

ZIAUDDIN UNIVERSITY

GUIDELINES, POLICIES AND PROCEDURES

Policy Title	Startup Policy
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Contact	ORIC Department

University Mission and Context:

The core mission of the Ziauddin University is to have a futuristic approach in imparting knowledge, skills and confidence in students and to inculcate in them such critical abilities, wisdom and values which are necessary for a forward looking coherent civil society where knowledge is disseminated and service rendered with the highest sense of moral uprightness and social responsibility to the nation, region and the world at large.

Ziauddin University recognizes the impact entrepreneurship can have in terms of identifying and solving technical, scientific and SDGs challenges and acknowledges the role of startups in commercializing the intellectual property emerging from its research activities.

ZU will endeavor to promote entrepreneurship and prioritize commercialization in a manner that encourages and fosters entrepreneurial growth by staff members and students.

Purpose of the Startup Policy:

The intent of the startup is to foster an entrepreneurial ecosystem which encourages co-creation by involving students, faculty, clinicians and professionals from multiple disciplines. Also, it lays down guidelines for the involvement of the ZU staff and students.

The startup policy seeks to set the framework for the involvement of the ZU staff and students in commercializing university's research into products, services and processes. It encourages ZU staff members, students, clinicians and alumni to become Entrepreneurs. It also establishes clear rules and procedures for the creation/participation of staff and student-led Startups which may or may not be based on the ZU IP.

Ziauddin University is in the process of establishing a Business Incubation Center to provide the entrepreneurs with the necessary guidance, mentorship and infrastructure support in order to nurture their ideas and help translate them into successful startups. The University has recently introduced its flagship pre-incubation certificate program to develop the mindset, validate ideas and enhance the go to market strategy. The Startup Policy seeks to reiterate that the employee's primary

commitment of time and intellectual contributions should be to the education, research and other obligations of the University and they have a primary professional obligation to act in the best interests of the ZU. Hence, care must be taken to avoid any cases of Conflict of Interest (COI) by all the ZU staff, students, clinicians and the alumni.

Definitions:

Intellectual Property (IP) - Please refer to University's IP policy

All outputs of creative endeavor in any field at the University for which legal rights may be obtained or enforced pursuant to the law. IP may include:

- i. Literary works, including publications in respect of Research results, and associated materials, including drafts, data sets and laboratory notebooks.
- ii. Teaching and learning materials.
- iii. Other original literary, dramatic, musical or artistic works, sound recordings, films, broadcasts, and typographical arrangements, multimedia works, photographs, drawings, and other works created with the aid of university resources or facilities.
- iv. Databases, tables or compilations, computer software, preparatory design material for a computer program, firmware, courseware, and related material.
- v. Patentable and non-patentable technical information
- vi. Designs including layout designs (topographies) of integrated circuits.
- vii. Plant varieties and related information h. Trade secrets

University IP

IP owned or co-owned by the University.

Author

Any person to whom this Policy is applicable, who individually or jointly with others makes a design, a mark or copyrightable work and who meets the criteria for authorship under the IP laws of Pakistan.

Conflict of Interest (COI)- Please refer to University's COI policy

Any situation in which real or perceived interests of an individual may run counter to the interests of the ZU or negatively affect their employment or duties.

ZIAUDDIN UNIVERSITY

STARTUP POLICY

Introduction

Entrepreneurship can help to mitigate twin challenges faced by Pakistan: high population growth and high youth unemployment. While the public sector industries and large private sector industries would play their role, jointly they would be able to create only a fraction of the employment requirements. The only way to address this problem is to promote start-up culture across the universities.

Worldwide, the number of universities providing entrepreneurship support for their students, graduates, researchers and professors is growing. That encompasses both entrepreneurship education, and the skills and competencies needed to successfully start-up and grow a business, and the provision of start-up support. Different strategies have been advanced and various forms of support established including actors both within and outside universities. Universities have established dedicated start-up support services, often also as single units that centralize and steer a multitude of activities, to offer would-be entrepreneurs and those already in the start-up process consultation and access to networks and premises.

Ziauddin University has also taken various steps to support innovation and entrepreneurship through the establishment of the Office of Research, Innovation and Commercialization (ORIC). A desired outcome of all these activities is the commercialization of innovative ideas/technologies and the emergence of university start-up companies. The university start-up companies require both support and guidelines for proper functioning within the university jurisdiction.

1. Scope of the policy

1.1 Applicability

This Policy applies to all ZU fraternity who are willing to or may have started a commercialisation entity (Company/Startup) which may or may not be based on the University IP. Rights and obligations under this Policy shall survive any termination of employment or graduation from ZU, until the closure of the startup.

1.2 Binding Effects of the Policy

This Policy constitutes an understanding that is binding the University, staff members, students, clinicians once adopted by the ZU management.

