONTRACTS

The authorised signatories for all contracts/ agreements shall be the Director. In the absence of Director, such documents will be signed by the Joint Director or senior most officers in the absence of joint Director. Administrative Officer of the Institute shall be the countersigning authority. In the absence of A.O. Section Officer will the countersigning authority. For multi-agency projects, the signatories shall be the designated officers of the co-ordinating agencies.

2.4 FINANCIAL ASPECTS

2.4.1 COSTING OF CONSULTANCY PROJECT

The charges for consultancy project shall comprise of two main components viz.:

2.4.1(i) EXPENSES

- a. Cost of man-days of staff deployed.
- b. Cost of physical inputs /services /utilities/ consumables/raw materials/components (if any) with 25% overheads.

- c. Equipment usage cost/cost of equipment procured specifically for the project, if any.
- d. External payments envisaged e.g. to outside consultants, for obtaining data, hiring of infrastructural facilities, computer time, information etc.
- e. TA/DA.
- f. Contingencies.

b) Total expenses = sum of [i(a) to i(f)]

2.4.1 (ii) INTELLECTUAL FEE

To be decided by the authority competent to approve the project [minimum equal to manpower charges i.e. i(a)].

Project Charges = Total expenses + Intellectual fee
i.e. (i + ii) above

2.4.1(iii) SERVICE TAX AS PER PREVAILING GOVT. RATES

The total consultancy charges to a client shall be as follows:

(a) Expenses {2.4.1 (i)}

(b) Intellectual Fee {2.4.1 (ii)}

Project charges = (a+b)

(c) Service Tax calculated as per the prevailing rates

(d) Total charges to be obtained from the client = (a+b+c) above

2.4.2 EXPLANATION

2.4.2 (i) Expenses

Costing of various elements/components contributing to the expenses of the consultancy project shall be similar to that of Contract Research (Reference Chapter 1, para 1.4.2.)

2.4.2 (ii) Intellectual fee

This reflects charges for IPIRTI's investment, over a period of time, in building up and sustaining the extant level of expertise, knowledgebase and facilities. Intellectual fee to be charged should, therefore, be commensurate with quantum and quality of IPIRTI's resource inputs and also the likely benefits to be derived by the client on implementation of the project results. There is variety of ways of estimating and linking the intellectual fees to project parameters, such as expenses on manpower inputs etc. While there is no ceiling on the upper limit of the intellectual fee to be charged, it should in no case be less than the estimated manpower charges, except in cases of consultancy offered against open tenders, where the intellectual fee could be decided by the Competent Authority keeping in view the potential competition.

2.4.2 (iii) Service Tax, all other taxes

The IPIRTI would obtain registration for payment of service tax and other tax as per the rules in force and the payment of service tax is to be debited to the project amount.

2.4.3 TERMS OF PAYMENT

The Institute shall endeavor to obtain maximum percentage of consultancy amount as advance in installments. The quantum of installments shall be fixed through negotiations with the sponsor before signing of agreement. However, in cases covered under clauses 2.6.3 and 2.6.4 and consultancy assignment offered against open tender, it may not be necessary to insist on bank guarantee or the terms of payment as above.

In case of any dispute between Institute and Funding Agency/Collaborative Multiple Funding Institute, the same shall be settled through MoU either signed single/ 3 men arbitration clause or Karnataka court .

2.5 INDEMNITY / LIABILITY

The liability, if any, for IPIRTI arising out of or in connection with Consultancy Services shall be subject to a ceiling of the amount received by IPIRTI from the Party for the Consultancy.

2.6 GENERAL ASPECTS

2.6.1 Contractual obligations of a consultancy project shall be that of IPIRTI. Agreements with clients, will thus be executed, on behalf of IPIRTI by the Institute and not by an individual consultant or team of consultants. Every care should be taken to avoid any legal complications involving the Institute/IPIRTI as a result of the consultancy service.

2.6.2 For consultancy services of a minor nature, formal agreement on a stamp paper may be dispensed with and the terms and conditions of consultancy settled through exchange of letters. In case, the Director feels that an agreement would be technically and legally useful, the party may be asked to enter into a legally enforceable agreement. The terms and conditions should include a disclaimer on

responsibility of the **Institute** for the advice/recommendations given in the consultancy.

2.6.3 In the case of consultancy services rendered to Government Departments/ Agencies, Public Sector Undertakings, the terms and conditions may be settled through exchange of letters. In such cases, formal agreement on nonjudicial paper may not be necessary.

2.6.4 IPIRTI is often called upon to carry out investigational jobs by Government agencies, Courts of law and Statutory Authorities etc. These jobs may need to be undertaken on an urgent basis and in such cases the Institute shall not, subject to acceptance of payment and other terms by the client in writing, insist on advance installment of payment.

2.6.5 The staff involvement for each consultancy project shall be approved by the Director/Board of Governors, IPIRTI as the case may be. While assigning the consultancy job to a staff member, cognizance shall be taken of his/her workload, qualifications and experience *vis-à-vis* the specific requirements of the consultancy job, annual honorarium likely to accrue to him/her from consultancy etc.

2.6.6 As far as possible, the 'team of consultants' selected for consultancy work should have the confidence of the sponsor. In case, the sponsor indicates preference for a particular person(s), the request shall be given due consideration.

2.6.7 The Institute should, on the whole ensure a fair distribution of consultancy/work among the eligible staff at all levels and see that it is not confined to specific individuals /groups /levels of staff.

2.6.8 The acceptance of consultancy assignments costing less than Rs.20,000/- should not generally be encouraged. Exceptions, in deserving cases judged by the

importance/necessity of assistance to client/service sought, may be made at the discretion of the Director of the Institute.

2.6.9 The total number of days devoted by an individual to consultancy work should not exceed 50 man-days in a financial year.

2.6.10 A copy of the project report for all consultancy jobs undertaken shall be retained for record purposes, with the Director of the Institute, except those which are purely advisory in nature and where no project report is required to be submitted to the client. In such cases, a brief note on the consultancy rendered should be submitted to the Director of Institute for records.

2.7 FEEDBACK TO BOARD OF GOVERNORS, IIRTI

Information on all consultancy projects shall be presented to the Board of Governors. Information shall be furnished vide item IV of proforma at Annexure- IV.

3. INTELLECTUAL PROPERTY

3.1 DEFINITION

"Intellectual Property" shall comprise patent, copyright, registered design, trademark, know-how for a process / plan / design and computer software.

3.2 TYPES OF INTELLECTUAL PROPERTY

Intellectual Property generated by IPIRTI shall be of two types:

3.2.1 UNENCUMBERED

- i. Developed, through wholly in-house R&D programmes / projects. In such cases, ownership of intellectual property shall be solely that of IPIRTI, and consequently the licensing rights shall be that of IPIRTI alone.
- ii. Intellectual property developed through contract research and subsequently rendered unencumbered as per the contractual arrangements with the client. In such cases, licensing of intellectual property by IPIRTI would be in accordance with the terms & conditions agreed upon with respect to third party licensing with the client.

