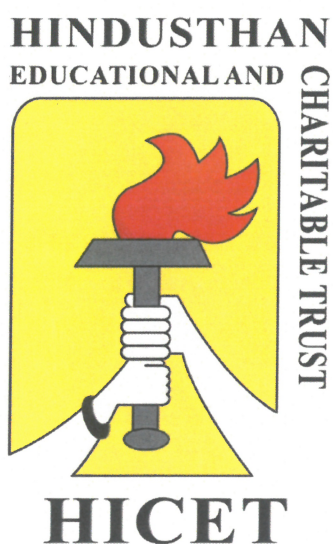


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***POLICY FOR INCUBATION, INNOVATION AND
STARTUP***

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POLICY FOR INCUBATION, INNOVATION AND STARTUP

I. PREAMBLE

Hindusthan College of Engineering and Technology (HICET) constantly strives to enhance its capabilities to nurture and guide young startup ventures in their early/formative years. Over the years, HICET has built working relations with various Indian Government agencies/ Departments, such as the Department of Science and Technology (DST), Tamil Nadu State Council for Science & Technology (TNSCST), Ministry of Micro and Small Enterprises (MSME), EDII-TN etc. HICET recognizes the aspirations of upcoming students and the nature of entrepreneur thoughts of 'Generation Z'

HICET encourage entrepreneurship among the Staff, Research Scholars, Students and Alumni. In this direction, HICET has established a Business Incubator (hereinafter referred to as HICET-BI). HICET-BI has been constantly striving to promote society-oriented innovative startup ventures and thereby contribute to the nation's needs of creating knowledge, wealth, skills and employment. HICET-BI will directly and actively support the incubation of Startups created by staff/students/ research scholars/ alumni. HICET-BI may also cater to external Startups. Such external Startups need to sign appropriate MOUs/agreements with HICET. This HICET Incubation Policy document is meant to enable a conducive environment/set-up for the potential incubates for pursuing their innovative ideas into successful products.

1. DEFINITIONS

- a) **HICET-BI:** A unit located at HICET premises with the primary purpose of promoting and fostering the Incubation of Startup companies involving one or more HICET Member(s), by administering and implementing HICET's policies on incubation.
- b) **Member(s):** Any staff members, research scholars, alumni and students pursuing entrepreneurship at HICET campus.

- c) **Incubatee:** The startups will be selected and undergo mentoring and training under the National Incubation Center.
- d) **Business Plan:** A document prepared by applicants to articulate the problem addressed, proposed solution, technology, road map, team, resources required, market, revenue statement and risk mitigation steps. This is generally a non-confidential version of the planned work to be undertaken by the Startups.
- e) **Intellectual Property Rights (IPR):** The rights derived from the IP e.g., Trademarks, Patents, Industrial designs, Copyright etc.
- f) **Incubation Tenure:** The period for which incubation support is provided to the Startups by HICET-BI.
- g) **Graduation / Exit:** The conditions under which the incubation tenure ceases.
- h) **Head of the Institution:** means Head of HICET.
- i) **MOU:** Memorandum of Understanding is generally required between HICET and Startups as well as when a third party or external agency is involved. MOU's generally cover the scope of relationship and any general terms that apply to the broader relationship. MOU's are generally followed by more specific agreements.
- j) **Research Committee (RC) Protocols and Incentives document:** The prevailing norms of HICET research committee governing the research, consultancy, projects, innovation & entrepreneurship.
- k) **HICET IPR Policy:** The prevailing intellectual property rights policy of HICET.

2. PURPOSE OF INCUBATION

The purpose of the Incubation policy of HICET is to:

- a. Encourage HICET members to look at practical problem statements of society and facilitate, encourage, promote and nurture innovative ideas to mature into a commercial product/venture.

- b. Create an ecosystem to create an innovation culture, which fosters the creation and development of innovative solutions at HICET by pursuing societal problems at large.
- c. Enable HICET to make beneficial use of HICET's existing resources and networks to confer maximum benefit to the inventors, Startups and society at large.

3. OBJECTIVES OF INCUBATION

The Incubation policy of HICET aims to

- a. Facilitate innovators and Startups by providing them access to modern well-equipped facilities, work spaces for product development, mentoring, funding, team development and intellectual property support.
- b. Treat entrepreneurship and more particularly, innovation-led venture creation as a culture among HICET stakeholders.
- c. Enable a clear understanding of the rights and responsibilities of the beneficiaries/ prospective users of HICET's services and protect the interests of HICET and its staff.

