
Innovation and Startup Policy



Datta Meghe Institute of Medical Sciences

Preamble

Innovation is the key for every economy to grow and innovation takes place at every layer of the society. Government of India has declared 2010-20 as the decade of innovation to unleash the creative potential of every Indian. The Government of India has also set up "Atal Innovation Mission" and "Start-up India " mission to spearhead innovation movement across the nation. Youth of the country and the institution system play a crucial role at every step to shape the innovation ecosystem.

At Meghe Group of Institutions (hereinafter referred to as the "Institution"), building start-up and innovation culture across the Institutions is the key goal of the policy. The aim of the Institution is to ensure that the students and faculty across the institution get a conducive environment to solve problems, create ideas and opportunities & in furtherance of the same, this policy has been framed.

This policy addresses the need of creating a strong pipeline of innovations out of research and allied efforts across Institutes, by helping students / faculty convert ideas into opportunities, that later can be supported as start-ups through various institutional mechanisms. The policy creates an innovation pyramid with lateral linkages as well as in-house support and adds on to the facilities already available. To facilitate and pre-incubate innovative ideas to go through a stage of proof of concept, prototype, product, testing & trial, redesign and development of utility, the incubation policy would help in building innovation through pre-incubation processes of the Institutions.

DEFINITIONS

- 1) **Innovation:** Conceptually, any innovation implies substantial improvement in the ways of doing things, producing goods or providing services. It may involve a new use of an existing resource or producing or delivering existing goods or services through new methods or new instruments/materials.
- 2) **Start-up:** Start up is an entity that develops a business model based on either product innovation or service innovation and makes it scalable and replicable so as to be self-reliant. Start-up may also be an entity that satisfies the requirements of the Department of Industrial Policy and Promotion

(DIPP), Government of India, notification dated 17.02.2016 as specified in the G.S.R. 180 (E).

3. **Proof-of-Concept (POC) stage:** Proof-of-concept is the stage where the innovator / start-up demonstrate a fundamental functioning demonstration of the idea / hypothesis / innovation.
4. **Prototype-stage:** A prototype-stage is a pre-production / pre-launch stage where the innovator / start-up team has developed a basic Minimum Viable Product (MVP) with most key features desired in the final product.
5. **Minimum Viable Product (MVP):** It is a product with just enough features to gather validated learning about the product and its continued development.
6. **Start-up India Action Plan:** Government of India has announced for the 'Start-up India, Stand-up India' initiative for creating a conducive environment for start-ups in India, as well as the initiatives by different Ministries of the Central Government for this purpose and the action plan published by the Government.
7. **Student Start-up:** Any student-led innovation based start-up that has been founded by the efforts of one or more student (s) and / or alumni (not more than 5 years after graduation), from any university / educational institute, with or without the help of faculty guides or external support agents.
8. **Academic/Educational Institute:** Any Government / Grant-in-aid / Self-financed institute / College.
9. **Pre-incubation:** Pre-incubation makes up early stage support systems for the innovation & start-up value chain that comprises an enabling environment to trigger creative ideas, hand-holding ideas at conceptualisation stage, extending basic facility to test the ideas and validate its early users, basic common working infrastructures, and access to existing resources before the innovation reaches an enterprise stage.
10. **Incubator:** Incubator is an organisation established to accelerate the growth of start-ups, through an array of business support, resources, mentorship, networking & other common services such as physical space, capital & coaching.

11. **Technology Business Incubator (TBI):** A Technology Business Incubator (TBI) is an incubator, established to support technology-driven start-ups, generally supported by the National Science & Technology Entrepreneurship Development Board (NSTEDB), Department of Science & Technology (DST), Ministry of Micro, Small and Medium Enterprises, Government of India, Meghe Group of Institutions or any other Institution.
12. **Atal Innovation Mission (AIM):** The Atal Innovation Mission (AIM) is Government of India's endeavour to promote a culture of innovation and entrepreneurship. Its objective is to serve as a platform for promotion of world-class Innovation Hubs, Grand Challenges, Start-up businesses and other self-employment activities, particularly in technology driven areas. AIM is established under the NITI Aayog.
13. **Tinkering Lab/Fab Lab/Innovation Studio:** A Tinkering Lab / Fab Lab is a combination of experimental research and specialisation, where students may with emerging technology and fabricate and create new products / prototypes.
14. **Accelerators:** An accelerator is like an incubator except, as the name suggests, a start-up accelerator fosters rapid growth of the start-ups it incubates. Usually accelerators package mentorship, access to technology, office space and access to an innovative community into a relatively shorter timeline for faster growth.
15. **Angel Investors:** An angel investor is a person who provides financial support by investing capital - typically, a relatively smaller seed capital - in a start-up.
16. **Venture Capital:** Venture Capital (VC) is a type of funding that originates from venture capital firms that specialise in building high risk financial portfolios. Typically, such firms provide growth-level funding to established access to their networks for employees, clients, products, or services of the start-up.

