

Scottish Enterprise/Royal Society of Edinburgh

ENTERPRISE FELLOWSHIPS Regulations

The following instructions should be read carefully before completing the application form.

- A. The application form must be completed in typescript.
- B. The completed form must be returned to the Research Awards Manager by 5.00 pm on the closing date, **Friday 28 May 2010**. **Please note that an electronic submission is required (in Word format), plus one hard copy, signed by the relevant individuals (e-mail: afraser@royalsoced.org.uk).**
- C. CVs are **not** required.
- D. Referees' report forms should also be completed in typescript and returned in electronic form, plus one signed hard copy, directly to the Research Awards Manager by 5.00 pm on the closing date.
- E. Application forms and referees' reports will be acknowledged, normally within two working days.

Preamble

- i) Enterprise Fellowships are available in the following industry areas:
 - Aerospace, defence & marine
 - Chemical sciences
 - Construction
 - Digital markets & enabling technologies
 - Energy (including oil & gas and renewables)
 - Food and drink
 - Financial services
 - Forest industries
 - Life sciences
 - Textiles
 - Tourism
 - And in convergent areas between these sectors
- ii) For further information on these industry areas please refer to:
<http://www.scottish-enterprise.com>
- iii) It is strongly recommended that prior to completing the application form the applicant discusses the application with the Research Awards Manager at the Royal Society of Edinburgh.
- iv) The application closing date is: Friday 28 May 2010.
- v) The participating "Training Provider" is currently the Go Group.

Regulations

1. The Royal Society of Edinburgh (RSE), with the support of Scottish Enterprise (SE), is pleased to invite applications for Enterprise Fellowships in the industry areas listed above and in convergent areas between them. The Fellowships are tenable for a period of **one year**, commencing on 1 October 2010. The Enterprise Fellowships are designed to encourage greater commercialisation of technology based ideas in Scotland. The Fellowships enable the holder to concentrate on developing the commercial potential of their idea, whilst also receiving formal training in entrepreneurship and relevant business skills.

The SE/RSE Enterprise Fellowship programme is designed to encourage the development of a new business, based in Scotland, around a technological idea developed by the Fellow (either individually or with others) and within which the Fellow would be expected to play a leading (though not necessarily the leading) role.

2. The Enterprise Fellowship programme provides entrepreneurship and business skills training through the participating Training Provider which will be directly relevant to the Fellow as they seek to build their new business. Fellows are expected to attend all the elements of the training and complete any requested assignments. When not attending the business skills training the Fellows will be expected to progress the development of their idea from a commercial perspective. Enterprise Fellows will be expected to devote all their time to the Fellowship as this is a full-time award.
3. This Fellowship will not fund further research work.

ELIGIBILITY

4. In these Regulations, "Host Institution" means a Scottish higher education institution, research institute, or any other appropriate organisation as specified by SE.
5. Applicants for the Enterprise Fellowships will be expected to negotiate directly with the proposed Host Institution to ensure that an appointment would be acceptable. **Please note that this is NOT RSE's responsibility.**
6. Applicants should be working in (or have made arrangements to work in) a Host Institution and must intend, and be permitted, to continue working in Scotland on conclusion of the Fellowship. Evidence must be provided by the applicant, if not a UK citizen, that he/she is eligible, or likely to obtain permission, to remain and work in Scotland on conclusion of the Fellowship. The Enterprise Fellowships will be available to academic and research staff, postgraduates and graduates with relevant experience. Applicants must have the clear intent that any new company formed will be based in Scotland.

APPLICATION PROCESS

7. Applicants must provide a completed application form based on an identified technology idea, research topic or innovation, comprising descriptions of:
 - the proposed business
 - the market to be addressed and intended customers
 - what will be achieved during the Fellowship year
 - the science, technology or innovation underpinning the proposed business
 - the extent to which the science, technology or innovation has been developed such that it is ready to be offered to customers
 - details of specified background and/or foreground Intellectual Property Rights (IPR), which it is envisaged will be required to ensure the project can be commercialised and which are subject to regulations 25 through 31.

The form also provides you with an opportunity to make a case for why you are the right person to take forward the business.

It should be noted that a completed application form will contain four signatures in addition to the applicant's signature.

- Signature of inventor/PI
- Signature by IPR Owner to regulations 25 through 29 concerning background IPR.
- Signature by Host Institution to regulations 25, 30 and 31 concerning foreground IPR
- Signature by Host Institution confirming willingness to host the award.

The following four paragraphs provide further details concerning these signatures.

Where the applicant is not the inventor or Principal Investigator (PI) of the idea/research, the inventor/PI is required to complete the Inventor/PI's referee's report, to sign the inventor/PI section of the application form and may be invited to attend part of the interview at the RSE in support of the application. It is the applicant's responsibility to ensure that the Inventor / PI attends the interview on the required day. Where the applicant is the inventor or Principal Investigator, the applicant should sign the inventor/PI section of the application form.