The focus and thrust Areas for the Incubation are

• Renewable Energy	• Robotics and Automation
• EV Systems	• Artificial Intelligence • Machine Learning
• Software/Application Development	• Deep Learning • Block Chain
• Green Technology	• Internet of Things
• Information Technology	• AR & VR

II. INNOVATION & ENTREPRENEURSHIP POLICY

The HICET Faculty, Staff, Students and Stakeholder Startup Policy 2020 were designed in accordance with the aforementioned National Innovation StartUp Policy [1], State Government Policy [2], and StartUp Policy for Faculty, Staffs, and Students at Anna University [3] and guidelines.

This policy address the

1. Strategies and Governance
2. Startups Enabling Institutional Infrastructure
3. Nurturing Innovations and Startups
4. Norms for the Faculty, Staffs and Students Startups
5. Intellectual Property Rights Protection and Licensing
6. Monitoring
7. Review

1. STRATEGIES AND GOVERNANCE

- The importance of innovation, implementation of policy and entrepreneurial activities should be promoted for the entire institute through institutional programs such as conferences, workshops, internships, etc.
- Investment for the Innovation and startup entrepreneurial activities must be up to 1% fund of the total annual budget of the institution.
- The policy is presumed to nurture innovation, investment in R&D, infrastructure, knowledge creation, technological development and skilled manpower, resulting in high-growth entrepreneurial ventures.
- Extending support to social entrepreneurship for a positive social impact and inclusion.
- Enabling startups to design, create, and adhere to best practices that guarantee business
- Operations are carried out successfully without introducing extra risks.

- Ensuring that businesses are operated ethically and transparently while fostering good business practices.
- It is assumed that the policy will promote entrepreneurship with high growth through innovation, R&D investment, infrastructure, knowledge creation, technological advancement, and skilled labour.
- Increasing support for social entrepreneurship to promote inclusivity and a beneficial social impact.
- Enabling startups to design, create, and adhere to best practices that guarantee business operations are carried out successfully without introducing extra risks.
- Ensuring that businesses are operated ethically and transparently while fostering good business practices.

2. STARTUPS ENABLING INSTITUTIONAL INFRASTRUCTURE

- Development of pre-incubation (IICs in accordance with the guidelines set forth by the MoE's Innovation Cell, EDC, Startup Cell, Student Clubs, etc.), incubation, and facilities inside the institute using internal and external resources like MSME.
- To close the innovation-incubator gap, the Pre-Incubation/Incubation facility will be open 24 hours a day, 7 days a week to all students, employees, and faculty across all departments and disciplines at the university.

FACILITIES

Infrastructural support in terms of an air-conditioned co-working space, with round-the-clock operations, institutional security and availability of facility management team for any instant need.

1. Incubation Units are provided for the Incubatee funded by organizations like MSME and are tastefully constructed, furnished and air-conditioned official

dedicated workspaces. The incubators include plug-and-play functionality as well as high-speed wireless and cable connectivity. There are meeting and conference rooms accessible for conversations and brainstorming.

2. Audio and video conferencing capabilities are offered in meeting rooms, which may be reserved online. Depending on availability and in accordance with HICET policies, Startups may use the large conference halls facility.
3. Use of the Idea Lab which has specialist equipment like a 3D printer and software. The resources for creating prototypes are available, and Incubatee may make use of them with advance approval.
4. Access to the databases of research papers and foreign publications makes it possible to use well-known library services.

IT infrastructure that is industry-compatible and includes high-speed internet connectivity with lots of dedicated capacity. On-demand, all necessary IT equipment is always made available.

- There are also amenities for video conferencing and meeting rooms.
- Specialized hardware and computer tools are made accessible upon request.
- Depending on the need, server space and infrastructure for application testing would also be given.
- Desktop PCs, office phones, and photocopiers are available (based on demand and supply).

3. NURTURING INNOVATIONS AND STARTUPS

OFFERINGS & SERVICES

- HICET offers Pre-Incubation and Incubation support in a variety of forms and services based on the required needs.

- It offers a shared working environment in terms of inspiration, direction, mentoring, value-based collaboration, physical co-working locations, and resources for virtual incubation.
- The entire services are generally divided into two subsets: facilities and services, which include infrastructural, technological, mentorship, knowledge-based support, and services.
- Offer entrepreneurship skills training programmes to fill the gap between industry demands and existing curricula for both startups and other underprivileged people.
- Networking events must be planned to provide a venue for aspiring entrepreneurs to meet investors and present their idea.