MGI Incubation Policy

The Incubation Policy of MGI aims to create an integrated, institution-based innovation ecosystem to support innovations and ideas of Faculties, young students and provide conducive environment for optimum harnessing of their creative pursuit.

The Incubation Policy of MGI synergises complementary efforts by different stakeholders while making strong efforts towards cultural change among students, pre-incubation support and other necessary measures required in creating and nurturing student innovations and help sustaining them.

Primarily, at the institution level, the resources shall be utilised in building innovation support systems, processes and building an institution-centric innovation ecosystem that promotes innovative ideas and inculcates a culture of innovation and entrepreneurship. The policy ensures that the missing links of the innovation value chain like prototype support, IP protection, knowledge-based enterprise development, platform to showcase success stories, and similar challenges get mitigated through policy and allied support.

The Incubation Policy mandates interventions, grassroots level deployment and end-to-end support to ideas and innovations.

3.1. KEY OBJECTIVES

The Incubation Policy aims to create an integrated, institution-based innovation ecosystem to support innovations and ideas of faculties, young students and provide conducive environment for optimum harnessing of their creative pursuit.

- 1) Developing Innovation and Incubation Ecosystem for Innovators.
- 2) Creating environment for creativity to flourish and an end-to-end support system to allow ample support to ideas for better execution
- 3) Build internal capacity and key components of the innovation ecosystem to enable deployed processes to make sustainable impact at scale
- 4) Create pathways forming to market by harnessing and handholding Projects / Research / Innovation / Ideas.

- 5) Create a common platform to showcase, support and upscale innovations for motivating stakeholders as well as for an opportunity to create value for money and value for many
- 6) Promote & interact with, and resource technology/expertise from faculty members, research scholars, students and laboratory infrastructure in the various departments and centres of the Institute.
- 7) Help in getting other kinds of techno-managerial expertise required that is not available within the institute.
- 8) Incubating novel technology and business ideas into viable commercial products or services.

KEYGOALS

- Aim to create an environment that converts graduates into job creators by innovation and allied means
- Support student / faculty-led innovations
- Harness student / faculty start-ups and upscale
- Empower to build Innovation and Pre-incubation support systems
- Create incentives, awards, appreciations and benchmarks for innovation and student start-ups and associated efforts at all layers
- Ensure that the innovation processes link Academia, Society and SMEs through systematic ways so that students and faculty solve their challenges and create further entrepreneurial opportunities

KEY FACETS OF THE INCUBATION POLICY

The following are the key facets of the Incubation policy:

- A. The policy aims to intervene and support at i) Idea level, ii) Innovation level and iii) Pre-incubation level to achieve the broad goals of the policy.
- B. Successful implementation of the goals shall be evaluated by considering the implications of metrics such as output-driven indicators, stress on sustainable process design, competitive inspiration-based co-creation and incremental & turnkey measures in suitable proportion.
- C. The broad goals of the policy shall be achieved through interventions at pedagogy, co-curricular level and community / ecosystem driven interventions. The policy creates incentive structures at several levels viz.

Idea level, Educational Institute level, University level to drive policy and deployment and cluster level to involve non-academic elements.

- i) **Idea level:** Awards, proof of concept, prototyping and IPR support, mentoring support, pre-incubation, academic credits and similar benefits
- ii) **Institute level:** Finance, institutional building support and capacity building support
- iii) **Institution level:** Support to create innovation and pre-incubation ecosystem, support to finance innovations and IPR, access to external research and entrepreneurship infrastructure, industry and external expertise linkages
- iv) **Cluster level:** Appreciations, recognition, exposure, and access to academic resources
- v) **Pedagogy level:** Interventions which are primarily driven by new academic and allied process / regulation / strategy which suits to create more conducive environment and support system to foster more student innovations and start-ups.

