

## Indian Institute of Technology Bombay

### Startup Policy 2021

#### A. Preamble

The Indian Institute of Technology Bombay (IITB) is recognised worldwide as a leader in the field of engineering education and research. Reputed for the outstanding calibre of students graduating from its undergraduate and postgraduate programmes, the institute attracts the best students from the country for its bachelor's, masters and doctoral programmes.

As part of its objective to take up research that makes a difference, IITB encourages its faculty member, employees and students to take up R&D from early on and convert their technology ideas and innovation in various disciplines of science and engineering into commercial ventures for wide public good.

In this context, as the most important move, the Institute set up a facilitating ecosystem to promote entrepreneurship, more than two decades ago. The various initiatives included:

1. Setting up an Entrepreneurship Cell (E-cell) to help students, young entrepreneurs and professionals in their entrepreneurial journey, with continuous events like E-summit, Eureka, other competitions to promote entrepreneurship etc. Visit <https://www.ece/Un/20201>
2. Providing an academic understanding of entrepreneurship through courses in the institute and establishing a dedicated School for Entrepreneurship to support innovation, skilling / training, pre-incubation and mentoring to promote venture developments and entrepreneurship. Visit <https://www.iitb.ac.in/ldsce/>
3. Having Industrial Research and Consultancy Centre (IRCC), a coordinating unit to manage all intellectual property protection and technology licensing activities and setting up facilitating policies, and simple beneficial processes to promote entrepreneurship by IITB Researchers to use their IP for commercialisation. Visit [rnd.iitb.ac.in](http://rnd.iitb.ac.in)
4. Setting up a Technology Business Incubator (TBI), called the Society for Innovation and Entrepreneurship (SINE) in 2003, to provide 'Start to scale' support for technology based entrepreneurship and facilitate the conversion of research activity into entrepreneurial ventures. Visit <https://www.sineiitb.org/>
5. Setting up of Technology Innovation Hub for translational research on IoT (Internet-of-Things) and IoE (Internet-of-Everything) (TIH-IoT), with an aim to emerge as a world leader in IoT and IoE technology solutions through multidisciplinary in-house R&D, interaction with world leaders and support industry for the transformation. Visit <https://www.tih.iitb.ac.in/>
6. Setting up Centres of Excellence in various areas, providing translational research initiatives, product development, testing and research infrastructure labs and funding resources for the students to experiment with innovation, and participate in national/ international technology competitions.

7. Established the IIT Bombay Research Park to strengthen industry academia collaboration to take IITB research towards commercialization, resulting in developing solutions for Indian and global technology challenges. Visit <http://www.respark.iitb.ac.in>
8. Establishing a large network of institute, industry, alumni and government funding bodies, both national and international.
9. Organising student driven technology-based festivals and exhibitions showcasing research and innovation activities and outputs.
10. Setting up various initiatives in the campus to create a thriving ecosystem for innovation, translation and deployment.

The institute set up a startup policy for IITB Researchers early on, to permit various activities under its broad framework. Significant progress has been made at the institute in developing and deploying its technologies and promotion of entrepreneurship. Various activities are ongoing under the existing framework.

Aligning with the National Innovation and Entrepreneurship Policy (NISP) of the Government of India

The National Innovation and Entrepreneurship Policy (NISP) of the Government of India was set up in 2019 and as per its provisions, higher educational institutes (HEIs) are to align their policies with the given framework.

In view of this, the current policy document is drafted below and provides a framework of terms to start / co-found a company by an IITB Researcher along with the rules and norms set by IITB for this activity. The document adds to the existing policy with provisions under the broad framework of NISP.

This policy document is intended to promote, encourage and enable entrepreneurship whilst providing a framework for supporting innovators and entrepreneurs in the institute.

## B. Definitions for this policy framework

Activity means co-founding a Company along with or without other IITB Researchers or with a non IITB founder or providing advisory consultancy to a Startup

Equity Share reflects the ownership in the issuing company where each equity holder is a fractional owner of the issuing company.

