

Policy on Conflicts of Interests and Confidentiality

1. Introduction:

Society for Innovation and Entrepreneurship (SINE) has been founded to promote innovation and entrepreneurship and to administer a Business Incubator for start-up companies with emphasis on technologies developed in IITB. SINE is hosted by Indian Institute of Technology Bombay (IITB) a premier academic and research institute with a significant contribution in science and technology. In recent years, IITB has been encouraging its faculty, employees and students to convert their technology ideas and innovation in various disciplines of science and engineering into commercial ventures for personal, institutional and social benefits. This process of translating knowledge in various disciplines of science and engineering into products, processes and services for commercial exploitation will also benefit the society.

In this process, however, complexities surrounding actual and potential conflict of interests and commitment are also involved. While IITB supports its faculty, non-faculty employees, students and other members in the commercialisation of technologies developed in various departments and laboratories, there are several key values that call for protection from conflicts that may arise from such activities because of their commitment in IITB to:

- Student education,
- Objective research,
- The society by bringing benefits of knowledge arising out of such research and education
- Drawing demarcation of using institute resources for institute activities and personal economic interests

When an individual holds two positions in different roles, and when he/she tries to use one position for personal benefits of his/her aspirations in another, a situation of conflict of interest arises. Certain positions held by employees of SINE which are of trust and confidence owe fiduciary responsibilities to those to whom SINE and its Business Incubator provides supports and services. Any significant, direct or indirect, financial interests held by SINE employees in any of companies supported by SINE and its Business Incubator could involve possible conflict of interests. Persons associated with SINE in various capacities other than for employment may also face situations leading to conflict of interests. The avoidance of such conflict is important to the integrity and philosophy of SINE and IITB.

Further during the process of incubation, certain proprietary information may also be exchanged between various parties which are of confidential or sensitive nature. The confidentiality of such information needs to be maintained.

2. Policy objective:

The intent of this document is not to eliminate all possible situations leading to conflict of interests, an obvious impossibility. Rather, it is to enable an interested person to recognise situations that may be subject to question, to take steps to minimise such conflicts and to ensure that such situations are properly reviewed and, if necessary, corrected. All potential conflict of interest situations should be handled in a manner and all relevant activities are conducted in a manner consistent with the values of SINE, IITB and public values and interests. This policy makes all stakeholders related to SINE and Business Incubator aware that no one should use his/her position in one role for personal gains in the other role, and when necessary, explicit permission of relevant stakeholder may be obtained.

Conflict of Interests policy and operating guidelines of IITB, if any, must be reviewed and followed by all faculty, employees and students of IITB who aspire to set up a company to be incubated in the Business Incubator administered by SINE. A key requirement for them is that care must be taken to separate clearly and cleanly the personal financial aspects of the entrepreneurial activities from their respective roles, duties and responsibilities in IITB. On admission in the Business Incubator, such entrepreneurial activities should not be confused with assigned duties of IITB. The use of IITB facilities and equipment must be free from unauthorised or conflicting uses and must be compensated for as per the policies of IITB. Appropriate judgement should be applied by all concerned parties while assessing the genuineness of conflicting interests.

Also, each party in receipt of confidential information should restrict the use of such information for the purpose for which it is disclosed. Concerned parties should safeguard and protect confidentiality of information by using the same degree of care as they would use to protect their own information of like nature to prevent unauthorised disclosure.

3. Definition:

- a. “Associates/ Affiliates”- means any person or entity directly or indirectly controlling or controlled by the other party or two parties are under a common control of one Party.
- b. “Confidential information”- means any information, whether in written, visual or oral form, disclosed by a disclosing party to the receiving party based on discussion or understanding between them, and-
 - which is clearly labelled or marked as ‘confidential’, ‘sensitive’ or its equivalent if disclosed in tangible form, or
 - which is concerning / provided by the disclosing party and is not known or generally available to the public at large, or
 - the nature of which should reasonably have been understood by the receiving party as being proprietary and confidential to the disclosing party.