This document contains policy and procedures for operational matters related to incubators at Meghe Group of Institutions. It covers the following processes:

1. Eligibility
2. Admission process
3. Intellectual Property process
4. Seed Support
5. Incubation support
6. Periodic assessment
7. Information submission
8. Consideration
9. Tenure in BI
10. Exit (Graduation)
11. Conflicts of interest
12. Disclaimer
13. Agreements

The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to / associated with incubator to update themselves from time to time on amendments in incubation policy and procedures. Incubator reserves the rights to make an exception of all or any of the terms of policy for a company or a promoter on a case to case basis.

1. Eligibility

1.1 Admission to TBI is open to any of the following:

- Faculty members
- Students
- Alumni
- Institution R&D partners (sponsors of R&D and consultancy projects),
- Institution's partner (having R&D collaborations in place), and
- Government agencies associated with Institution's research and innovations.
- Permanent staff of institution
- Incubator alumni on selective basis.
- Applicants supported under any program managed by Meghe Group of Institutions

Focus of Incubator for incubation of proposals/business ideas shall be on the following basis:

- IP Based Start-ups
- Physical Products
- Proposals with potentials for strong identifiable involvement or interaction with MGI faculty
- Proposals which will have social and strategic impacts
- Proposals supported by any of GoI (Central / State) initiatives, where Incubator support is a requirement.

1.2 Applicants must fulfil the eligibility criteria as above for making an application for admission in the incubator, even in case of incubator's virtual incubation and or pre-incubation programme.

1.3 Applications for admission to TBI will be made in the name of registered entity within the meaning of the Companies Act, 2013. If a company has not been registered, an application may be made in the names of all promoters/ founders; however, the promoters/ founders must ensure that the company is registered within a period of six months from the date of approval of the application for admission in TBI. If company is not registered within 6 months then the idea will be further consider for review process.

2. Admission Process

Based on the merits of the case, the evaluation of the idea / business plan for incubation purposes, any of the following processes could be adopted.

2.1. Through two levels of review process:

Internal review - by senior business team members. A pitch template will be shared with the applicant for presenting to the internal team. This may take a few iterations till desired clarity of the idea / business plan is achieved.

External review - A business plan / deck is prepared after satisfactory internal review by the applicant. This will be presented to local selection and expert committee (LSEC). Experts could be from the domain, investor, established entrepreneur, potential client/user, research organization. Applicants may be asked to present to the concerned experts and feedback sought.

However, in the following cases the review process may be relaxed:

- Serial Entrepreneur
- Existing ventures with revenues of Rs 10 lacs or above
- Have received funding by Angels, Angel Network, VC of up to Rs 10 lacs
- Customer Validation

2.2. In case of pre-screened and previewed business ideas / cases by government grants / competitions, on their approval, the same will be directly taken for pre-incubation or incubation as the case may be.

2.3. All other cases will be processed as in (2.1) above with internal review followed by at least two external reviews.

Incubation approval is subject to completion of satisfactory review process.

Incubator will have a sole discretion whether to admit or reject a proposal for incubation and the decision of Incubator in this regard shall be final. Incubator is not bound to give any reason in case a proposal is rejected.

3. Process for Intellectual Property transfer

3.1. Approval required from:

a. Head of Institution - NOC for starting a venture / association as an equity holder / mentor / advisor

b. Competent Authority, MGI - Approval of IP license / transfer in case MGI Institution's IP is involved

- If there is no institution IP, NOC for starting a venture / association as an equity holder / mentor / advisor with an acknowledgment that there is no IP.

The companies or promoters / founders may have to pay consideration in lieu of the transfer / licensing of / permission to use IP in their favour, which will be decided by Institution. IP transfer/ IP licensing / Permission to use IP will be in favour of only the registered entity.

4. Seed Support

Companies may apply by way of Seed Support Application, which will be considered by investment committee. The Seed Fund amount will be decided on case-to-case basis by the committee and the seed support will be in the form of Equity / Loan / Convertible instruments.

5. Incubation Support

DETAILS OF FACILITIES

5.1. **Physical infrastructure:**

- Fully furnished co-working space
- Shared resources: Meeting rooms, Conference rooms
- Office productivity equipment: Photocopier, Scanner, Projector
- Lab: Fabrication facility with Equipment and software tools (Refer Annexure), Facilitation for access to institutional laboratories/facilities.