3.2.2 ENCUMBERED

Developed through contract research *i.e.* **with total or partial financial support, and with/without technical inputs from users/clients. In such cases, ownership and** licensing of intellectual property for commercial utilization shall be governed by IPIRTI's obligations to client in the matter. (Please see chapter 1, para 1.6).

3.3 DEVELOPMENT OF INTELLECTUAL PROPERTY - GENERAL ASPECTS

- i. Development of intellectual property shall be taken up preferably in consultation with user participation right from initial stages, to ensure commercial viability and successful utilisation.
- ii. Wherever feasible and necessary, the development should be taken to the stage of proving commercial viability. However, as this would not be feasible for all Institute projects, research results of projects, which at a particular stage of consultancy work, may not find potential users, should be adequately protected and shelved till such time that a demand develops for them. However, in case there is a demand for these research results *per se*, they could be leased, on non-exclusive and 'as-is-where-is' basis, in a documented (report) form only, without any guarantees or other liabilities related to technology licensing.
- iii. The Institute may continue with further development of intellectual property already licensed. The method and terms and conditions of licensing of all such developmental work, shall be clearly specified in the licence agreement. Any directly relatable developments with respect to the know-how already referred to the National Research & Development Corporation (NRDC) shall be referred/ assigned to the NRDC as improvements/additions to the already assigned know-how.

3.4 LICENSING OF INTELLECTUAL PROPERTY

3.4.1 DEFINITION

Licensing of intellectual property shall mean granting the licensee the right to utilise the intellectual property and to make, sell or use the resulting product(s) either for commercial/captive purpose or as otherwise agreed to.

3.4.2 METHOD OF LICENSING

Licensing of intellectual property involving transfer through format means shall be through specific contractual arrangements. For transfer of intellectual property through only one-time demonstration or supply of only drawings, reports, plans software etc. licensing can be done through implied contractual agreement with no liabilities on IPIRTI.

3.4.3 CHANNEL OF LICENSING AND ASSOCIATED OWNERSHIP RIGHTS

IPIRTI would be free to choose the channel of licensing/commercial utilisation of all unencumbered intellectual property generated, which could be either directly by the Institute themselves, through the National Research Development Corporation (NRDC) or through any other Technology Transfer Agency (TTA) such as Consulting & Design Engineering Organisations etc. Requisite approvals as per guidelines would be necessary in each case of licensing of intellectual property.

3.4.3 (A) DIRECT LICENSING BY THE INSTITUTE

Intellectual property that can be licensed directly by the Institute would comprise:

- i. unencumbered intellectual property not referred to NRDC.
- ii. all encumbered intellectual property developed under contract research (ref. chapter 1, para, 1.6).

IPIRTI should clearly specify in the agreement their obligations and extant commitments to the licensee(s) in each case.

Licensing of unencumbered intellectual property should be generally on nonexclusive basis. However, where despite publicity and conscious efforts for

commercial utilization of such intellectual property, it has remained unlicensed for more than three years, it could thereafter, if deemed necessary be offered on a limited exclusive basis to make it more attractive to users/clients.

3.4.3(B) LICENSING THROUGH THE NRDC

Unencumbered intellectual property licensable on non-exclusive basis could at the discretion of the Institute be commercialised through the National Research Development Corporation (NRDC). All intellectual property proposed to be commercialised through the NRDC would need to be assigned to the NRDC. Ownership of the intellectual property so assigned would then vest with the NRDC.

- **Reference of Intellectual Property to NRDC**

Information as per prescribed NRDC proformae in triplicate, on all industrial property sought to be licensed through the NRDC should be placed before the Board of Governors of IPIRTI, after obtaining due approval of the Competent Authority.

The Institute should while forwarding this information to the BOG, IPIRTI clearly indicate:

- i. Level of development and transfer of know-how.
- ii. Status of know-how with or without guarantee for technical or commercial viability.
- iii. Assistance and documentation to be given to the licensee.

- **Terms & conditions of licensing of intellectual property by NRDC**

Terms & conditions of licensing recommended to the NRDC by the Institute are indicative only. NRDC, in the interest of ensuring the commercial utilization of the know-how, has the right to alter the terms.

3.4.3(c) LICENSING OF INTELLECTUAL PROPERTY THROUGH OTHER TTAs

Only unencumbered intellectual property not referred to the NRDC can be licensed to the TTAs. The ownership rights of all intellectual property to be licensed through shall vest with the IPIRTI, while the TTAs shall be assigned only the rights to the specific intellectual property. The liabilities of IPIRTI if any, due to licensing of intellectual property shall be subject to a ceiling of the amount it receives for the same.

Licensing through TTAs shall be through formal contractual agreement with the TTA clearly specifying the rights and obligations of IPIRTI and the TTA as also the terms & conditions governing the licensing of the intellectual property by the TTA. The terms offered to the TTAs shall not in any case be more favourable than those offered to the NRDC under the existing working arrangement with the latter.

3.5 PRE-LICENSING ASPECTS

3.5.1 EVALUATION OF INTELLECTUAL PROPERTY

A proper technical evaluation of any intellectual property sought to be licensed shall to undertaken, through a suitable mechanism to be decided by the Director. The mechanism could be in-house to the Institute or external or a combination of both and could also differ from case to case. If the technical evaluation is satisfactory, a feasibility report for the utilization of the intellectual property should be prepared.

3.5.2 LEGAL PROTECTION

The Director may set up a suitable mechanism for examining the possibility of legally protecting the intellectual property generated. All protectable intellectual property shall be protected through appropriate legal instruments e.g. patent, copyright, registered design, trademark etc. Industrial property sought to be patented shall be licensed preferably after filing of the complete specifications.

3.5.3 DOCUMENTATION

In case the whole intellectual property developed is sought to be licensed, either directly or otherwise, the detailed know-how document on the process, technique, design product, the method of its utilisation, quality control aspects, safety and pollution control regulation and other parameters associated with the implementation must be prepared. This document should be available with the **Director**. The services /assistance to be rendered by the Institute to the licensee for the exploitation of the intellectual property should be clearly specified.

3.6 POST- LICENSING ASPECTS

3.6.1 REVIEW OF INTELLECTUAL PROPERTY LICENSED

Annual review of intellectual property licensed including follow-up with the licensee, shall be conducted by the Institute (in association with the NRDC or TTA as applicable) to assess its utilisation status. Any technological modification/development necessitated and also change in terms /conditions of its licensing can then be considered.