Notwithstanding the above, Confidential Information shall not include any information which:

- i. is or becomes publicly known through no wrongful act on the receiving party's part; or
 - ii. is already known to the receiving party at the time of disclosure; or
 - iii. is rightfully received by the receiving party from a third party without breach of obligation to maintain confidentiality by the receiving party, or
 - iv. is furnished to a third party by the disclosing party without a similar restriction on such third party's rights; or
 - v. is independently developed by the receiving party without breach of any agreement with the disclosing party; or
 - vi. is explicitly approved for release by the disclosing party; or
 - vii. is required to be disclosed by the receiving party under any prevailing law or to a court of competent jurisdiction or any appropriately empowered governmental agency.
- c. "Conflict of interest"- in this policy refers to a situation in which financial or other personal considerations compromise, or has an appearance of compromising an individual's professional judgement and ability to perform his/ her responsibilities to IITB, SINE or supported companies as the case may be. This also includes certain gray situations or gray areas that might involve the appearance of conflict.
 - d. "IITB members"- means faculty members and non-faculty employees, student and staff of IITB,
 - e. "Supported entities" - means a company, teams of individuals supported under various programs managed Business Incubator administered by SINE.
 - f. "Interested person"- means any person having any direct or indirect, actual or potential, financial or personal interest because of their relationships with SINE, Business Incubator or Supported entities in the Business Incubator.
 - g. "SINE associates"- means persons and entities associated with SINE in their respective professional capacities. This will also include board members, mentors, consultants, various service providers and suppliers who are associated with SINE their respective professional capacities.
 - h. "SINE employees"- Those who are in employment of SINE or hired by SINE on contractual position.

4. Scope:

This policy applies to all interested persons. This will include:

- IITB members who have actual or potential interest in entrepreneurship activities in the Business Incubator,
- SINE employees and SINE associates who can have actual and potential interest which are conflicting with the activities of the Business Incubator or Supported entities,
- Supported entities, their promoters, employees and staff, or their affiliate or associate company.

5. Situations leading to Conflict of Interests:

Certain situations leading to conflict of interests are explained herein below. However the list is not exhaustive, and hence situations having actual or potentials for conflicts of interest though not covered in this document will nonetheless be subject to this policy.

- An IITB member is in a position to influence a departmental decision for acquisition of laboratory and other equipments which could benefit a supported entity in which he/ she is an interested person.
- An IITB member is in a position to circumvent prevailing policies for making use of IITB's various facilities for the benefit of a supported entity in which he/ she is an interested person.
- An IITB member is in a position to make use of the suppliers and service providers of IITB for undue advantage of a supported entity in which he/ she is an interested person.
- An IITB member procures consultancy assignments or other business in name of IITB and out sources them to the supported entity in which he/ she is an interested person.
- When an IITB member or a SINE member is in a position to influence policy decisions of IITB or SINE with an intention to benefit a supported entity in which he is an interested person.
- Use of IITB students or employees to perform a work for a supported entity without any compensation when the work is not related in any way for their academic pursuits.
- A person who is interested in one SINE supported entity and also involved in a decision making process affecting other Supported entities leads to situation of conflict of interest.
- When a supported entity, its promoters, employees and staff or any interested person acts in manner to benefit the supported entity at the disadvantage of IITB or SINE.

- A supported entity, its employees and its staff having access to IITB resources are in position to exploit them by bypassing IITB's policies.
- When IITB members, SINE employees and associates, promoters, employees and staff Supported entities are neglecting their respective commitments to IITB or SINE for their association with supported entities.
- SINE employees and associates are in position to use sensitive information pertaining to supported entities for their personal advantage.

6. Confidentiality of information:

IITB members, SINE employees and associates, Supported entities, their promoters, employees and staff may come in possession of proprietary information which may be of confidential or sensitive nature. Recipients of such information should make all efforts to preserve confidentiality of such information. They should not disclose or use it for their financial or personal benefits without explicit approval of the disclosing party.

7. Management of conflict of interest:

Since situations leading to conflict of interests are inevitable, it is expected that the interested persons follow transparency in their actions based on full disclosure of relevant information by them. Following guidelines are suggested for management of actual or potential conflict of interests and to address disputes arising out of conflict of interests and maintenance of confidentiality:

- Appropriate disclosure of the conflicting situations involved in a decision or transaction,
- Abstaining from participating in decision making process or transactions involving such situations,
- Obtaining appropriate approvals to avoid conflicts,
- Reporting of the breach of the policy without deliberate intention or knowledge.

If any dispute arises in terms of this policy, the same should be reported to:

- If it pertains to SINE or supported entity, it should be reported to the Chief Executive Officer/ Professor-in-Charge (SINE),
- If it pertains to IITB, it should be reported to the Head of the concerned department of IITB.

If required, Chief Executive Officer/ Professor-in-Charge (SINE) or the Department Head of IITB will refer the matter to the Chairman, SINE or the Director IITB as the case may be, whose decision in the matter shall be final.