5.2. **Utility:**

- Electricity
- Internet
- Drinking Water

5.3. **IT Support:**

- Basic IT infrastructure support will be provided

5.4. **Access to Grants and Institutional Support:**

- Institutional intra mural Grant scheme
- Facilitation for Government funding programs

5.5. **Advisory and Mentoring Support:**

- Mentoring
- Trainings and workshops
- Advisory from Experts- Technical, legal, CA, IP, etc.
- The Incubatees however will have to pay for specific transactions.

5.6. **Networking Opportunities:**

- Facilitation for business, professionals and expert network
- Facilitation for investors network
- Facilitation for industry connection
- Showcasing opportunities

5.7. **Ecosystem advantage:**

- Experiential learnings in incubator
- Incubation Ecosystem- technical resources and interactions, students, library, easy access to IP
- YCCE TBI FOUNDATION - YCCE and DMIMS(DU) brand
- Media visibility
- Address for incorporation (for resident incubatees under physical incubation)

Notes:

1. If physical incubation: The External Incubatee (other than YCCE) will have to deposit Rs 10,000/- (Rupees Ten Thousand only) with Incubator as non-interest bearing returnable security deposit. The said amount will be returned at the time of vacating the Incubator after deducting outstanding dues if any. (Security deposit may be waved off – concerned authority)
2. The ownership of all assets and facilities so provided as a part of Incubatee supports and facilities rests with Incubator.
 - Pre Incubatees will be provided all the above incubation support except funding
 - Virtual Incubatees will be provided all the above incubation support except physical office space.

No cost for electricity / internet consumption or any utility or service is charged separately to the Incubatees. However, Incubator retains a right to limit the free electricity / internet consumption and other utility, beyond which charges will become payable by the Incubatee.

6. Periodic Assessment

The incubator will evaluate the performance of Incubatee companies quarterly. Incubatee companies will submit information to incubator in a prescribed format. (This can be obtained from incubators office). The companies will also be subject to an annual assessment by a Local Selection and Expert Committee (LSEC) comprising of external experts.

A company which has taken seed support will have to submit additional information as may be asked by Incubator. The un-disbursed portion of the seed support will be adjusted subject to the performance of the company.

It is mandatory for the Incubatee companies to submit a copy of their Audited Annual Reports within a period of 7 days from the date of their finalization.

7. Information Submission

Incubatee companies will submit information to Incubator about all material changes or developments taking place in their companies from time to time. Such information could be (but not limited to) change in name of the company, change in business or product profile, change in directors, promoters or shareholders, acquisition of a new office, additional equity or debt investments. Incubator may require incubatee companies to submit other information as it deems fit. Prior concurrence of Incubator should be obtained for effecting such changes.

Incubator will take the responsibility not to share / disclose any company specific details without prior permission of said company but may use the information for consolidation purposes only when reporting.

8. Consideration:

In lieu of support and services to be provided by Incubator / Institution, the incubatee companies will be subject to consideration;

- Rental / Incubation fees (Free for first 24 months)
- Equity and / or Revenue share minimum 5% of Capital or Operations as applicable.
- For any specific (e.g. pre-incubation, Business idea group, etc.) / Additional support or extension of incubation, additional consideration may be charged on case-to-case basis.

9. Tenure in Incubator

Companies will be permitted to stay in Incubator, to begin with, for a period of 12 months. Further extension, if any, will be for another 12 months based on satisfactory performance review. The rental charges, where physical incubation is provided, will be levied as per prevailing market rates after completion of 24 months. Any stay beyond the total of 24 months is subject to Incubator Board approval and will entail additional consideration to Incubator including rental charges and equity / revenue share.

10. Exit (Graduation)

Incubatee companies will have to leave the incubator under the following circumstances:

- Completion of stay for twenty months, unless the stay is extended by Incubator.
- Underperformance or unviability of the business proposition: Criteria for the same will be decided and applied by Incubator on the case to case basis.
- Irresolvable disputes between promoters / founders. Incubator will decide the position or point when disputes are deemed to be irresolvable.
- Change in promoter's/ founder's team without concurrence of Incubator.
- When the company enters in an acquisition, merger or amalgamation deal or reorganization deal resulting substantially a change in the profile of the company, its promoters, directors, shareholders,
- When a company plans for a public issue.
- Any other reasons which Incubator may find it necessary for an incubatee company to leave TBI.