3.6.2 COLLECTION OF MONIES

The Institute would be responsible for prompt collection of monies accrued through licensing of intellectual property directly by it or through TTAs. It should thus evolve a proper mechanism for collecting and monitoring the accrual and realisation of such monies. The mechanism evolved should

include annual review of outstanding dues from intellectual property licensing and their recovery from the licensee(s) along with interest on the delayed payments at prevailing bank rates.

3.7 INDEMNITY/LIABILITY

The liability, if any, for IPIRTI arising out of or in connection with IPR licensing shall be subject to a ceiling of the amount received by IPIRTI from the licensee for the IPR licensing.

3.8 FINANCIAL ASPECTS

3.8.1 PRICING

There is no rigid formula for determining the price of intellectual property and thus estimates would vary from case to case. The price of knowhow/ intellectual property normally ranges between 2% to 10% of usage in next five years. However, the price would depend on the estimates of opportunity value and "**what the user can bear**". Besides, the realisation of price could be divided between lumpsum amount and recurring royalty payments. Although it would be in the interest of IPIRTI to realise as much of the price as possible through a lumpsum payment, the licensee's interest would be to pay the price only through recurring royalty based on production. Thus, a balance has to be struck between these two components.

The estimates of following factors shall be placed for the consideration of the competent authority to arrive at the price of intellectual property:

- i. Cost of development.
- ii. Estimate of net benefit to be derived by the licensee.
- iii. Size and number of potential licensees.
- iv. Comparative cost of imported intellectual property, wherever applicable/available.
- v. Possibility of intellectual property being pirated.

vi. Opportunity value.

Price decided for a specific intellectual property should be reviewed periodically, at least every three years for revision, if required.

3.8.2 EXPLANATION

i. Cost of Development

Includes estimated cost of:

Direct inputs

- a) S&T manpower deployed on the project (as per prescribed rates).
- b) Raw materials, consumable components etc. with 25% overheads.
- c) Physical Inputs for the project with 25% overheads.
- d) Equipment usage.
- e) External payments, made if any.
- f) Securing of intellectual property rights.
- g) Cost of publicity.

Indirect inputs

- a) Notional amortisation of investment on the staff, equipment and facilities deployed for the project.
- b) Intellectual inputs.

ii. Net benefit to be derived by the licensee

This can be calculated as the money to be saved by the licensee by productivity improvement such as saving in raw materials, energy, time, labour, capital etc. or additional profit to be realised due to better quality of product or reduction in pollution etc. or the net profit from the exploitation of the intellectual property.

iii. Size and number of potential clients

Some estimates may be made of the potential market for the IP namely product, process, technique, software etc. and the likely number of licensees for the intellectual property. Sometimes, there may be alternative competing sources for the intellectual property. This should be taken into consideration while determining the number of licensees for the Institute's intellectual property.

iv. Cost of imported Intellectual Property

In some cases, the equivalent intellectual property may have been imported or proposed to be imported in the country. The price and level of such technology could be an indicator for fixing the price of intellectual property.

v. Piracy of Intellectual Property

Some intellectual property is highly innovative but difficult to prevent from being pirated by others. The price would need to give due recognition to the intellectual property protection that can be accorded to the licensees.

vi. Opportunity Value

Opportunity value in terms of money is the estimated amount that can be realised by cashing upon the circumstantial /contingent aspects prompting the utilisation of the intellectual property by the licensee. For purpose of calculations, opportunity value could be expressed either in absolute money value or as a percentage of profits anticipated or of value addition envisaged.

3.9 APPROVALS

3.9.1 FOR LICENSING OF UNENCUMBERED INTELLECTUAL PROPERTY

Competent Authority

Director, IPIRTI :

Chairman, BOG, IPIRTI :

Contracts

where envisaged payments per licensee do not exceed Rs. 25 lakh over the period of licence.

where envisaged payments exceed Rs. 25 lakh per licensee (based on the recommendation of Director)

The following should be placed for consideration of the competent authority:

- a) estimates of factors considered for arriving at the price of intellectual property vide a para 3.8.1.
- b) technical evaluation and feasibility report prepared vide a para 3.5.1.

3.9.2 LICENCE AGREEMENTS

Competent Authority

Director :

Chairman, BOG, IPIRTI :

Contracts

drawn up substantially as per the model agreement.

a) largely deviating from the model agreement

b) with foreign clients or multi-Institute projects

3.9.3 AUTHORISED SIGNATORIES TO CONTRACTS

The authorized signatories for all contracts/ agreements shall be the Director. In the absence of Director such documents will be signed by the Head of Office. The senior-most officer from the Finance side and in his absence, the next seniormost officer but not below the rank of Administrative Officer of the Institute shall be the countersigning authority. For multi-agency projects, the signatories shall be the designated officers of the coordinating agency.

3.10 FEEDBACK TO BOARD OF GOVERNORS, IPIRTI

Information on intellectual property generated, licensed and utilised shall be provided to the Board of Governors of IPIRTI. Information shall be furnished vide items II(a), II(b), & II(c) of proforma at **Annexure -IV**.

4. TECHNICAL SERVICES

4.1 DEFINITION

Technical services meant to be rendered to the clients/customers include, assistance of a minor nature based on available knowledge, expertise, skills, infrastructure and facility of the Institute. Technical services shall comprise:

- Training
- Technical assistance of an advisory nature
- Supply of information / database / expertise

4.2 TRAINING

Institute takes up training programmes either on its own or at the specific request of clients. Charges per participant for training programmes arranged by the Institute on its own shall be such that at least all out of pocket expenditure is recovered. Normally, training programme could be a significant source of external cash flow, especially those arranged for international organisations/ agencies, thus due consideration should be given to this factor in charging for training.

4.3 TECHNICAL ASSISTANCE

Technical assistance shall involve one- time assistance mainly advisory in nature to help in trouble shooting, problem resolving, quality control etc. No formal contractual arrangements are needed to be concluded with the client for technical assistance sought. However, the scope and objectives of the assistance requested by the customer should be clearly specified and IPIRTI's obligations in the service to be rendered clearly stated through proper appropriate documentation (e.g. letters, joint declaration etc.).

4.4 SUPPLY OF INFORMATION/DATABASES

IPIRTI has over the years, collected and compiled information and databases in specialised areas, which can be of significant value to clients. In the past, this type

of information has often been given free, however, most clients would be willing to pay a price for it. While no rigid guidelines can be laid on the price of supplying this information, the Director must ensure that the price charged takes into consideration the benefit to be derived by the client on acquisition of the information / database as also the nature of the client. While the Institute may supply the information / database at a modest price to

Universities and other State Forests Departments/Agencies; the charges for such information to commercial organisations and international / foreign agencies should be more on commercial basis.

4.5 FINANCIAL ASPECTS

Charges for technical services (except for supply of information / databases) shall comprise:

4.5.1.(i) EXPENSES

- a) Manpower (at prescribed rates)
- b) Physical inputs / services / utilities etc. including overheads at 25%
- c) Raw materials / consumables components with 25% overheads
- d) Equipment usage, depreciation / replacement costs
- e) Any other out-of pocket expenditure.