4. NORMS FOR THE FACULTY, STAFFS AND STUDENTS STARTUPS

This policy gives academic personnel, employees, and students the ability to develop ideas based on IPR that they or a co-owner own into startup enterprises. Any faculty member may begin a class—alone, with pupils, or with both. Together with academic staff, graduates, or commercial associates from other institutions.

The following procedures have been devised for the Institute to run such a corporation.

FOR FACULTY AND STAFFS

- a) A startup company owned by faculty and staff may receive help from the Institute in the form of space, infrastructure, mentorship, seed money, and support for accounts, legal advice, and IPR protection, among other things. The Institute may accept 2.0–9.5% of the company's equity or share in exchange for the services (As per the policy guidelines of the state government and affiliated university).

- b) With permission from the Institute, a faculty member may be an Owner or Co-Owner of such enterprises and serve as a Director on the Board. With the Institute's blessing and within the following restrictions, the faculty member may also play an operational role (Technical Adviser, CEO, Manager, etc.)
- There are no restrictions on the number of shares that teachers or staff may own, provided that they do not compromise their academic or administrative duties and do not devote more than 20% of their working hours to the new firm in the aforementioned function.
 - Faculty must explicitly distinguish between ongoing research at the Institute and work done at startups or for-profit businesses.
 - Academic staffs are not permitted to collect honoraria or gifts from the startup.
- c) In a new company, if a faculty member or staff member occupies an executive or managerial role for longer than six months, they should be on sabbatical (unpaid time off) or should take advantage of existing leave. Following the prevalent Institute standards for consulting assignments, other faculty members are permitted to take on projects from a company owned by a faculty member or staff. Similarly to this, any testing or characterization of a product created by the company should follow the guidelines established by the Institute testing fees.
- d) The IP Rights for the technology developed by the company and faculty as per section 5 shall be held jointly by the company and the Institution as per the IPR Policy of the Institute.
- e) A Company owned or co-owned by a faculty/staff will normally be required to incubate at the Institute incubator. However, in exceptional cases, where the faculty/staff/wants to incubate outside the institute, a sufficient justification has to be provided for the approval of the Institute. The decision of the Institute is final and binding in this case.

- f) For the incubation of the Company owned or co-owned by a faculty/staff evaluation should be as per the incubation policy of the existing incubator in the Institute.

FOR STUDENTS

Given that startup development and administration necessitate cross-disciplinary expertise, institutes are urged to support as many companies as possible by students through participation across departments and institutions. By exposing them to training in cognitive skills (such as design thinking, critical thinking, etc.), exposing students to experiential learning by inviting local first-generation entrepreneurs or experts to speak to young minds, educators can encourage students to develop an entrepreneurial mindset. Events including concept and innovation contests, hackathons, workshops, boot camps, seminars, conferences, and exhibitions, as well as regular mentorship by academic and business professionals, setting real-world challenges, awarding winners, and recognizing their achievements, should be planned. Through the aforementioned activities, the Institute will train the students to launch startups.

- a) The institution may permit students to launch their startups or to work part-time for startups currently housed in the incubator while they are enrolled in classes or serving as interns.
- b) In accordance with the study regulations and with the approval of the Department Committee for Concerned Students, students may be permitted to get credit for developing novel prototypes or business models.
- c) With the permission of the Committee for Concerned Students in the Department, students may choose to opt for a startup instead of their mini project or major project, seminars or summer training.
- d) With permission from the affiliated incubator, students may be allowed to use the development of a business idea or prototype as their main project work towards the Institute's academic requirements.

- e) Students who are enrolled in an incubator programme but are also pursuing certain entrepreneurial endeavours during their studies may, with the institution's proper approval, use their institute address to register their business.
- f) With the proper approval from the institute, students who are also business owners may be permitted to take the exam even if their attendance falls below the minimum percentage allowed by the institute's regulations.
- g) Institutions may permit students to take a semester-long or year-long break (or even longer, depending on the judgment of the review committee the institution has established) to work on their startups before returning to class to finish the course. For their efforts in building a business, student entrepreneurs may receive academic credit.
- h) The Institute may set up a review committee (consisting of the Principal of the Institute, the CEO of the Incubator, the CEO of the Student Department, and the Senior Faculty in Charge of EDC) to assess student startups. Depending on the outcomes, the review committee may decide to award appropriate academic credit.
- i) The institute will offer the student entrepreneur housing on campus in accordance with their needs.

5. INTELLECTUAL PROPERTY RIGHTS PROTECTION AND LICENSING

The term "Intellectual Property Rights" (IPR) refers to the particular legal rights that creators have to possess and exercise things like patents, trademarks, copyrights, industrial designs, etc. IPR seeks to prevent exploitation of the protected subject matter by third parties for a certain amount of time (often 20 years) without the right holders' express consent. The Institute's or startups intellectual property must be licensed and protected in accordance with Institute standards.