1.3 Guidelines

There are various forms through which the ZU staff employees and students of the university can interact with external business/professional entities:

- 1.3.1 Creating or inventing intellectual property (IP) that is licensed to a business entity by the University;
- 1.3.2 Consulting/serving on advisory boards of the licensee;
- 1.3.3 Founding and/or taking a financial interest in a startup company that licenses University IP;

With the desire to support and encourage entrepreneurial activities, the university has been evaluating various international best-practices regarding university startups. At this initial stage, it is proposed to follow the ‘Standard Deal’ of universities with successful startup programs:

“ZU shall have 5% equity ownership in the Startup at the closing of

- (i) the First Major Financing (aggregate investment into the company of Rs 10 M)
- (ii) of a Change of Control Event (such as a purchase by another entity), whichever comes first.

In addition, the faculty-led startups shall pay to the university 2% and student-led startups 1% royalties from their annual profit.”

This is the case where the university has not provided seed money or other funding, if so then the equity and royalties shall be adjusted accordingly. This is an evolving mechanism and further changes shall be made as per practice.

1.4 Conflict of Interest and Conflict of Commitment

It should be noted that the staff should take all possible steps to ensure that his/her duties and responsibilities of the University take precedence over all other activities.

Measures for ensuring fair practice and avoiding conflict of interest, it is required of faculty members to:

- (i) Separate and clearly distinguish the focus of ongoing university research and educational responsibilities from his/her involvement in any effort being conducted for the company.
- (ii) Limit consulting for the company to the maximum allowed by university policy.
- (iii) Preferably serve in advisory or consultative, rather than management, roles in companies. Full- time faculty may assume and retain managerial or executive roles

or titles (e.g., CEO, CTO, CSO) in a startup that suggest or entail management responsibility with the approval of the Competent Authority.

Employees permitted to engage in outside entrepreneurial activities continue to be responsible for the performance of all their university teaching, research, and service obligations. If an Employee is unable to meet these obligations, he or she must either reduce outside activities or request from the University a reduction of appointment or seek other approved leave.

1.5 Mentorship and Guidance

Ziauddin University will provide necessary mentorship and guidance through the Business Incubation Centre.

2. Involvement in the Company

2.1 Role of the ZU Staff Members

It is expected that the staff members would be owners/founders of companies defined in Scope of the policy and be a Director on the Board. Also, the staff member may choose to play an operational role (Technical Advisor, CEO, CTO, MD, etc.).

2.1.1 Startup Engagement:

The staff member can choose one of the following options:

- (i) Take a sabbatical and work full-time in the business.
- (ii) Dedicate up to 4 working days per month for the Startup related activities with due permission from the Competent Authority of Ziauddin University.

2.2 Role of Students

During their enrolment the students will be allowed to be owners of the companies, as defined in Scope of the policy, be a Director on the Board or be employed in a staff member led company. Also, they may be free to play an operational role (Technical Advisor, CEO, CTO, MD, etc).

2.2.1 Startup Engagement:

Students will be free to dedicate any time outside their regular lecture/lab hours towards their companies. However, if deemed necessary, they may be allowed special leave towards startup activities subject to approval from the respective department heads.

Theses or dissertations

The student may be allowed to base their Start-up on their theses or dissertation with due approval from their supervisor.

3. Use of University Resources

3.1 Staff and Students

The Staff Members and Students who are the promoters of the Startup housed in the Ziauddin University Incubator may be allowed to use University resources such as labs and other such facilities for their company purposes as per agreed terms. To enable access to the staff and student led companies, an equity may be retained by the University which will also ensure IP ownership by the company. The use of space and resources of the ZU Incubator will be governed as per the norms of the University Incubator.

3.2 Company Employees

ZU resources are generally not accessible to anyone who is not associated with the University. When involving company employees who are not associated with the University, permission from the facility in charge or department head will be required.

4. Dispute

4.1 Violation

Breach of the provisions of this Policy shall be dealt with under the normal procedures of the ZU, and in accordance with the relevant provisions of laws and regulations in force.

4.2 Dispute Resolution

- (i) Any internal disputes or questions of interpretation arising under this Policy must in the first instance be referred to ORIC.
- (ii) If the matter cannot be resolved by the ORIC within two months, then the dispute or question of interpretation must be referred to the Vice Chancellor for mediation.
- (iii) The Vice Chancellor may at their sole discretion refer the matter to University's Executive Committee and/or an independent committee for arbitration as final arbiter of any disputed issues or for final determination.

Conclusion

ZU recognizes that efficient and effective means of commercializing university technology may be through small, startup companies that are founded by, or have a close relationship with, university students/faculty. The university is enthusiastic about such ventures and wishes to be supportive of faculty and companies formed for the purpose of developing and commercializing university technology. They benefit the University, its faculty, staff, and students, as well as the public, by enhancing awareness of innovative research and accelerating its economic and societal impact, by helping to attract and retain faculty, and by providing job opportunities for its graduates.

Such initiatives, however, also may create real or apparent conflicts of financial interest and/or commitment. The University is committed to identifying and appropriately managing such conflicts to ensure the integrity of the research process, the unbiased and effective development of university IP, the protection of its students' ability to pursue their studies and research activities with appropriate independence and objectivity, and to support the appropriate entrepreneurial participation and external engagement of faculty and other research personnel. In this regard, an initial equity/royalty composition has been proposed along with basic guiding principles. Further detailed policy shall be developed after approval of this initial proposal.