

Guidelines for the start-ups at EPFL

Vice Presidency for Innovation and Technology Transfer

Preamble

Besides education and research, the third mission of EPFL is innovation and technology transfer. There are various ways to transfer technology for the benefit of economy and society: the competences acquired by EPFL graduates and researchers, collaborations with industry, the licensing of EPFL technologies and the creation of start-ups based on EPFL research findings.

The EPFL Vice-Presidency for Innovation and Technology Transfer (VPIV) is responsible for encouraging and coordinating all relationships between EPFL and industry through its various units: the **Technology Transfer Office** (TTO) manages the intellectual property created by EPFL employees and licensing with industry and start-ups; the TTO is also in charge of establishing the collaboration agreements with industry. **Alliance** is supporting the relationships between EPFL and SMEs. Relations with large companies are more specifically handled by the **Corporate Relations** unit whereas the support to start-up creation is provided by the **Entrepreneurship** unit.

EPFL has a long history of supporting the commercial exploitation of its research results through the creation of start-ups. While a license from EPFL to a company is based on arm's length conditions, EPFL takes into account the uncertain and fragile status of a start-up (in comparison to other companies) by providing it encouragement and support.

This document presents the rules and practice that EPFL has put in place over the years regarding the creation and development of start-ups at EPFL.

What's an EPFL start-up?

An EPFL start-up is a company created with the aim to further develop and commercialize a technology originating from EPFL laboratories and, most of the time founded by EPFL employees. Each year, EPFL counts the number of such companies but does not deliver any official label.

Licensing EPFL technologies

Licensing is one of the ways used to transfer to the economy technologies originating from the research performed at EPFL. A license is a contract by which EPFL gives to a company the right to use certain intellectual property (IP). By IP, we mean in this document: patents on inventions; copyrights on software or plans, drawings and the like; trademarks; know-how. A license may also include the transfer of demonstrators or prototypes. A license may be *exclusive* (i.e. only the beneficiary of the license will have the right to use the licensed IP) or *non-exclusive* (i.e. EPFL may grant licenses to other companies on the same IP). The license is generally limited to certain fields of application that the start-up plans to develop.

IP created by EPFL employees (including professors, doctoral and postdoctoral students) in connection with their activities for EPFL belong to EPFL¹. This is why a start-up willing to further develop and commercialize a technology based on or using such IP needs to secure a license, even if the start-up is created by the inventor or creator of such IP. Income received by EPFL from the

¹ Article 36 of Federal Act on the Federal Institutes of Technology (<https://www.admin.ch/opc/en/classified-compilation/19910256/index.html>)

licensing of its IP is shared with the employees having created such IP². For more information about IP and income sharing please consult the TTO guide available at <http://tto.epfl.ch/licenses>.

EPFL only grants licenses to incorporated companies and not to individuals. Individuals wishing to create a start-up may obtain an option for such a license, i.e. reserve the right to negotiate a licence for an EPFL technology during a limited period (typically six to twelve months).

In exchange for the license, EPFL is compensated according to the following principles:

- EPFL takes an equity position in the start-up; this is instead of an upfront payment, which is typical for licenses to established companies.
- EPFL receives royalties based on the revenues from the sale of products or services that depend upon the licensed IP. A minimum annual fee is also requested as a commitment of the start-up towards the development of the licensed technology.
- The start-up reimburses the costs of the maintenance of any licensed patent, from the date of signature of the license.

Further, in general, companies benefiting of an exclusive license from EPFL shall commit to reach certain development and commercial milestones to be agreed in order to maintain the license active.

On EPFL's side, the licenses are established and negotiated by the TTO; they are signed by the head of the TTO and co-signed by the professor heading the laboratory from which the technology originated. A **license template**, with explanations, is available on the TTO web site at http://tto.epfl.ch/documents_en.

Conflicts of interests for EPFL employees creating or participating in start-ups

EPFL employees creating or participating in a start-up may be faced with situations where their personal interests and EPFL's interests are in conflict. In such a case, EPFL employees must do their utmost to avoid any actions that could be detrimental to EPFL. Any EPFL employees are required to formally announce being a founder or a shareholder of a start-up and to sign a personal commitment agreement that must be sent to the TTO.

A written authorization must be obtained from EPFL when a conflict of interests arises in connection with an external activity for a start-up whether remunerated or not. This applies to positions such as CEO and board members, as well as to any activity performed for the start-up.

For more information about the rules, preventive procedures and authorization requests applicable for all EPFL employees in case of conflict of interest please consult: <http://polylex.epfl.ch/employees> (part 4.1.1)

Use of EPFL name and resources

The use of **EPFL name and logo** is strictly defined by EPFL Mediacom unit. People wishing to use the EPFL name and logo should contact this unit.

² See article 37 of the Directive on Research Agreements and Technology Transfer (DSCRTT) http://tto.epfl.ch/research_agreements

EPFL is a public institution which does not house companies in its laboratories. No company should use the EPFL **address** for its premises. Entrepreneurs may contact the EPFL Innovation Park to rent office or lab space. Further, companies should not use the EPFL URLs for their own **web site**.

The use of EPFL resources, in particular equipment and facilities, is possible but subject to the signing of a contract between the start-up and EPFL. Entrepreneurs should contact the TTO.

Collaborations between start-ups and EPFL

Collaborations for R&D projects between EPFL laboratories and start-ups are encouraged. They are subject to contractual agreements as for any other established companies. For more information about collaborations contracts, contact the TTO or visit its web site.

Professors and employees of a laboratory who have an interest (e.g. shareholding) or a role (board member or employee) in a start-up collaborating with such laboratory should also inform and be transparent with their colleagues.

Additional support to EPFL start-ups through its ecosystem

The EPFL ecosystem has grown over the years and has reached a maturity which many other universities envy. It is also fragmented and sometimes difficult to understand, but this constitutes its richness. The ecosystem provides a diversity of tools to support start-up activity:

- Advice (training, coaches, mentoring)
- Funding (Innogrants, Enable and other grants, prizes, investments)
- Office space (co-working spaces, incubators, accelerators, technology parks)
- Exposure (networking, role models, pitching of ideas)
- Internationalization (in Europe, America and Asia)

The EPFL VPiV is the **entry point** to this ecosystem, through

- the Technology Transfer Office for any intellectual property assessment, protection, development and licensing of EPFL IP; the Enable program (<http://enable.epfl.ch>) which provides funding for the development of early prototypes and other short term validation projects in view of commercialization of an EPFL technology.
- the Entrepreneurship unit which provides funding through the Innogrant program (<http://vpiv.epfl.ch/innogrants>) for entrepreneurial projects and information about the various available support mechanisms.

The reader is therefore advised to visit the web pages of the TTO (<http://tto.epfl.ch>), the entrepreneurship unit (<http://vpiv.epfl.ch/entrepreneurship>), in particular the support to start-up creation (<http://vpiv.epfl.ch/resources-for-startups>).