LICENSING OF IPR FROM INSTITUTE TO STARTUP

Students and faculty who want to launch a startup based on technology they have developed or co-developed, or technology owned by the institute, should ideally be able to take a license on it easily, either in exchange for equity in the venture, license fees, or royalties to alleviate the financial burden of the early stages. When significant institute resources are utilized or when intellectual property is created as a component of a course or academic activity, the institute and the inventors are to share ownership of the intellectual property.

- a) Inventors and the institution could agree to license the good or IPR to any business entity, with the inventors having the final word. A combination of upfront costs and one-time technology transfer fees may make up license fees.
- b) Royalty as a proportion of the sale price
- c) Shares of the business that is licensing the product.

According to the existing law, an institute might not be permitted to hold equity; hence they might ask SPV to hold equity on their behalf. The royalties would be no more than 4% of the sale price, preferably 1 to 2%, unless it is a pure software product, if one or more of the inventors choose to incubate a company and license the product to this firm. If it's stock in the corporation, shares will once more range from 1% to 4%. There may be a revenue sharing arrangement for a pure software product licensing that is mutually agreed upon between the institute and the incubator firm.

- a) If a product or intellectual property (IPR) is created by innovators without utilising any institute facilities, outside of regular business hours (for staff and faculty), or as a component of a student's curriculum, the product or IPR will be fully owned by innovators in proportion to the contributions made by them. In this situation, creators have the option of using the technology as they see fit or granting licenses to third parties.
- b) If there is a disagreement over ownership, a minimum five-person committee made up of two faculty members (who have sufficiently developed their intellectual property and translated it to commercialization), two institute

alumni/industry experts, and one legal advisor with experience in IPR will examine the situation after meeting with the inventors and help them resolve it, hopefully to everyone's satisfaction.

- c) The institute's intellectual property (IPR) cell or incubation centre will solely serve as a coordinator and facilitator for the services offered to faculty, staff, and students. They won't be able to influence how the invention is used, how it is patented, or how it will be licensed. A committee that can determine whether the IPR is worthy of patenting can be formed by the institute if they are going to pay for the patent filing. Faculty with expertise in technology translation may be included on the committee. A patent should only be granted if the inventors are paying for it themselves or with money from a non-institutional source.
- d) Faculty and subject-matter specialists who have demonstrated excellence in technology translation will make up the majority of the institute's decision-making bodies for incubation, intellectual property rights, and technology licensing. The heads of departments and institutions as well as deans and registrars will not be able to influence the decision.
- e) The institutions should encourage interdisciplinary study and publication of startup and entrepreneurial topics.

6. MONITORING

- a) Knowledge sharing through collaboration and partnership will be essential to the success of the startup policy for HICET Faculty, Staff, and Students. The principal is in charge of carrying out the policy, and the institute must offer assistance and direction in setting up, directing, and coordinating these interactions.
- b) Regular impact analyses of the Institute's entrepreneurial initiatives, including pre-incubation, incubation, and entrepreneurship education, should be carried out using well-defined evaluation criteria, such as the number of workshops and conferences held, the infrastructure of the fab lab,

the IPR policy, and the meetings of the Review Committee at the Departmental and Institutional levels.

- c) As shown in the accompanying Table, the number of startups developed, the institutional level support system offered, participant satisfaction, and new business partnerships established by the institutes should all be reported.

Year	Number of Startup	Employment generated	Revenue	Surplus	IPR

The success of the policy should be measured in terms of its social, sustainable economic and technological effects on the market based on its economic output.

7. REVIEW

This policy is up for review every three years. This policy is in accordance with the National Innovation, Startup Policy 2019 for Students and Faculty of the Ministry of Education (MoE), the Startup Policy 2018-23 of the Tamil Nadu Government, and Anna University based on the periodic changes to these policies. The existing regulation is in effect until October 2024.

III. REFERENCES

- 1) National Innovation and Startup Policy 2019 for Students and Faculty MHRD, GOI www.mhrd.gov.in / www.mic.gov.in
- 2) Tamil Nadu Startup and Innovation Policy: 2018-23, Entrepreneurship Development and Innovation Institute, Chennai, www.editn.in
- 3) Startup Policy – 2016, AICTE – New Delhi www.aicte-india.org
- 4) Anna University Start-Up Policy for Faculty, Staffs and Students



PRINCIPAL

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