

Authority for Research and Development

Administrative Regulation 15-011

Updated: 4.2.20

**CONNECTIONS BETWEEN FACULTY MEMBERS,  
WORKERS AND ADVANCED DEGREE STUDENTS  
AND BETWEEN A BUSINESS ENTITY**

1. **Aim**

- 1.1 This Regulation contains the basic guidelines for engagements between faculty members, workers and advanced degree students at the Hebrew University and between business entities.
- 1.2 The Regulation complements the Academic Regulations on the subject of additional work outside of the University as well as the following Administrative Regulations:
  - 1.2.1 05-005 "Additional Work Outside of the University – Faculty"
  - 1.2.2 05-003 "Additional Work Outside of the University – Administrative Staff"
  - 1.2.3 15-001 "Use of Inventions and Patents at the University"
  - 1.2.4 21.005 "Research Funded by External Entities – Agreements, Management and Follow-up".

2. **Definitions**

2.1 **Business Entity**

A corporation or individual whose aim is to make profit (including: an industrial company or organization, risk capital fund, recognized financial institution, investment company, a body engaged in research and development, the Innovation Authority or a similar governmental authority, statutory associations and corporations), or a private entrepreneur whose aim is to make profit and/or any combination of the above; as well as any other entity that commissions applied research or the obtaining of scientific knowledge or services, including a governmental body, public corporation and non-profit bodies.

2.2 **Applied Research**

Research intended to produce knowledge that will enable or advance the development of a product, service, process or idea which has an economic value.

2.3 **Invention, Exempt Invention, Released Invention, Service Invention, Inventor, Connected Documents, University Resources, Worker and Student - as defined in**

Administrative Regulation 15-001 "Use of Inventions and Patents at the University".

3. **Authority and Responsibility**

- 3.1 **Heads of academic and administrative units** are responsible for ensuring that engagements of faculty members, workers and students in their units with business entities for the purpose of providing a service or product (including research and development activity) to these entities, are conducted in accordance with these Regulations.
- 3.2 **Yissum** is responsible for managing the engagements with business entities as specified in these Regulations.

4. **Submission of Research Proposals to Business Entities**

- 4.1 All contractual engagements between faculty members and between entities that are interested in agreements for the purpose of commissioning and funding research and/or obtaining know-how and/or receiving scientific services will be effected through Yissum in accordance with these Regulations.
  - 4.1.1 It is absolutely prohibited for faculty members to conduct research, to transfer information that is not in the public domain which is connected to their research, or which is in their area of scientific activity or in an area that touches upon it at the University or outside thereof, or to provide scientific or technical services, to a business entity other than through Yissum. To remove all doubt, nothing in this Regulation shall detract from the academic freedom of faculty members to do all the above actions for purposes that are not commercial but are purely academic.
  - 4.1.2 The University reserves the right to take legal and/or disciplinary action against faculty members who are in breach of this provision.
- 4.2 All those involved in applied research funded by a business entity will sign an undertaking that includes, *inter alia*, a declaration of the signatory and his consent that all knowledge that has been obtained and that will be obtained in the course of the research is the property of the University and/or Yissum, and/or as per the agreement with the funding entity, and no use of any kind may be made of the research other than through Yissum or according to the agreement with the funding body, unless advance, written permission is given by the competent authorities at the University and/or Yissum.
- 4.3 The proposal for engagement may be the initiative of the faculty member, another person's initiative in which he is a partner, the initiative of Yissum and/or of the business entity.
- 4.4 Negotiations between the faculty member and the business entity for the purpose of submission of a research proposal and a contractual engagement relating to the conduct of a research project and/or the transmission of know-how and/or the provision of a service in the area of the research activity of the staff member will be done only through Yissum.

- 4.5 Engagements (as described in section 4.1) are permitted only for faculty members who are authorized to submit independent research proposals to external entities, in accordance with Administrative Regulation 21-005. Yisum will not permit engagements between a business entity and anyone who is not included in this group.
- 4.6 Notwithstanding the above, Yisum is authorized to create a contractual engagement between a business entity and between a worker/workers who is/are not faculty members entitled to submit proposals, as defined in section 4.5 above, provided that it has notified the Vice-President for Research and Development in writing in advance, and the Vice President has not objected to the proposed engagement within two weeks of the date of the notice.
- 4.7 It is permissible for graduate and post-graduate students to be employed in applied research in any framework acceptable to the University, and for this purpose to engage with business entities through Yisum, on condition that the proposed research complies with the academic requirements for obtaining a degree, as determined in coordination with the Research Students Committee or with the departmental teaching committee in accordance with the standard regulations at the University, and on condition that the engagement is effected by and/or in cooperation with the research-professional advisor.