4.5.1(ii) INTELLECTUAL FEE / OPPORTUNITY COST

The quantum of intellectual fee or opportunity value shall be at the discretion of the Director considering the nature of client, the benefits accruing and his paying capacity.

Charges = Total Expenses + Intellectual fee i.e. (i + ii) above

4.5.1(iii) SERVICE TAX AT PREVAILING GOVT. RATES

The total charges for the Technical service to the client shall be as follows:

- (a) Expenses {4.5.1(i)}

(b) Intellectual Fee {4.5.1(ii)}

Charges = (a+b)

(c) Service Tax calculated at prevailing rates of (a+b)

(d) Total charges to be obtained from the client = (a+b+c) above.

4.6 INDEMNITY/LIABILITY

The liability, if any, for IPIRTI arising out of or in connection with Technical Services shall be subject to a ceiling of the amount received by IPIRTI from the client for the Technical Services.

4.7 COMPETENT AUTHORITY FOR APPROVAL

All jobs undertaken under Technical Services and charges thereto shall be approved by the Director.

4.8 FEEDBACK TO BOARD OF GOVERNORS, IPIRTI

Information on Technical Services undertaken by the Institute shall be furnished to the Board of Governors of the Institute vide item V of proforma at **Annexure – IV**.

5. UTILIZATION OF KNOWLEDGE BASE BY FOREIGN CLIENTS

Preamble

There has been an increasing interest in the IPIRTI knowledge base, from clients, not only from developing countries but also developed countries. As per these guidelines, all projects involving foreigners/foreign collaboration in any form will need a first level scrutiny from security & sensitivity angles by the concerned Ministry for clearance by the Secretary of the concerned Ministry/Department or a High Level Committee (HLC) of the Govt. of India depending upon the nature of the project.

5.1 DEFINITION

Foreign Client is deemed to be:

- i. A juridical entity registered/situated outside India;
- ii. All UN and World Organisations/ Bodies such as UNDP, UNIDO, UNESCO, TRADA, ITTO, INBAR, WIPO, CSC etc.;
- iii. NRI and Indian Client seeking to utilise/ exploit IPIRTI knowledge base abroad.

5.2 APPROVALS

5.2.1 FOR PROJECTS

The proposals for undertaking projects involving foreigners/foreign collaboration by IPIRTI and the laboratories after first level of scrutiny by the Director at the Institute shall be referred to **ADG (RT) at MoEF**, New Delhi for obtaining clearance/approval of the Competent Authority as per the detailed procedure given in **Annexure-VI**.

5.2.2 CONTRACTS

The Competent Authority for approval of contracts in all cases will be **Director General, Forests and Special Secretary, MoEF, New Delhi**.

5.3 AUTHORISED SIGNATORIES TO CONTRACTS

The authorised signatories for all contracts/ agreements shall be the Director. In the absence of Director, such documents will be signed by the Joint Director or senior most officers in the absence of joint Director. Administrative Officer of the Institute shall be the countersigning authority. In the absence of A.O. Section Officer will be the countersigning authority. For multi-agency projects, the signatories shall be the designated officers of the co-ordinating agencies

5.4 FINANCIAL ASPECTS

5.4.1 CHARGING FOR PROJECTS

The estimates of costs to be taken into consideration for costing of a 'Project' with foreign client will be the same as for the Indian clients and an opportunity charge levied keeping in view the cost that the foreign client would incur internationally or in his country for a similar project. The opportunity charges should normally not be less than two times the Intellectual Fee that could be charged to an Indian client for a similar /same project.

5.4.2 PRICING

The pricing of intellectual property shall be done on the same conditions as for Indian client. All the factors enumerated therein shall be taken into account while arriving at the price of the intellectual property however the opportunity value which would depend upon the specialised nature of inputs like raw materials, expertise, size of plant, competition from similar technology from other countries, state-of-art of technology etc. would play a greater role in determining the final price to be offered to the foreign client. Some of the countries, may not have a well developed system for foreign currency remittances and as such royalty collection may be difficult. In such cases, it may be advisable to transfer the technology preferably against lumpsum payments only, while in other cases the charges could be split between lumpsum amount and recurring royalty payment.

5.4.3 TERMS OF PAYMENT

The terms of payment by the foreign client could be negotiated and settled to mutually agreed conditions, to be approved by the Director.

5.5 INTELLECTUAL PROPERTY

5.5.1 OWNERSHIP

The intellectual property generated/acquired from the project shall normally be jointly owned by the foreign client and IPIRTI. The Institute and the foreign client shall mutually decide on the territories for obtaining and maintaining the intellectual property rights (IPR) and the sharing of expenses thereof. IPR for India shall however, be filed & maintained by IPIRTI.

5.5.2 LICENSING

IPIRTI and the foreign client shall have exclusive rights for licensing/ commercial exploitation of the intellectual property in their respective countries. For other countries, rights for commercial exploitation will be mutually decided between the Institute and the foreign client. The monies accruing from commercial exploitation shall be shared between IPIRTI and the foreign client on mutually agreed basis.

5.6 INDEMNITY/LIABILITY

The liability, if any, for IPIRTI arising out of or in connection with the projects with foreign clients shall be subject to a ceiling of the amount received by IPIRTI from the client.

5.7 FEEDBACK TO HEADQUARTERS

The Institute shall keep ADG (RT) at MoEF, New Delhi informed of any Project' negotiated and contracts entered into with foreign clients by submitting a quarterly statement of the details of such project including a copy of the contract agreement.

6. SHARING OF MONIES REALISED WITH STAFF

Preamble

The consolidated guidelines for sharing of monies realised from licensing of Intellectual Property and Intellectual Fees from Contract R&D and S&T Services and Consultancy with the IPIRTI staff are as under:

6.1 INTELLECTUAL FEES FROM CONTRACT R&D

Intellectual fee realised from contract R&D contracted is to be shared as follows:

Share of	Fees from contract R&D
IPIRTI	60%
Investigators	40%

6.2 HONORARIUM FOR CONSULTANCY SERVICES

Remuneration by way of honorarium receivable by staff associated with consultancy work shall be in accordance with O.M.No. F-11(2)- E.II(B)/63 dated 6th May, 1963 of the Department of Expenditure, Ministry of Finance (Annexure -V). Thus, an amount upto a maximum of two thirds of the fee portion or of the net surplus (remaining after accounting for all direct and indirect expenditure for the consultancy service) whichever is less is distributable as honorarium to staff.

