



The North West NHS Innovation Hub

**TrusTECH® Pathfinder Development Fund
Application Guidance
Version 1.5**

1.0 Introduction

- Innovation includes solving problems, improving methods and developing new ways of doing things. Innovation can lead to the generation of intellectual property (IP).
- In general innovation and IP developed in the NHS should be shared freely with others. However, sometimes the only way to ensure that the IP is taken up by others is if a commercial product or service is available.
- The *TrusTECH*® Pathfinder Development Fund (TPDF) has been established to assist *TrusTECH*® member organisations to progress the development and/or commercialisation of IP that will benefit healthcare.
- *TrusTECH*® and the TPDF are managed by Central Manchester and Manchester Children's University Hospitals NHS Trust (CMMC).
- Any funding awarded is treated as an investment by *TrusTECH*® rather than a grant. *TrusTECH*® will take a share of any income generated from commercialising the IP and will use this to enable further development of NHS innovations in the North West.
- It is expected that applicants to the TPDF will apply only when other sources of funding (e.g. NESTA, DTI awards) are not appropriate.

2.0 What innovations are eligible?

Innovations shall be eligible for funding if they meet the following criteria:

- They have demonstrated their ability to improve healthcare, or have the potential to improve healthcare (e.g. medical devices, equipment, software, training packages).
- There is a reasonable market for the innovation within the NHS and possibly also other healthcare industries.
- No major competing products or services already exist and no patent applications for similar technology have been filed in the UK, Europe or the USA (if appropriate) unless the innovation demonstrates significant improvements over these.
- Their development is intended to result in a commercial product/service or otherwise show commercial potential (e.g. money saving to NHS).
- IP ownership is clearly defined and revenue sharing arrangements are agreed amongst the relevant parties.



Innovations shall not be eligible for funding if:

- They relate to a service delivery improvement that could not exist as a commercial product or service.

3.0 Who is eligible to apply?

Applications to the TPDF can be made by:

- Organisations which are members of *TrusTECH*[®] and wholly own the IP.
- Organisations which are members of *TrusTECH*[®] and share IP ownership with one or more NHS and/or non-commercial organisations (e.g. University, charity).
- Organisations which are members of *TrusTECH*[®] and share IP ownership with a commercial partner and/or wish to develop an innovation in collaboration with a company.

Applications to the TPDF cannot be made by:

- An individual who owns his/her IP, even if he/she is an NHS employee. However, the individual could apply if he/she is prepared to assign the IP to their employer (if the employer is a member of *TrusTECH*[®]) or to *TrusTECH*[®].
- A company developing a healthcare innovation that has not originated from a non-commercial organisation (e.g. NHS organisation or University).

4.0 What does the funding cover?

The funding can be used to pay for anything that is clearly related to progressing the innovation, including the following:

- Direct costs associated with the protection of IP (e.g. patent application fee, registered design fee)
- Market research
- Production of prototypes
- Evaluation of an innovation (e.g. bench or clinical testing) including application for MHRA approval to conduct a clinical trial
- Third party professional fees (e.g. patent agent, solicitor, expert opinions, market research)
- Activities that will enable early stage revenue generation (e.g. limited production and sales, business plan development, short term funding)
- Staff time
- CE marking

The funding cannot be used for:

- Retrospective costs
- Capital costs (e.g. buying a computer), other than in exceptional circumstances
- Development of innovations for the applicant organisation's benefit only - the intention must be to commercialise the IP for the benefit of the NHS and other healthcare organisations.

5.0 Awards

Applicants may apply for funding up to the value of £25,000. In some cases, the award will be made in stages, with further funding being released on the achievement of milestones.

It is expected that in most cases the awards will be in the order of £5,000-£10,000 and will fund work to progress the innovation into a commercial product or service over a 1 or 2 year period.