For the purpose of a contractual engagement, a person who received permission as aforesaid will be governed by the rules applying to a faculty member, unless specifically stated otherwise.

## 5. **Monitoring the Research Proposal**

- 5.1 Yisum is responsible for investigating (through the person submitting the proposal and the ARD) whether there are any limiting and/or restricting conditions by virtue of earlier agreements and/or engagements through which the research was funded up to the stage of the research proposal to the business entity.
- 5.2 Yisum is responsible for ascertaining the existence of the conditions allowing for the conduct of the research as specified in the research proposal submitted to the funder.
- 5.3 The management of Yisum is authorized, at its discretion, to prevent the engagement with the business entity based on the said investigations in sections 5.1 and 5.2 above.
- 5.4 The person submitting the proposal may appeal the decision before the sub-committee of the board of directors of Yisum (hereinafter: the Sub-Committee for R&D), whose members will be the chairman of the board of directors of Yisum, the Vice-President for Research and Development, and one other member to be elected by the board of directors after consultation with the Vice-President for Research and Development. The decision of the Sub-Committee for R&D will obligate Yisum and the researcher on this matter.

6. **The Course of the Research and its Execution**

- 6.1 No employer-employee relations shall exist between the University worker and the business entity that is funding the research at the University and/or anyone acting for it or on its behalf.
- 6.2 The research of the faculty member, the worker or the student in the framework of an agreement between Yissum and the business entity, shall be executed entirely at the University, unless otherwise agreed, with the knowledge of Yissum.
- 6.3 Execution of work at the University by industry representatives and/or workers and/or agents of the business entity will be permitted subject to the conditions specified in Administrative Regulation 15-007 (A Model for the Employment of Workers of a Company in the Research Laboratories at the University).
- 6.4 All visits of industry representatives and/or representatives on behalf of a business entity to the research laboratories, the purpose of which is investigating the possibility of a business engagement connected to research will be reported, insofar as possible in advance, by the faculty member to the head of the department and to Yissum. The Vice-President for Research and Development or the dean of the faculty may forbid such visits at the request of Yissum when there is a concern that they are detrimental to the interests of the University or prevent proper protection of the results of the research.

7. **Provision of Consulting Services in Connection with the Research**

- 7.1 The faculty member, worker or student is permitted to advise the business entity in the area, and on the subject, of the research that is being conducted with that entity's funding, only to the extent that this has been explicitly stated in the framework of the agreement that was signed with the business entity through Yissum, or in a later amendment to that agreement.
- 7.2 Details of the consulting agreement between the faculty member, the worker or the student and between the business entity must receive the authorization of the **Director General of Yissum**. Nothing in the aforesaid shall detract from the obligation of the faculty member and the worker to obtain permission for additional work in accordance with the Additional Work Outside of the University Regulations and with Administrative Regulation 05-005 or 05-003.
- 7.3 Unless explicitly stated in the said agreement, the faculty member, worker or student will not be permitted to provide consulting services to the funding company, unless Yissum has given its written approval for such. The consulting agreement between the faculty member, the worker or the student and between the business entity, and any amendment thereto, shall be appended to the agreement signed between the business entity and Yissum.

8. **Freedom of Publication**

- 8.1 Yissum will ensure that agreements that it signs with business entities preserve maximum freedom of publication for the staff member, the worker or the student.

- 8.2 The right of masters and doctoral students, whose research was conducted in the framework of an agreement with a business entity, to submit master's theses and doctoral dissertations for the purpose of judging and approval, as they deem fit and in accordance with standard Hebrew University practices, will be retained.
- 8.3 Publication of research that has been or is funded from the business sources as well as the provision of any information in relation thereto, including information concerning the fact of the research being conducted, will be executed as required by the agreement between Yissum and the funding business entity.
- 8.4 The President of the University and the Rector have the sole right to undertake to prevent publication of the results of a research project due to reasons of national security; they will consider the arguments for prevention of the scientific publication of the said research for security reasons and will decide accordingly.

9. **Intellectual Property Rights and Use of Inventions**

- 9.1 Administrative Regulation 15-001 specifies the procedures for registration and protection of intellectual property and the rights of faculty members, workers and students relating to commercialization of inventions.
- 9.2 Engagement of faculty members, workers and students by business entities shall be in one of the following forms, in accordance with the circumstances, of which Yissum shall be notified by the faculty member, worker or student:
  - 9.2.1 The "safe harbor" track. The University and/or Yissum will not claim ownership of an invention that is invented, discovered or developed in the framework of engagement of a faculty member, a worker or a student with business entities, as long as the following conditions are met: (1) In the framework of the said engagement, no use is made of resources of the University or Yissum (as defined in Regulation 15-001); (2) The said engagement and its execution will not affect the work and the obligations of the faculty member, the worker or the student vis-à-vis the University; (3) The engagement is limited directly to the area of business activity of the business entity, no use will be made of a Service Invention of the faculty member, the worker or the student, and this engagement or its execution will not involve any extension or continuation of research or future research of the faculty member, the worker or the student at the University; (4) The engagement and its execution will not affect the obligations of the faculty member, the worker or the student in accordance with University procedures; and (5) The engagement and its execution will not create obligations on the part of the University or of Yissum vis-à-vis the business entity. Without detracting from any of the above, the faculty member, the worker or the student must cooperate with Yissum in relation to the said engagement and provide Yissum with all the information it requests. Yissum will sign a confidentiality agreement with the business entity insofar as required in order to obtain information concerning this engagement.