6.3 PREMIA/ROYALTY RECEIVED FROM INTELLECTUAL PROPERTY LICENSING

The monies/fees realised from licensing of intellectual property (a) referred to NRDC and (b) directly by the Lab is to be shared as follows:

Monies realized from licensing

Share of	Through NRDC	Direct by Institute
NRDC /TTA	30%	-
IPIRTI (Institute)	30%	60%
Investigators	40%	40%

Royalty to	
• Scientists	30%
• Institute	70%

6.4 INTELLECTUAL FEES FROM S&T SERVICES

The share distributable to staff is twenty per cent of the intellectual fee or net surplus (remaining after accounting for all direct and indirect expenditure for the services) whichever is less, from the S&T Services.

6.5 PATTERN OF DISTRIBUTION

6.5.1 Contract R&D, Intellectual Property and S&T Services

i. The distribution pattern of Investigators' share of monies realised from Contract R&D and S&T services contracted and licensing of Intellectual property developed and referred to NRDC or approved for direct licensing by the Institute is to be as follows :

S.No.	Staff	Share
i.	Innovators & Principal Contributors	40%
ii.	S&T and other staff, who contribute	

	direct inputs to the specific development/activity	35%
iii.	Remaining staff of the Institute	20%
iv.	IPIRTI Staff Fund	5%

The detailed procedure for distribution of monies realised is given in Chapter 7, para 7.1.

6.5.2 CONSULTANCY SERVICES

The pattern of distribution of the permissible honorarium from consultancy services is to be as follows:

(i) Advisory Consultancy

Team of Consultants	- 95%
IPIRTI Staff Fund	- 5%

(ii) General Consultancy

The permissible amount of honorarium or 300% of the manpower charges levied, whichever is less, is to be as follows:

Team of Consultants	- 65%
Other S&T Staff	- 15%
Supporting Staff	- 15%
IPIRTI Staff Fund	- 5%

The detailed procedure for distribution of honorarium shall be as per Chapter 7, para 7.2.

7. PROCEDURE FOR SHARING OF MONIES WITH STAFF

7.1 SHARING OF MONIES REALISED FROM LICENSING OF INTELLECTUAL PROPERTY, CONTRACT R&D AND TECHNICAL SERVICES

7.1.1 CONDITIONS FOR SHARING OF MONIES

The sharing of portion of monies/fees as specified in Chapter 6 is subject to the fulfillment and compliance of the following:

- a) A format of cost accounting has been put in place and notified by the Institute;
- b) A legally valid agreement has been executed for Intellectual Property licensing /Contract R&D;
- c) The technology transfer/ project has been completed in accordance with the terms of the agreement;
- d) All the monies/fees due have been received in full;
- e) The client has not contested IPIRTI's fulfillment of its obligations as defined in the contract/ agreement;
- f) In the event of any legal action/dispute necessitating refund/payment of monies/ fees by IPIRTI to the client, the amount paid to the staff is recoverable;
- g) The maximum amount of money receivable by an employee from licensing of Intellectual Property and Intellectual Fee from Contract R&D and S&T Services will not exceed Rs.1 lakh per financial year or his/her salary for the particular financial year whichever is less;

7.1.2 CATEGORISATION OF STAFF

- a) Innovators & Principal Contributors may comprise scientists and other S&T staff, who have provided innovative, developmental, design engineering, experimental, data/information, testing/analytical, repair/fabrication, training and business development/marketing inputs for the project/ activity;
- b) S&T and other staff may comprise staff, who have provided direct supporting inputs for the specific project/activity; and
- c) Remaining staff may comprise rest of the staff of the Institute, who have not been included in the category of staff at (a) and (b) above for the specific project/activity.

7.1.3 MAINTENANCE OF PROJECT RECORDS

The Head of the Institute shall ensure that the following records are maintained and retained in the Institute:

(i) By Project Leader

a) Project File

Document containing information on a systematic basis on initiation of the idea; date of starting of the project; list of Innovators and Principal Contributors (as defined earlier); responsibilities assigned to the individuals and the extent of their participation (whether whole-time or part-time); significant contributions made by the individuals along with the supporting inputs/contributions of the S&T and other staff.

b) Completion Report

A document listing the outcome of the project/activity including the contributions made by each of the Innovators & Principal Contributors, S&T and other staff. The

final record shall be signed by each of the Innovators & Principal Contributors and the Project Leader.

b) Project Cost

Certified expenditure for each project/activity.

(ii) By Innovators & Principal Contributors and S&T and Other Staff

Record Book

A document maintained individually by the Innovators & Principal Contributors, S&T and Other staff listing date of his/her joining the project; extent of participation (whether whole-time or part-time); work allotted and/or undertaken from time to time; contributions or achievement made, verified and countersigned by the Project Leader/ Director.

7.1.4 DISTRIBUTION OF MONIES/FEES

- a. A Standing Committee shall be set up by the Director to consider and decide on the share of the Innovators & Principal Contributors, S&T and Other staff from the monies realised from licensing of Intellectual Property, the Intellectual Fees of Contract R&D Projects and S&T Services.
- b. The Project Leader shall recommend to the Standing Committee the share of the individual Innovators, Principal Contributors and S&T and Other staff for a specific project/activity commensurate with the individual's contributions to the project/activity as reflected in the Project Records.
- c. The Standing Committee shall decide the share of each individual [as at (ii) above] in the light of the recommendations of the Project Leader and taking into consideration the Project Records, wherever necessary.

- d. The recommendations of the Standing Committee shall be intimated to each of the Innovators and Principal Contributors and S&T and other staff and also displayed on the Institute and other appropriate notice boards. In case no objections/ representations are received within fifteen days of the date of notification, then the same can be submitted for consideration and approval by the Director.
- e. Representations, if any, against the recommendations of the Standing Committee, within the stipulated time limit, shall be reconsidered by the Standing Committee. The fresh recommendations of the Standing Committee, along with the details of representations shall be put up to the Director for consideration.
- f. The decision of the Director shall be intimated to each of the Innovators & Principal Contributors and S&T and Other staff and displayed on appropriate notice boards. Distribution of the monies/ fees will then be done, if no representations are received against the decision of the Director within thirty days of the date of notification.
- g. Appeals against the decision of the Director, within thirty days of the date of notification, can be made to Chairman, BOG, IPIRTI through the Director of the Institute. Decision of Chairman, BOG, IPIRTI shall be final and binding on all concerned.
- h. The portion of the monies/ fees earmarked for the Remaining Staff of the Institute is to be uniform for a salary scale and is to be distributed once a year.
- i. A person is entitled for a share from the monies/fees even in the event of his transfer/retirement/resignation from IPIRTI. In the event of death of a worker, his/her legal heir shall be entitled for his/her share of monies/fees.

7.2 DISTRIBUTION OF HONORARIUM FOR CONSULTANCY SERVICES

7.2.1 Honorarium is payable only to the 'Team of Consultants' and 'Other S&T Staff' providing inputs to the specific consultancy assignment, together hereinafter referred to as 'Group of Staff' and the 'Supporting Staff'. In case, there is no staff under 'Other S&T staff' associated with a consultancy project the share of honorarium earmarked for this category shall then go to the Team of Consultants.