Where the proposed project requires access to prior research and/or background IPR, the applicant must ensure that the application form is countersigned by the IPR Owner to confirm its willingness for the identified research and/or associated background IPR to be used as part of this Fellowship award and as the basis for the proposed business venture. Please note that the signatories for the IPR Owner must be the Commercialisation Office, Research Office or equivalent. In cases where no access to background IPR is required this should be clearly stated. **Note:** The applicant is advised to discuss their intention to apply for an Enterprise Fellowship with the IPR Owner's Commercialisation

Office, Research Office or equivalent at the earliest opportunity and no later than 4 weeks before the application closing date.

The Host Institution is required to countersign the application form to confirm its willingness for any foreground IPR generated during the period of the award to be made available to the Enterprise Fellow as detailed within regulations 25, 30 and 31. Please note that the signatories for the Host Institution must be the Commercialisation Office, Research Office or equivalent. **Note:** The applicant is advised to discuss their intention to apply for an Enterprise Fellowship with the Host Institution's Commercialisation Office, Research Office or equivalent at the earliest opportunity and no later than 4 weeks before the application closing date.

The application form must be countersigned by Head of the Department or Head of Business Unit within the proposed Host Institution to confirm willingness to accept the responsibilities of hosting an Enterprise Fellowship Award.

8. Additional conditions apply to candidates who have or had an involvement in projects funded by SE Proof of Concept (PoC) Fund, either in current or previous employment. Candidates must declare such involvement and complete the supplementary PoC Form. Please note that it is not permissible to be in receipt of an Enterprise Fellowship while concurrently involved in a PoC funded project. Where a proposed Enterprise Fellowship project is likely to require access to intellectual property developed within the PoC project, or is otherwise dependent on the outputs of this project, there is a requirement for the candidate to seek written endorsement for their Enterprise Fellowship application from the Industrial Liaison Office or Research Office of the institution leading on the PoC project. The endorsement should confirm that the application for an Enterprise Fellowship is an agreed and integral part of the development and implementation of the PoC project's commercialisation plan as agreed by the relevant Proof of Concept Management Group. Where the applicant is not the PI of the PoC project the PI is required to complete the PI's referee's report and may be invited to attend a meeting at the RSE in support of the application. It is the applicant's responsibility to ensure that the PI attends the meeting on the required day. The date of the PI meeting will be confirmed in due course.
9. If a material change in the applicant's circumstances, or a change to the applicant's contact address, should occur after submitting the application, details should be notified *in writing* or *by e-mail* to the Research Awards Manager. Applicants are asked not to telephone the Society's offices to enquire about the progress of specific applications.
10. **The closing date for completed application forms is Friday 28 May 2010 and this is strictly adhered to. Applicants must ensure that their referees send confidential reports on the forms provided, directly to the Research Awards Manager. These reports must also be returned by the closing date.** At least one reference should be academic.
11. Short-listed candidates will be called for interview. The date for candidate interviews will be communicated in due course. Candidates must be available to attend for interview or they will not be considered. The intention is for the final choice of the Enterprise Fellowships to be concluded within 2 weeks of the interviews taking place and all applicants will be notified of the final outcome after that time.

SELECTION

12. Selection will be run by a Selection Committee chosen by RSE. All application information will be treated as strictly confidential and the members of the Selection Committee will have signed appropriate confidentiality agreements. Short-listed candidates will be invited for interview and will be required to present their business idea to the Selection Committee.
13. The RSE Selection Committee will make selection decisions following the interview meetings and provide Scottish Enterprise with a ranked list of candidates, stating its recommendations for the number of awards to be made that fall at or above the agreed quality threshold. Scottish Enterprise will not adjust the ranking or agreed quality threshold and will inform the RSE of the awards to be made in light of affordability and any legislative concerns having been addressed. Official offers will then be sent out by RSE to the successful candidates.

OPERATION OF THE FELLOWSHIP

14. Successful applicants will be required to register with the participating Training Provider.

15. The salary for the Enterprise Fellowships will be within the scales for Academic staff in Scottish higher education institutions, currently in the range £24,273- £36,715 (August 2009 rates). Corresponding scales will apply to a Fellowship held in any other Host Institution. National Insurance and pension benefits will apply and salaries will be adjusted from time to time to take account of nationally agreed pay settlements. Payment of salary will be subject to satisfactory performance. **Reimbursement of employment costs to the Host Institution may be withheld if the Enterprise Fellow fails to meet the requirements of the Fellowship.** Overhead charges will not be paid.