In order to engage with the business entity using the safe harbor track, the faculty member, worker or student must submit a signed

declaration to Yissum whereby he meets the above-mentioned conditions, according to the formulation provided by Yissum. The faculty member, worker or student must notify Yissum immediately of any change in the conditions or in the circumstances which affect, or which are liable to affect the accuracy of the declaration as stated above, and must continue to fulfill his obligations vis-à-vis the University. The faculty member, worker or student will send Yissum a copy of the signed agreement or the final version of the agreement for signature with the business entity. The faculty member, worker or student will report to Yissum, at the earliest opportunity, of the existence of this agreement.

The engagement of a faculty member, worker or student in the framework of the safe harbor track will not release him from his obligation to inform Yissum, in accordance with Regulation 15-001, of any invention in the creation of which he taken part. Yissum will sign a confidentiality agreement with the business entity as required in order to obtain information concerning these inventions.

The refusal of a business entity to agree to disclose an invention invented by the faculty member, worker or student in the framework of the consultation under this track to Yissum, or its refusal to sign a confidentiality agreement with Yissum as aforesaid, will not constitute grounds for Yissum to refuse to approve the request for safe harbor treatment, but in such a case the faculty member, worker or student will be subject to the provisions of section 5.2 of Regulation 15-001 concerning notice of an invention.

9.2.2 The “know-how license” track: The engagement of a faculty member, worker or student with a business entity, which does not qualify for the “safe harbor” track, but in the framework of which the faculty member, worker or student is likely to use non-public knowledge that he acquired in the course of and due to his work or research activity at the University, will require the business entity to obtain a non-exclusive know-how license from Yissum.

9.2.3 Exclusive know-how license track. If in the course of the engagement of the faculty member, worker or student with the business entity it is necessary to use an existing or future Service Invention, the faculty member, worker or student will first approach Yissum with a request for Yissum’s approval for this engagement. The engagement will be effected through the drawing up of an exclusive know-how license between the business entity and Yissum. Yissum will determine the manner in which income derived from this engagement is distributed.

9.3 Yissum has the authority and discretion to conduct negotiations with business entities and other bodies in all that concerns ownership of the inventions (as defined in Administrative Regulation 15-001), distribution of rights, granting of licenses and determination of their conditions.

- 9.4 A faculty member, worker or advanced degree student who is engaged in continuing professional development and/or on sabbatical or on paid leave and who participates in a research project that has applied aspects will report this in writing to Yisum and will attach details of the institution and the research project. Yisum will have the right to request additional details, as necessary.
- 9.5 It is forbidden for a faculty member, worker or student who is on unpaid leave/continuing professional development/sabbatical or paid leave, to transfer information, an invention and/or a patent to any third party for a commercial purpose. Yisum reserves the right to take legal/disciplinary action against a faculty member, worker or student who is in breach of this provision, including action for monetary compensation as it deems fit for the know-how, the invention and/or the patent transferred to the third party.

10. **Involvement of Faculty Members, Workers and Students in Consulting, Management and Ownership of Business Entities**

- 10.1 Consulting services provided by a faculty member, worker or student to a business entity is personal and is not in any way the responsibility of the University, any entity on its behalf and/or Yisum. Such consulting on the part of a faculty member, worker or student must be carried out in accordance with University regulations on the subject and **may not exceed one day per week in scope** (in accordance with the Additional Work Outside of the University Regulation, and Administrative Regulation 05-005 or 05-003).
- 10.2 The faculty member, worker or student will report periodically to the Vice-President for Research and Development on the nature of his services as a consultant and on the details concerning this service, including the scope of his consulting services, insofar as he is requested to do so.
- 10.3 As mentioned in section 7 above, a consulting agreement in an area and/or a subject connected to research conducted at the University by the consultant for a business entity must be executed through and with the approval of Yisum.
- 10.4 As a rule, the University does not encourage faculty members or workers to serve in executive management positions in business entities. A faculty member or worker who wishes to serve in the position of an executive officer such as president, vice-president, director general, scientific director, chairman of the board of directors etc, must for this purpose obtain the written recommendation of the relevant dean of faculty/head of unit, and advance written approval from Yisum and the Vice-President for Research and Development. **The advance approval will be attached to the application for additional work of the faculty member or the worker in accordance with Administrative Regulation 05-005 or 05-003.**

Nothing in this section shall detract from the obligation of the faculty member or the worker to obtain approval as specified in the Additional Work Outside of the University Regulation, and in Administrative Regulations 05-005 and 05-003.