7.2.2 The 'Team of Consultants' shall comprise only such staff members who provide intellectual inputs to the specific consultancy work, while 'Other S&T Staff' shall generally include Group III & IV staff, Research Fellows/Associates who assist the team of consultants with S&T, information, computational, economic and marketing-inputs pertaining to the specific consultancy and the 'Supporting Staff', will comprise all staff in the Institute from the technical groups I, II & III, administration, finance, stores and purchase, who have not been included in the other two categories of staff of any consultancy project for the year of distribution of honorarium. The Director shall have the flexibility to, group the 'Supporting Staff' as (a) those who contributed directly to the consultancy, and (b) the remaining supporting staff. The Director can also apportion between the two groups (a) and (b) above, the honorarium earmarked for the category of Supporting Staff. The distribution of honorarium to group (b) staff is to be uniform for a salary scale and is to be done once a year; however any supporting staff included in Group (a) of a consultancy shall be excluded from Group (b).

7.2.3 The names of the 'Group of Staff' to be associated with the 'consultancy project', indicated under each category, along with the proposed share (%) of honorarium 'of each individual member should be included in the project proposal put up to the Competent Authority for seeking approval to the project.

7.2.4 Any change in the approved 'Group of Staff' for the consultancy project can be made by the Director, with the revision being ratified by the Board of Governors, IPIRTI for projects within their competence for approval.

7.2.5 The consultancy will be deemed as completed only when the obligations envisaged in the assignment have been fulfilled and all the money due from the client has been received.

7.2.6 On the completion of the consultancy, the Project Coordinator shall in consultation with the team of consultants decide the share of honorarium to each member of the "Group of Staff", commensurate with the inputs of each individual member. The share of distribution agreed upon will be intimated to the concerned staff and also displayed on the notice board of the Institute. In case, no objection to /representations against the proposed distribution are received within fifteen days from the date of intimation/ notification the recommended distribution may be taken as final.

7.2.7 In case of Advisory Consultancy projects for which the duration of the contract is more than a year, honorarium may be distributed annually, provided the amount due for the year, has been received from the client.

7.2.8 The Director would be competent to approve the distribution of honorarium (vide procedure stipulated in para 6 above) in all cases where there is no deviation from the approvals obtained for the distributable amount of intellectual fee and/ or share of honorarium of individual member for a consultancy project.

7.2.9 In cases, where there is a deviation in the approved share of honorarium of individual member and/ or the amount of intellectual fee available for distribution, approval of Competent Authority to the revised proposal for grant of honorarium as envisaged by the changed conditions may be obtained prior to distribution of honorarium as per procedure prescribed in para 6 above.

7.2.10 Any objections/representations (received within the stipulated period of time) to the distribution of honorarium proposed vide para 6, shall be discussed with the Project Coordinator by either the Director or any Committee setup by the Director for the purpose. The Committee's recommendation would then be placed for consideration/ decision of the Director, IPIRTI. The decision of the Director shall be intimated to all concerned staff and displayed on the Notice Board. In case, there is no representation against the decision of the Director within 30 days of its display on the Notice Board, distribution of honorarium as per the BOG's decision shall be done.

7.2.11 Representations/ objections against the decision of the Director can be made to Chairman, BOG within 30 days of the date of its display on the Notice Board (A copy of all such representations should invariably be endorsed to the Director of the Institute). The decision of Chairman, BOG in the matter shall be final and binding on all concerned.

7.2.12 A member of the consultancy team shall have the option to forego his/her share of honorarium, which shall then lapse to the IPIRTI Staff Fund.

7.2.13 There is no ceiling on the maximum amount of honorarium receivable by an individual from consultancy provided that the man-days devoted by the individual on consultancy work in a financial year do not exceed 50 man-days (as stipulated in Chapter 2, para 2.6.9).

7.2.14 Any distributions made in disregard of the prescribed procedure and guidelines shall be deemed as unauthorized and liable to recovery with 18% interest.

ANNEXURE -I

PROFORMA FOR APPROVAL OF CONTRACT R&D PROJECT

1. Project

a) Title, Number & Impact Code :

b) Type(Sponsored/Collaborative/ Grants-in-aid)

2. Client / Customer : a)

Name and address : b)

Category (Type & size)

(Govt. Deptt./ Agency/ Voluntary / Cooperative Agency, Research Organisation, Foreign Firm/Agency, Public/Private Sector, Large / Medium / Small / Cottage Unit)

3. Objectives, scope and duration :

of the project

4. Present stage of knowledge :

5. Programme of work with phasing,

milestones and S&T inputs of client

6. Project Team (S&T Staff) :

7. a) Benefits to client on Utilisation of
research results

b) Vesting of Intellectual property :

8. Financial aspects :

I Estimated Expenses :

a) On Man-days

Name & Designation	Man-days	Rate (Rs./day)	Amount (Rs.)
i.			
ii.			
iii.			
iv.			
v.			
b) Consumables/raw materials/ component	:	Rs.	
c) Services/utilities	:	Rs.	
Overheads @ 25% of (b+c)	:	Rs.	
d) Equipment/computer usage para 1.4.1)	:	Rs.	(see

- e) External payments : Rs.
- f) TA/DA : Rs.
- g) Contingencies : Rs.

Total expenses

Sum of I(a) to I(g)

II. Intellectual fees - : Rs.

(@ ___% of 'I' or minimum 33.3% of 'I')

Total Project Charges (I+II)

Rs.

III. Payments to be received as follows :

(indicate for the installments the amount,
mode, time and bank guarantee)

9. Utilisation of Intellectual :

property generated

Licensing:

a) Exclusive/non-exclusive

b) Period

c) Fee/charges

i. Lumpsum (instalments, amount, time,
mode, guarantees)

ii. Recurring royalty (Period and basis)

10. Remarks

Project Leader

(Signature)

DECISION OF COMPETENT AUTHORITY

Director/ Chairman BOARD OF GOVERNORS, IPIRTI.

Signature

CC:

1. Director, IPIRTI,
2. J.D.
3. H.O.D
4. P.I.
5. Administrative Officer
6. Team Members



ANNEXURE- II

PROFORMA FOR APPROVAL OF CONSULTANCY PROJECT

1. Project Title, Number & Impact Code :

2. Client/Customer :

a) Name and address :

b) Category :

(Govt.Deptt./ Agency, Voluntary / Cooperative Agency, Research Org., Foreign firm/Agency, Public/Private Sector; Large/ Medium/ Small/ Cottage/ Tiny Units)

3. Nature (Advisory /General) :

(Justification for classification as Advisory)

4. Objective, scope and duration of the project :

5. Programme of work with phasing and milestones :

6. Benefits to client on utilisation of project output :

7. Financial aspects :

I. Estimated Expenses

a) On Man-days

Name & Designation	Man-day Rate	Amount (Rs.)
	(Rs./day)	

i.

ii.

iii.