Notwithstanding anything written elsewhere, Incubator's decision in connection with the exit of an incubatee company shall be final and shall not be disputed by any incubatee company.

11. Conflicts of interest and confidentiality of information:

A) CONFIDENTIALITY:

Incubatee shall neither during the period of his/its Agreement with the Incubator nor at any time after the termination thereof, directly or indirectly, be entitled to use, for his own purpose or those of any other person, company, business entity or organisation whatsoever, any trade secrets or confidential information relating to or belonging to Incubator, like any information relating to source codes, software, inventions, financial information, and ideas, or information, which has been given to the Incubatee in confidence by Incubator or if the same is

developed by it in pursuance of the association & Agreement with the Incubator & with the aid and assistance & funding provided by the Incubator.

B) INDEMNITY:

Incubator, which is only a support provider to the Incubatee, shall bear no responsibility of any breach of any laws by the Incubatee, during the process of any development of any product or project, etc. Incubatee agrees that the sole responsible of following will be that of Incubatee for the following:-

- a) Breach of Intellectual Property (IP) Rights of any person, organization, entity, etc.
- b) Breach of any Copy right of any person, organization, entity, etc.
- c) Breach of any of the laws in India or any other part of the world, which are applicable to the Agreement/s between the Incubator and Incubatee.
- d) Incubatee undertakes to keep Incubator indemnified from all such claims.

C) STATUTORY COMPLIANCES:

Incubatee shall, as may be relevant, shall be required to apply for and obtain, at its own costs, all licenses, permits, consents, and authorization required by the laws in force, from time to time, in order to carry on its operation & Incubator shall not be, in any manner, liable or responsible for the same.

12. Disclaimer:

The incubatee company will understand and acknowledge that Incubator intends to provide supports and services to the Company in good faith to pursue its objective to promote entrepreneurship by converting innovative technologies developed in the Institute and other than institute to commercialization by incubating and supporting new enterprises. It is understood that by agreeing to

provide various supports and services, Incubator does not undertake responsibility for:

- Ensuring success of an incubatee company, its products / process / services or marketability
- Ensuring quality of support and services provided by Incubator to the complete satisfaction of the incubatee companies or their promoters/ founders.
- Ensuring quality of services of the consultants engaged by the incubatee companies through Incubator / Institution network. Incubatee companies will have to apply their judgements before getting into a relationship with them.

The incubatee companies agree that Incubator/ Institution or their employees shall not be held liable for any reason on account of the above.

13. Agreements:

The following agreements are required to be signed by the companies to the extent applicable:

- i) Incubation agreement:
Between Incubator, an incubatee company and its Promoters for Incubator's equity holding in the incubatee company.

- ii) Seed Support Agreement:
Between Incubator & Incubatee company on sanction of seed support to the Incubatee company.

- iii) Any other agreements, as desired necessary for ensuring the protection of interest of the Incubator in the invention/s, developments, etc.

INSTITUTION'S RELATIONSHIP WITH A FACULTY STARTUP COMPANY

To facilitate technology transfer, the institution needs to provide an organizational structure and procedures through which inventions and discoveries made in the course of institutional research are made readily available to the public through channels of commerce. The institution further recognizes that efficient and effective means of commercializing institution technology may be through small, start-up companies that are founded by, or have a close relationship with, institution faculty. The institution is enthusiastic about such ventures and wishes to be supportive of faculty and companies formed for the purpose of developing and commercializing institutional technology. When such companies are formed, conflict of interest, conflict of commitment and other issues related to assuring the most effective and rapid development of institutional technology into products benefiting the public must be addressed. The following recommendations address the relationship between the institution and start-up companies founded by members of the institution faculty.

Assumptions

1. The technology is developed by a faculty member and the ownership rights thereto are either already vested in the institution as required under the institution's policy on intellectual property ("IP Policy") or are assigned to the institution by the faculty member.
2. The faculty member:
 - Is actively involved in the founding and/or management of the start-up; or
 - Holds significant equity (>5 percent of total authorized shares or value) in the start-up; or
 - Is a member of the Governing board of the start-up; or
 - Holds, or will hold, equity in the start-up and would otherwise be entitled to receive a share of revenue from the commercialization of the invention in accordance with the IP policy.