Travel, consumables, equipment and business consultancy support costs up to £5,000 will be reimbursed. An additional business development fund (up to £5,000) may be made available to an Enterprise Fellow on the production of a strong business case. The availability of the additional funds will require to be pre-approved by the RSE and SE after review of the business case. The Enterprise Fellow may be required to attend a meeting to explain the need for the additional funds. Where funds are granted a separate report will be required to explain how they have been used to progress the business idea.

16. Where the Background IPR Owner has reached a written agreement with the applicant about access to any background IPR or prior knowledge required as part of the Enterprise Fellowship application, and where the Host Institute has reached written agreement with the applicant about access to any foreground IPR, the RSE will contribute to the hosting costs of the Enterprise Fellowship at the Host Institution. The hosting cost contribution will be equivalent to a fair market value based on commercially available incubator space and subject to a maximum of £10,000 per Enterprise Fellowship.
17. The support provided to Enterprise Fellows through this Programme is considered de minimis state aid. There is a ceiling of € 500,000 for the total of all aid granted under UK Small Amounts of Compatible Aid Scheme (N43/2009) ("the Temporary Scheme") and EC Commission Regulation No 1998/2006 ("the Regulation") to any one recipient between 1 January 2008 and 31 December 2010. There is a ceiling of €200,000 for all de minimis aid provided under the Regulation to any one recipient over a 3 year period. It is therefore a requirement that applicants declare within their written application form the details of any prior aid received (or pending decision) under the Temporary Scheme, and/or under the Regulation in the past 3 years. There is also a requirement for Enterprise Fellows to retain details of the grant aid received through the Programme for a period of 3 years from the date on which it receives the last instalment of aid and to produce these details on request by the UK or European public authorities. The total value of the award will be confirmed by the RSE at the end of the award.

(For further information on state aid please visit www.stateaidscotland.gov.uk)

18. During the Enterprise Fellowship, Fellows must provide quarterly short reports (in a format provided by the RSE) to enable the RSE and SE to monitor the progress of the Fellowship. The reports will identify the work that has been completed and specify the work for the next quarter. Fellows are required to give a six monthly presentation on the progress made during the first half of the Fellowship.
19. At the end of the Enterprise Fellowship a final presentation is required to be given and a final report must be submitted comprising:
- * description of the business idea and how the Enterprise Fellowship has assisted in progressing it
 - * a full product specification
 - * a development plan showing the timescales and costs required to reach a final production model
 - * a description of how the business idea will be progressed after the end of the Enterprise Fellowship.

The results of the project will be reviewed by a Committee which may include the commercialisation office or research office of the Host Institution concerned and representatives of the RSE and SE. The members of this Committee will have signed appropriate confidentiality agreements.

20. The Enterprise Fellows must show that they have completed a Business Plan as part of the training with the participating Training Provider, and that they have completed, satisfactorily, all the modules of the participating Training Provider and any required assignments.
21. After completion of the Enterprise Fellowship it is the responsibility of the Fellow to provide on request an annual update on the ongoing commercialisation process for a minimum of 5 years. It is a condition of this award that any transfer of IPR to a commercialising company must include an express condition that this information is made available.
22. Neither the Fellow nor the Host Institution shall assign or sub-contract any portion of the Fellowship.

23. The Host Institution shall indemnify the RSE against all actions, claims, demands, costs and expenses incurred by or made against the RSE in respect of any loss or damage or personal injury (including death) which arises out of or in connection with this award, except to the extent that such loss or damage or injury is caused by any negligent act or omission of the RSE.
24. In the event of a breach by the Fellow, or the Host Institution, of any of the conditions herein, or of any gross misconduct by the Fellow, the RSE shall have the right to claim damages and costs, to withhold sums due to the Host Institution and/or to terminate the award, as the RSE shall in its sole discretion deem appropriate.

INTELLECTUAL PROPERTY RIGHTS

25. In these Regulations, the following words shall have the following meanings:-

"Intellectual Property Rights" or "IPR" means any and all intellectual property or industrial rights of any description anywhere in the world including but not limited to any patents, trade marks, domain names, registered designs, copyright (including but not limited to rights in computer software, object and source code), rights in the nature of copyright, database rights, semi-conductor topography rights, unregistered design rights, rights in and to trade names, business names, product names and logos, inventions, databases, discoveries, specifications, formulae, processes, know how, trade secrets, confidential information and any analogous or similar right in any jurisdiction (whether such rights referred to in this definition are registered, unregistered, able to be registered or not) and any applications or rights to apply for registration of any of them, any and all divisions and continuations of said applications and the right to claim priority from any of the applications together with any registered rights resulting from any such applications or rights to apply for registration. "IPR Owner" means any person, firm, company or other entity (including without limitation the Host Institution) who owns the IPR that is the subject of or is necessary or desirable for the conduct of a Fellowship or the formation of a business by a Fellow as a result of the Fellowship;

"Background Intellectual Property Rights" means any Intellectual Property Rights owned or controlled by or licensed to an organisation (such as a University or company) and which are needed in order for the Enterprise Fellow to commercialise the Foreground Intellectual Property Rights; and

"Foreground Intellectual Property Rights" means any Intellectual Property Rights created, developed, produced or made by the Enterprise Fellow during the course of and funded as part of the Enterprise Fellowship, including the results of the Enterprise Fellowship.

