



Proposal for Technology Transfer and Licensing Framework

This proposal outlines a structured framework for the technology transfer and licensing of intellectual property (IP) developed at the Institute. The framework is designed to ensure fair revenue distribution, incentivise innovation, and support ongoing research and development activities, while complying with statutory taxation norms and other Institute policies.

1. Scope of the Proposal

This proposal applies to the transfer of institute-owned technologies to external entities, including industries, start-ups, and government/private organisations. It covers both **exclusive** and **non-exclusive** licensing models.

- **Exclusive License:** Grants the licensee sole rights to use and commercialise the technology.
- **Non-Exclusive License:** Allows multiple licensees to use and commercialise the technology under predefined terms.

2. Financial Terms

Let **R** denote the total revenue received from the licensee, which includes:

- Royalty payments
- Upfront/down payments
- Annual licensing/maintenance fees

Note: All revenue components (**R**) shall be subject to **18% GST**, in accordance with current taxation regulations. The licensee shall bear this tax obligation in addition to the agreed licensing fees.

3. Utilisation of Revenue (**R**)

The revenue received (**R**) shall be distributed and utilised in the following manner:

Step 1: Opening of Research Project (optional)

An internal research project of value **P** may be initiated from the received revenue:

- **86% of P:** Allocated as research project funds
- **14% of P:** Deducted as institutional overheads

This project may be led by the inventor(s) or associated faculty and will be used to further develop or scale the transferred technology or support related research.

Any research project opened under this framework shall not be subject to a fixed time duration and may continue until the sanctioned funds are fully utilised, in accordance with the Institute financial rules and audit requirements.



The inventor(s) may also choose to utilise the entire revenue received (i.e., $P = R$) for opening an internal research project. In such cases, no direct revenue distribution to inventor(s) or institutional overhead allocation under Step 2 shall apply, and the full amount shall be governed by the project fund and overhead norms specified above.

Step 2: Distribution of Remaining Amount ($R - P$)

The remaining revenue ($R - P$) shall be distributed as follows:

- 72% of ($R - P$): Allocated to the *Inventor(s)*
- 28% of ($R - P$): Allocated as *Institutional Overheads*

The inventors can further split their share ($0.72 \times (R - P)$) into:

- Personal remuneration (subject to income tax rules)
- Faculty Development Fund (FDF).


This flexibility is granted to allow inventor(s) to customise the use of funds based on their professional goals and research needs.


* If the inventor(s) decide not to open a research project, then $P = 0$, and the revenue R shall be distributed as per Step 2. If the inventor(s) decide to fully utilise the revenue for opening a research project, then $P = R$ and Step 2 shall not apply.

4. Governance and Oversight

- All licensing agreements shall be executed between the inventor(s)/Licensor and Licensee through the SRIC office, Legal Cell and PIC IPR & MoU.
- Proper due diligence, including valuation, market potential assessment, and compliance review, will be carried out prior to agreement execution.
- All revenue transfers, project creation, and inventor(s) allocations shall be routed through the Institute's approved finance and audit procedures.


PIC IPR & MoU
Dr. Venugopal Arumuru


Dean SRIC
Prof. Dinakar Pasla


Approved by
24/03/26
Director
Prof. Shreepad Karmalkar
IIT Bhubnaeswar