6.0 Conditions of funding

- Any publications on innovations developed with TPDF awards must acknowledge *TrusTECH*[®] as the source of development funding.
- By accepting the award, the applicant(s) will agree that *TrusTECH*[®] will receive 10% of any gross income generated from commercialisation of the IP for which the award was granted (before it is shared out between the parties if the IP is owned by more than one organisation).
- In addition, if *TrusTECH*[®] is already working on the case to develop the IP, then *TrusTECH*[®] will also receive a percentage of the income under any pre-existing service level 2 agreement. The percentage will range from 5-30% depending on the amount of work *TrusTECH*[®] has contributed to furthering the case.

Example:

An NHS Trust has developed a medical device jointly with the department of physics at a University. The IP in the device is jointly owned and the parties have agreed that each will receive 50% of any income generated. The Trust is a member of *TrusTECH*[®] and *TrusTECH*[®] has been working on developing the IP with the Trust under a service level 2 agreement (SLA2) and it has been agreed that *TrusTECH*[®] will receive 15% of any income. The Trust applies to the TPDF with the University.

The TPDF funds the initial patent application costs and the production of a prototype. The device is licensed to a company within 11 months, at which point the company pays for any further patent costs.

The joint income received by the Trust and the University in the first year of the licence from a royalty on the sales of the device is £10,000. This income would be shared out as follows:

Party	Amount
TPDF	£1,000 (10%)
<i>TrusTECH</i> [®] (SLA2)	£1,500 (15%)
University	£3,750
Trust	£3,750
TOTAL	£10,000

7.0 Does it matter who owns the IP?

- The organisation applying to the fund does not necessarily need to own the IP.
- However, the IP owner(s) will need to agree to the terms and conditions of the award (i.e. with regard to *TrusTECH*[®] receiving a share of any income generated).

8.0 How to apply

- Contact your *TrusTECH*[®] Technology Exploitation Manager (TEM) who will discuss your innovation with you, and if appropriate, provide you with an application form. The TEM will then assist you with the application process. If you don't know the TEM covering your organisation, e-mail innovations@trustech.org.uk.
- Complete the application form.
- Submit the final application form to your TEM no later than 4 weeks prior to the *TrusTECH*[®] quarterly board meeting. Late applications will be referred to the next board meeting.
- The application should be submitted electronically via e-mail to your TEM and a hard copy with signatures should also be sent to your TEM in the post, **marking the envelope "TPDF Application"**:
- All applications will be treated as confidential, so submission to the TPDF will not be regarded as disclosure and will not prejudice future patent applications.

9.0 How will the application be judged?

- The application will be judged by an Investment Committee comprising of executives from the *TrusTECH*[®] Board. Additional expert opinions may be gained in confidence as appropriate.
- The main applicant will be notified of the Committee's decision on the application within 14 days of the *TrusTECH*[®] Board meeting (i.e. within about 6 weeks of the application submission).
- There will be no appeals process for unsuccessful applications.
- Feedback may be provided to unsuccessful applicants, but is not guaranteed.

10.0 Successful applications

- Successful applicants will be asked to provide the Investment Committee with a short summary (approx. 1 page of A4) of progress every 6 months against the planned milestones.
- Awards will be paid to the *TrusTECH*[®] member on the application after *TrusTECH*[®] has received a signed copy of the funding agreement and an invoice from the successful organisation.
- Larger awards may be broken down into several payments linked to the attainment of certain milestones.

11.0 Promotion and publicity

- Part of *TrusTECH*[®]'s remit is to raise awareness regarding innovation and IP in the NHS. Thus, *TrusTECH*[®] will be announcing all awards to the press.
- Care will be taken to ensure that no confidential information is disclosed and the lead applicant will be asked to approve any press releases prior to their disclosure.

12.0 General enquires

If you have a general question about the award and have not been allocated a *TrusTECH*[®] Technology Exploitation Manager to assist you in applying for an award, please contact Bridget Liddle (e-mail bridgetliddle@trustech.org.uk or telephone 0161 276 5764).