Responsibilities

Institution Responsibilities

At an early stage, the head of institution, or his designee, in conjunction with the faculty member, where appropriate, will:

1. Ensure that the Dean and relevant Department Heads are aware of the faculty start-up enterprise;
2. Conduct a diligent examination of the sources of funding and applicable research agreements to ensure they are compatible with each other and that the institution's interest in the intellectual property is protected;
3. Help determine whether granting rights to the start-up is the "best mode" for commercialization, as opposed to a licensing agreement with a third-party commercial sponsor;
4. Help identify outside professional advisers and other resources to aid the faculty member in structuring, organizing and managing the start-up company and obtaining capital financing;
5. Define and negotiate the technology license with the start-up company; and
6. Manage all intellectual property (patents, copyrights, etc.) and research contracts and grants, as appropriate.

Faculty Responsibilities

1. Faculty members must comply with all institution policies, including employment, intellectual property and conflict of interest policies;
2. Faculty members involved with a start-up company must fully disclose their activities and ownership to any trainees, fellows or students working on their research. Trainees, fellows and students should not be assigned to research projects that will lead to a direct financial benefit for the faculty member;
3. All potential faculty conflicts of interest must be disclosed, in accordance with the institution's policy on conflict of interest. A suitable management strategy must be developed;
4. It is always up to the competent authority to establish guidelines for time spent by faculty on outside activities. In general, a significant conflict of commitment will be created if the faculty member's responsibilities for the start-up company exceed more than one day per week.

Institution's Relationship to the Start-up Company

1. The institution may grant to the start-up company an exclusive, worldwide license for the technology with the right to sub-license. The terms of the license agreement generally will include the start-up company paying the Institution:
 - All future patent expenses, and the institution may seek reimbursement for any past patent expenses;
 - A license fee and annual maintenance fees for years prior to first commercial sale;
 - Milestone payments due on each round of equity financing;
 - Milestone payments on achievement of critical product development events; and
 - An earned royalty on product sales by the start-up or sub-licensees, with annual minimum amounts due in each year after first commercial sales (fully creditable against earned royalties).
2. The start-up company will be obligated to provide the following diligence provisions required to maintain the license. Failure to satisfy these requirements may result in termination of the license by the institution. The start-up company will:

- Provide an acceptable development plan with at least semi-annual updates;
 - Meet all milestones;
 - Make all required payments and reimbursements within 60 days of the due date;
 - Comply with all necessary steps to effectively manage conflicts of interest;
 - Indemnify and provide satisfactory insurance for the institution for product liability and other risks;
 - Require institution approval of sub-licenses; and
 - Require that obligations of licensees are passed onto all sub-licensees.
3. The institution's equitable interest and role in the start-up company:
- Equity will only be taken if approved on a case by case basis by the institution and;
 - The institution can hold a seat on the governing board or otherwise participate in management or operations of the start-up company;

Specific Stipulations Regarding Research Support by the Start-up Company

The start-up company may, under very specific circumstances, support research projects at the institution, provided that:

- All projects are subject to the institution's stringent conflict of interest rules and, as such, a decision will be required by the appropriate DRC that a conflict of interest either does not exist or has been appropriately managed;
- All projects are subject to the approval of the competent authority;
- The scope of work is clearly defined and the research is not for product development for the company;
- No employees of the start-up company will be included as named participants on any research contract with the start-up company;
- All inventions arising from the work are owned by the institution and subject to an option to negotiate additional licenses;
- Students in the PI's lab will not be permitted to function as employees of the start-up company, and should not be compensated under the research contract to ensure that they are free to pursue publication and

- thesis defence without restriction; and
- Commitment to fund research cannot be used to replace a license royalty payment obligation.

Permitted Use of Institution Research Space

The Institution recognizes that technology used as the platform for faculty start-ups is almost invariably at an early stage of development and is intimately related to the faculty's ongoing research interest. It is likely, therefore, that some technology development will be necessary at the institution before it can be transferred to the new venture. The institution will work with the new venture to assist in this transfer and to assure that institution facilities and resources are not being used inappropriately to support product development and for-profit activities. The institution may offer assistance to the faculty member to locate suitable off-site space for the start-up company, when this is appropriate.