- 10.5 Any engagement for the purpose of funding research at the University and/or for the purpose of commissioning the provision of services and or for the purpose of obtaining information etc. from a business entity, in which the faculty member

or the worker, including a faculty member or worker on unpaid leave, serves in an executive capacity, is subject to the exclusive discretion of Yisum, in order to ensure that the engagement will not entail a conflict of interests.

- 10.6 An engagement for the purpose of funding research at the University and/or for the purpose of commissioning provision of a service and/or for the purpose of obtaining information etc. from a business entity, in which the faculty member or the worker, including a faculty member or worker on unpaid leave, either directly or indirectly (including through family members, attorneys, representatives of any kind, workers who are subject to them etc.) holds shares that reflect 10% or more of the ownership or control of a company or the said percentage in another business entity, will be subject to the exclusive discretion of Yisum. These provisions will also apply when several faculty members and/or workers hold jointly, directly or indirectly, shares that reflect 10% or more of the ownership or control of a company or of another business entity as aforesaid.
- 10.7 A faculty member or worker, including a faculty member or worker on unpaid leave, who wishes to hold directly or indirectly (including through family members, attorneys, representatives of any kind, workers who are supervised by him etc.) shares that reflect 10% or more of the ownership or control of a company or of another business entity, which deals with his area of scientific endeavor, must obtain written approval from the President of the University after consultation with the Chief Executive Officer of Yisum. This applies also when several members of faculty and/or workers wish to hold jointly, directly or indirectly, shares that reflect 10% or more of the ownership or control of a company or of another business entity.

**11. Establishment of a Start-Up by a Faculty Member, Worker or Advanced Degree Student**

- 11.1 A faculty member, worker or student who wishes to establish, alone or with others, a start-up company dealing with the development of an existing or future Service Invention, will submit a written application to Yisum. The application will specify:
  - 11.1.1 The technological state of the development based on which the company will be created;
  - 11.1.2 His part in this development;
  - 11.1.3 The type of work done by him at the University in the framework of the development of the know-how; and
  - 11.1.4 Patents that were registered or which in his opinion could be registered claiming the know-how produced by him at the University.
- 11.2 The management of Yisum will respond within 21 days of receiving the application (under section 11.1), as to whether it approves the application, refuses it or requests additional details; the faculty member, worker or student may appeal the decision to the Sub-Committee for R&D, the composition of which is specified in section 5.4 above, within 21 days of receiving Yisum's response.



- 11.3 Upon receiving Yissum's response (as stated in section 11.2 above) approving the application, an agreement will be signed between Yissum and the faculty member, worker or student that will contain the following conditions:
- 11.3.1 An exclusive license to use of Service Inventions that were or that will be developed in future, and
  - 11.3.2 Yissum will receive from the company shares or options as it chooses, at the rate of 20% of the total shares and options of the faculty member, worker or student in the said company (of the same type and bearing the same rights as the shares of the faculty member, worker or student).
  - 11.3.3 It is hereby clarified that to the extent that income is generated by the allocation of the exclusive license to use of the Service Inventions, as stated in section 11.3.1, such income will be divided between the inventor or inventors and between Yissum in accordance with the provisions of section 10 of Administrative Regulation 15-001.
- 11.4 The faculty member or worker is permitted to operate in the framework of the start-up company in the scope of one day per week and subject to approval that he must request according to standard procedure (see Administrative Regulation 05-005 or 05-003).
- 11.5 It is prohibited for a faculty member or a worker to serve as the Chief Executive Officer, the chairman of the board of directors or a project manager of the start-up company or in any other executive position, other than as a member of the board of directors of the company, without advance approval in accordance with section 10.4 above.
- 11.6 The contract between Yissum and the start-up company will state explicitly that if within eight months of the date of signature of the agreement with Yissum, the company does not raise capital of at least half a million dollars (or another amount as updated from time to time by Yissum), Yissum may cancel the agreement that was signed with the start-up company within 60 days thereafter.
- 11.7 A faculty member, worker or student who wishes for Yissum to take an active role in creating the start-up company dealing with the development of an existing or future Service Invention, will submit a written application to Yissum. If such an agreement to create a company is signed, Yissum will be entitled to 50% of the ownership of the company at the time of its creation.

12. **Enforcement**

Yissum is responsible for the enforcement of these Regulations and their execution.