CONSULTANCY RULES – IPIRTI

iv.

v.

The scientists/staff included have not rendered consultancy exceeding 50 days in the FY under consideration.

b) Consumables/raw materials/ components:	Rs.	
c) Services/utilities	: Rs	
overheads @ 25% of b+c	: Rs	
d) Equipment /computer usage (see para 1.4.1)	: Rs.	
e) External payments	: Rs.	
f) TA/DA	: RS.	g)
Contingencies	: Rs.	

Total expenses _____

[Sum of I (a) to I (g)] _____

II. Intellectual Fees - : Rs. _____
(minimum = Man-day charges i.e. I (a))

Project Charges (I+II) : Rs. _____

III Services tax calculated at prevailing rates of

(I+II) Total Charges = I + II + III

IV Payments to be received as follows: (indicate for the installments, the amount, mode, time and bank guarantees)

8. Honorarium payable

A. Advisory Consultancy

Distributable amount upto a maximum

of 2/3rd of intellectual fee as follows :

Team of Consultants	95%	IPIRTI
Staff fund	5%	

B. General Consultancy

Distributable amount upto a maximum of 2/3rd of intellectual fee or 300% of the manpower charges levied, whichever is less as follows:

I. 'Group of Staff' (or the consultancy project)

a) Team of Consultants (65%)

	Name & Designation	% share
i.		
ii.		
iii.		
iv.		
v.		

b) Other S&T staff (15%)

Name & Designation	% share
i.	
ii.	
iii.	
iv.	
v.	

c) Supporting staff (15%)

Name & Designation	% share
i.	
ii.	
iii.	
iv.	
v.	

II IPIRTI, Staff Fund _____ @ 5%

9. Remarks

Project Leader

(Signature)

DECISION OF COMPETENT AUTHORITY

Director/ Chairman, BOARD OF GOVERNORS, IPIRTI.

CC:

Signature

1. Director, IPIRTI,
2. J.D.
3. H.O.D
4. P.I.
5. Administrative Officer
6. Team Members



ANNEXURE - III**MAN POWER CHARGES**

The minimum manpower charges for all external work shall be as follows:-

Category of Staff	Manpower rates (Rs.)	
	Per day	Per annum
a) Senior Scientist (S&T personnel of the level of Sc. E and above)	5000	10 lakh
b) Scientist (S&T personnel of the level of Sc. B and upto Sc. D)	3000	6 lakh
c) S&T Assistant (Personnel below the level of Sc. B including Research Fellows)	2000	4 lakh

d) Project Assistant on actual basis

Note 1: In cases where Group I & II staff contribute S&T inputs to the project, their manpower charges are to be calculated at 2.5 times the median emoluments of the grade/scale on per day/per annum basis as applicable.

Note 2: The charges shall be effective from the date of adoption of these rules by *Board of Governors*.

Note 3: These are minimum manpower charges, higher rates could be charged, wherever possible.

Note 4: While working out the manpower charges on the basis of per annum rates for different categories of staff, the number of working days in a year shall be taken as 200.

Note 5: Per day charges will apply where total man-days for the project/assignment are less than sixty, otherwise pro rata per annum man-day charges shall apply.



ANNEXURE - IV

RESEARCH UTILISATION DATA

For the quarter _____20 to_____20

From IPIRTI, BANGALORE,

I. Major Contributions to IPIRTI Knowledgebase

Please include here, amongst others, information (alongwith publicity and related literature) on:

- i. Details on technical assistance/consultancy / know-how supplied by the institution.
- ii. Commissioning of any special Research, Design, Development and Testing facilities (list details of the facility, utility, cost etc.).
- iii. Completion of any R&D projects having significant economic/ welfare/ national security impact potential.
- iv. Any other achievement.

CONSULTANCY RULES – IPIRTI

II. Intellectual Property

II a. Developed & Available for Utilisation

Sl. No.	Title	Date of Development	At scale (Quantitative)	Through In-house/Contract Projects	Licensing through & terms

* Date when made ready for licensing.

** Channel of licensing *i.e.* Direct by IPIRTI / NRDC/TTA / Other

CONSULTANCY RULES – IPIRTI

IIb. Intellectual Property Licensed

Sl. No.	Title	Licensee	Licensed through IPIRTI, NRDC/TTA/ others (specify)	Terms of Licence	Effective date of Licence

* also indicate if first licensee

CONSULTANCY RULES – IPIRTI**II c. Intellectual Property Productionised & Monies Accured Thereof**

Sl. No.	Title	Licensee	Licenced through IPIRTI, NRDC/TT A/ others (specify)	Effective date of license	Date of Commencement of Production	Plant capacity / Investment	Money Received Premia/Royalty

* also indicate if first licensee

CONSULTANCY RULES – IPIRTI

III. Contract Research Projects

Sl. No.	Client Name and Status	Name of Project (Type)	Value of contract (Rs. Lakh)	Money Received during the Quarter (Rs. Lakh)	Date & duration of project	Status of project (New/Cont./ Comp.)	Licensing of know-how envisaged (Yes/No)

SP - Sponsored Project

CP - Collaborative Project

GA - Grant-in-aid Project

GD - Govt. Deptt/Agency

CV - Co-operative/ Voluntary Agency

PS - Public Sector

PVT - Private Sector

RO - Research Organisation

FO - Foreign Agency/ Organisation

LAR - Large

MED - Medium

SM - Small

COT - Cottage

CONSULTANCY RULES – IPIRTI

IV. Consultancy Projects

Sl. No.	Client's Name and Status	Name of Project	Value of contract (Rs. Lakh)	Money received during the Quarter (Rs. Lakh)	Date & duration of project	Status of project (New/Cont./ Comp.)	Licensing of know-how envisaged (Yes/No)

*GD - Govt. Deptt/Agency

CV - Co-operative/Voluntary Agency

PS - Public Sector

PVT - Private Sector

RO - Research Organisation

FO - Foreign

@ LAR - Large

MED - Medium

SM - Small

COT - Cottag

CONSULTANCY RULES – IPIRTI

V. Technical Services

V.a. Training

S.No.	Title of training programme	Duration	Number of trainees	Money received for the

V.b. Other Technical Services

i. Testing/analysis work		
ii. Training		
iii. Job work		
iv. Supply of information/ databases		
v. Any other service rendered (Please specify).		

ANNEXURE - V

CONSULTANCY WORK BY IPIRTI

Copy of Office Memorandum No. F-11(2)-II(B)/63 dated the 6th May, 1963 from the Govt. of India, Ministry of Finance (Department of Expenditure), New Delhi addressed to all Ministries/Departments etc.

Subject: Extension Work by the Staff of IPIRTI.