IITB or Institute shall mean Indian Institute of Technology Bombay.

IITB Researcher shall mean Regular / full time faculty member, other part time faculty member on roll of IITB, Institute postdoctoral researcher, staff on duty, research scholars and other

students studying in IITB and other researchers (such as interns or external students guided by IITB faculty member) associated with IITB in a formal manner.

**IRCC** means Industrial Research and Consultancy Centre (IRCC), the coordinating unit to manage aiiiP protection and technology licensing activities at IITB.

**Non-Executive position** means a person in this post who is not in employment of a company and who is not paid salary by the company.

**Regular / Full time Faculty member** is a faculty member appointed by the Institute and approved for taking up activities under this policy.

**Startup** means and include

- a. a start-up / new company registered in India
- b. is defined as per the provisions of the NISP document / Gazette notification therein
- c. incubated inside or outside of the IITB TBI and
- d. a company with which an IITB Researcher is associated with and
- e. IITB has an arm's length relationship with.

**Startup policy** shall mean this document and any revisions, modifications made therein and approved from time to time.

**SINE** is Society for Innovation and Entrepreneurship (SINE), the technology business incubator (TBI) at IITB, which provides 'Start to scale' support for technology based entrepreneurship and facilitates the conversion of research activity into entrepreneurial ventures.

**Type of Compensation** means holding equity by the IITB Researcher in the Startup for any Activity.

## **C. Guidelines for business incubation and / or involvement of IITB Researcher with startups**

### **1. Association of IITB Researcher with a Startup**

An IITB Researcher is permitted to start or co-found a company and related matters and hold equity in the same subject to completing procedural formalities prescribed by the Institute, as given.

The IITB Researcher may be associated with a Startup in two main modes.

- a. Be a co-founder of the startup and use the research outcome / intellectual property generated by him / her in the Institute
- b. Provide advisory consultancy / mentorship to a startup in their core domain of expertise.

## 2. Startups eligible under this Policy

- a. Startups jointly owned / cofounded by IITB Researchers with / without outsiders and submitted for incubation in SINE
- b. Startups owned jointly / cofounded by IITB Researchers with / without outsiders and started outside of SINE.
- c. Startups that pursue businesses that are a direct result of the research and development activities at IITB.
- d. Startups pursuing commercialisation in technology domains.
- e., Startup that does not compete or conflict with the core activities of the institute.
- f. Other such class of startups that are not covered by the above will be taken up on a case-by-case basis.

## 3. Guidelines for being associated with a Startup

- a. Only Regular / Full time faculty members of IITB are allowed to provide advisory consultancy / mentorship in a Startup in lieu of holding equity. Any other faculty members associated with IITB should consult the Institute before taking up such an assignment.
- b. A Regular / Full time faculty member is expected not to spend more than permitted time as per Institute rules, in the Startup either as a Cofounder / Director or in advisory consultative / mentorship role. His / her involvement in the Startup should not compromise with their existing academic, research and administrative work / duties. In view of this a Regular faculty member is not permitted to be the sole owner of a Startup.
- c. It is expected that an IITB Researcher starting a company as a founder will find a co-founder within a reasonable time of establishing the company. In case the IITB Researcher wishes to hold an executive or managerial position in a Startup, then he / she will go on appropriate leave as per Institute rules.
- d. Subject to all due diligence assessment and clearance, the Institute may permit the IITB Researcher to be associated with the startup as per the provisions of this clause. The details of appropriate permissions for specific IITB Researcher (such as a student, postdoctoral researcher, project staff, etc.) will be given in the implementation guidelines.
- e. In return for the IITB Researcher being associated with a Startup and using their time, expertise, knowhow, consulting, etc. IITB may take a nominal fee from the Startup either as a percentage equity holding and / or as a percentage of its annual turnover for a fixed period. Such charges will be as per approved prevailing policy of IITB.
- f. Any use of specific research / infrastructure facilities of IITB by the Startup will be based on charges approved for the same.