26. If the research which is the subject of an Enterprise Fellowship has Intellectual Property Rights (IPR) which have not yet been protected, then the RSE requires the IPR Owner to take all reasonable steps to protect the IPR arising from this research having regard to the appropriate exploitation route for the Fellowship as referred to in clause 1 of these regulations. This can include patenting or otherwise asserting or protecting these rights but may also include maintaining the IPR as confidential. However, the IPR Owner agrees that it will enter into appropriate confidentiality agreements with the Enterprise Fellow and potential investor, business mentor, advisor or other third party to allow the Enterprise Fellow to disclose information relating to the research, including the IPR to such third parties. Applicants must ensure that the application form is countersigned by the IPR Owner to confirm their willingness for the research to be identified for this Enterprise Fellowship award. The signatories for the IPR Owner must be from their Industrial Liaison Office, Research Office or equivalent or, if a company, permission from its Board of Directors.
27. By signing acceptance of an award made pursuant to this application and where it is free to do so, the IPR Owner grants to the Enterprise Fellow an option for the period of the Enterprise Fellowship and for a period of 6 months after completion of the Enterprise Fellowship to acquire rights, whether by way of licence or otherwise, to the Background Intellectual Property Rights for the express purpose of commercialisation of all or any part of the Foreground Intellectual Property Rights.
28. The IPR Owner further agrees that the options referred to in Regulation 27 above can be exercised by the Enterprise Fellow or his nominee (which may, for example, be a company started by the Enterprise Fellow, a third party company or another entity) and the IPR Owner agrees that in negotiating the terms of the acquisition of rights to the Background Intellectual Property Rights the IPR Owner will act reasonably and in good faith and shall offer to the Enterprise Fellow or his nominee fair and reasonable terms. For their part the Enterprise Fellow agrees to act reasonably and in good faith in negotiating the acquisition of rights to the Background Intellectual Property.
29. By signing acceptance of an award made pursuant to this application, the IPR Owner undertakes to carry out reasonable due diligence in relation to Background Intellectual Property Rights within a reasonable time of its signature with a view to identifying any potential problems in granting rights to

the Enterprise Fellow in accordance with Regulations 27 and 28 at an early stage. Such investigations shall include seeking necessary permissions from academic staff members or inventors and reviewing any prior agreements which the IPR Owner has entered into in relation to the Background Intellectual Property Rights. In the event that the IPR Owner identifies a potential problem in relation to the granting of rights to the Background Intellectual Property Rights to the Enterprise Fellow, the IPR Owner shall immediately inform the Enterprise Fellow and the Research Awards Manager at RSE in writing.

30. By signing acceptance of an award made pursuant to this application the Host Institution grants to the Enterprise Fellow an exclusive option for the period of the Enterprise Fellowship and for a period of 6 months after completion of the Enterprise Fellowship to acquire rights, whether by way of licence or otherwise, to the Foreground Intellectual Property Rights for the express purpose of commercialisation of such Foreground Intellectual Property Rights.

31. The Host Institution further agrees that the options referred to in Regulation 30 above can be exercised by the Enterprise Fellow or his nominee (which may, for example, be a company started by the Enterprise Fellow, a third party company or another entity) and the Host Institution agrees that in negotiating the terms of the acquisition of rights to the Foreground Intellectual Property Rights the Host Institution will act reasonably and in good faith and shall offer to the Enterprise Fellow or his nominee fair and reasonable terms.

DISPUTE RESOLUTION

32. In the event of any dispute between the Enterprise Fellow and the Host Institution (including, but not limited to, those specifically arising in relation to Background Intellectual Property Rights or Foreground Intellectual Property Rights) then all parties shall attempt to resolve the dispute in good faith by negotiation, possibly involving reference to an external mediator and/or external expert, within a timescale specified by RSE in writing from time to time. Where this proves unsuccessful, the Enterprise Fellow and Host Institution will refer the matter to the President of the Royal Society of Edinburgh from time to time or his nominee to determine how the matter should be resolved.

ACCEPTANCE OF REGULATIONS

33. By signing this application form both the Host Institution and the applicant for the Fellowship award agree to be bound by the Regulations in the event that the award is offered to, and accepted by, the applicant. Each of Scottish Enterprise and the Royal Society of Edinburgh shall be entitled to enforce these Regulations.

April 2010