1. The purpose of permitting **private practice** to officials, viz. to enable them to keep pace with the scientific / technological advances that are taking place in their respective fields and to improve their professional competence, can be served by the institution concerned itself taking up the consultancy work. The following procedures may be adopted in such cases of institutional consultancy:
 - i. the institutions taking up the consultancy work will entrust the work to selected staff members;
 - ii. as far as possible, the staff members selected for the work should have the confidence of the client;
 - iii. the fees received for rendering the consultancy work will be credited to the funds of the institution;
 - iv. the institution may sanction suitable honorarium to the member of the staff who actually execute the work. The honorarium should be fixed having regard to the nature of the work, the amount of the time spent on it and the extent of facilities provided by the institution for the work. But the total amount of honorarium paid to the members of the staff should not exceed 2/3 of the total fees received for the work by the Institution.
2. In the case of an officer appointed on contract, who under the terms

of contract, is entitled to have private consultancy practice, these orders will be applied to him from the date following the date of expiry of the present contract but, if the present contract of such an officer is for an indefinite period, these orders will be applied in his case after the expiry of two years from the date of issue/of these orders.

3. The Ministry of Scientific Research & Cultural Affairs, etc. is requested to bring these orders to the notice of the institutions etc. under their administrative control.



ANNEXURE-VI

PROFORMA FOR SEEKING SECURITY & SENSITIVITY CLEARANCE FOR PROJECTS INVOLVING FOREIGNERS/ FOREIGN COLLABORATION

1. The proposals for undertaking any and all projects involving foreigners/ foreign collaboration by IPIRTI, after due diligence of scrutiny be referred to ADG (RT) at MoEF, New Delhi for obtaining security and sensitivity Clearance.

- i. Title and short description of the project;
- ii. Name, address, nature of organization and the activities of foreign collaborator/sponsor and more especially of the direct collaborator;
- iii. Details of past collaborations, if any, by the collaborator/sponsor with the IPIRTI,/other Indian institution(s);
- iv. Details if any, available on R&D projects of sensitive and national security, taken up and/or funded by the sponsor/collaborator in the past in its own country or any other country;
- v. Genesis to the origin of the project;
- vi. Total cost (in Rs. and Foreign Exchange) and duration of project;
- vii. Foreign support/collaboration (details):
 - a. Financial support (Rs. & Foreign Exchange)

- b. Equipment support .
 - c. Technical support
 - d. Manpower training/exchange ((Indian/foreign)
 - e. Data/Informational support
 - f. Miscellaneous/others (use of facilities, ship, computers etc.)
- viii. Justification/need for foreign sponsorship/collaboration and likely benefits (scientific, economic, societal, strategic etc.) for the IPIRTI, /and India;
- ix. The project involves (give details):
- a. Referring to or sourcing of strategic/sensitive material/ information;
 - b. Transfer of biological material(s) to the collaborator/sponsor;
 - c. Use of genetically modified organisms;
 - d. Use of environmentally or otherwise hazardous material(s);
 - e. Use of radio-active materials;
 - f. Field surveys/trials/proving/collection/testing (give locations);
 - g. Intellectual Property Rights (IPR) generation/exploitation/ use;
 - h. visits if any, by the personnel of foreign collaborator/sponsor to India; if so, the places/institutions to be visited and likely duration;
 - i. Ethical issues in conducting of the project;

- j. If answer to any of the points in (ix) is 'yes', the investigator/proposer to give undertaking to abide by relevant and extant IPIRTI, BANGALORE/national regulations and guidelines on the subject.
- x. Any conditionals on use of project results for strategic and/or national security uses;
- xi. Any other relevant information not covered above; and
- xii. Endorsement and specific recommendations of Director of the Institute that:
- The project does not involve any national security and/or sensitivity angles either proximately or remotely now or in the foreseeable future.

OR

- The project involves issues of national security and/or sensitivity (specify) and due diligence has been exercised in the laboratory and measures (specify) put in place to adequately safeguard the security and sensitivity issues.

2. Scrutiny of proposals at the Institute:

Prior to submission of the proposal for clearance as above, the proposal shall be scrutinised at the Institute level by the Director with respect to the following guidelines namely that:

- i. the project is related to national/ IPIRTI, research priorities and interests;

- ii. there is need for foreign collaboration in the specific field/subject;
- iii. the foreign collaboration is expected to add value or bring benefits to the IPIRTI, and the nation;
- iv. the field/subject of the project does not have a bearing on sensitive matters - political, regional, religious, communal, social, tribal and/or on security, including industrial and technological and on the country's commercial interests, either proximately or remotely;
- v. the project would not allow access by foreigners to sensitive information or data or material;
- vi. the end-use of the results of the study do not impinge on areas of national security, or on the areas which are 'sensitive', particularly through custody and control over data and its dissemination/ publication to the detriment of national security or interest, now or in the foreseeable future;
- vii. appropriate measures to ensure necessary security have been/will be put in place in case of visits by foreigners to sensitive areas or institutions;
- viii. for projects involving cruise of foreign vessels in Indian EEZ and/or flight-of foreign aircraft over Indian territory clearance of appropriate inter-ministerial group(s)/Ministries/Departments has been obtained and specifically mentioned thereto.

3. Scrutiny of proposals at the Hqrs

The project proposal in the prescribed format alongwith the information on

scrutiny at lab. level be referred to ADG (RT) at MoEF, New Delhi for seeking clearance from security & sensitivity angles. The proposal shall be examined and processed by ADG (RT) at MoEF, New Delhi as follows:

- i. Those not involving any security and sensitivity issues will be put up to Secretary, MoEF and DG (Forests) and Special Secretary for his approval on behalf of High Level Committee(HLC) of the Government and the IPIRTI, informed accordingly within 2 weeks of receipt of full details;
- ii. Those involving security and/or sensitivity aspects will be submitted by correspondence for approval to other relevant Ministries/ Departments/State Governments and processed as follows:
 - a. In case the proposal is cleared by all relevant agencies; Or
 - b. In case no response is obtained from referred agencies within 6 weeks.The proposal will be put up to Secretary, MoEF and DG (Forests) and Special Secretary for approval/ clearance on behalf of the HLC and the Institute informed accordingly within 8 weeks of receipt of full details.
 - c. In case an agency, prior to the expiry of 6 weeks seeks more time for examination then the proposal would be kept pending for that time and thereafter processed appropriately. The Institute will be kept informed of the position within 8 weeks of the receipt of full details;
 - d. In case the proposal is not cleared by any of the concerned agencies, it will be submitted to Secretary, MoEF and DG (Forests) and Special Secretary for permission to forward it alongwith completed prescribed government checklist and MoEF's recommendations to the Competent Authority for the consideration and decision of the HLC. The Institute will be informed of non-clearance of the proposal by any agency within 8 weeks of receipt of the full information.