- g. Every IITB Researcher wishing to be part of a Startup will have to submit a declaration with disclosure of all relevant information to the Institute as per the procedure laid out and revised from time to time.
- h. IITB Researchers are allowed to use their research outputs / intellectual property to seek government / other grants for prototype development, pre-incubation etc. Appropriate process will be followed to provide him / her with required clearance / no objection. However, establishing any startup thereafter or otherwise will be as per rules and processes of IITB.
- i. The process of obtaining no objection (NOC), other relevant permissions and commercial terms will be as per implementation guidelines of the Institute, which may be revised from time to time.

#### **4. Licensing of intellectual property (IP) generated at IITB**

- a. The intellectual property (IP) ownership and licensing of technologies developed at IITB will be as per approved prevailing policy of IITB. This may be viewed at <https://rnd.iitb.ac.inlip-policy>.
- b. In addition to being associated with a Startup in the form of a co-founder, an IITB Researcher may wish to use the outcome of his / her research and development efforts, and IP in the Startup. This may be permitted by providing an appropriate license by IITB to the Startup as per prevailing policies.
- c. IP generated at IITB with use of significant resources of the Institute belongs to the Institute, as per the approved prevailing policy given at <https://rnd.iitb.ac.inlip-policy>. This will facilitate the licensing process especially when there is more than one inventor involved and after graduation of student inventors.
- d. An IITB Researcher wishing to license a technology **IP** generated at the institute will need to fill a form giving all details of the technology, its status, funding source, terms and conditions governing the same, etc.
- e. Based on an internal due diligence and feedback, an in-principle no objection will be provided to the IITB Researcher to use the technology in their Startup for commercial activities.
- f. In return for such licensing, a fee may be charged by the Institute which may include an upfront fee and / or royalty as a percentage of annual sales or as a percentage equity holding. The details will be finalized over a specified period based on the commercialisation / deployment model, market potential, etc. within a defined period. In case of Startups in the IITB TBI, this may be finalized latest at the time of graduating.
- g. The preferred mode will be a non-exclusive license, however, if a researcher wishes to receive an exclusive license, this may be permitted subject to a consent of all the

inventors / owners as applicable, associated with such technology.

## **5. Conflict of Interest**

All IITB Researchers shall be bound by the conflict of interest related policy / guidelines of IITB as applicable from time to time.

## **6. Resolution of Disputes**

Any dispute will be resolved by mutual discussion with Dean (R&D)/Dean (FA) and if required, a committee may be set up to review the same for a resolution. Recommendation of the committee will be made to the Director and the decision of the Director will be final and binding.

## **7. Incubation at SINE**

SINE manages the technology business incubation at IIT Bombay with Director IITB being the chairperson of its Board. It provides a platform to support technology-based startups.

- a. SINE offers start-to-scale support under its pre-incubation and incubation programs to technology-based startups.
- b. In lieu of incubation support and services to be provided by SINE/IITB, the SINE supported entities will be subject to consideration in form of equity and/or revenue share.
- c. Tenure in SINE will be upto 36 months unless extended as per SINE policy.
- d. SINE supports startups through
  - Mentoring, Training, workshop on various aspects of business, product development,
  - Facilitates connections with Industry, Investors, Mentors, through its ecosystem network
  - Access to funding

## **8. Implementation:**

The implementation of the provisions of the IITB Startup policy will be made through appropriate documentation and approvals, within the framework of the National Innovation and Startup Policy (NISIP) of the Government of India.

9. Any modifications of the framework may be possible, within the overall objective of promoting and facilitating innovation and entrepreneurship.

**10.** The policy will be reviewed after a period of three years.

Any items not covered above will be addressed on a case-to-case basis keeping in mind the overall objective of promoting and facilitating innovation and entrepreneurship.

End of Document