

Research-Generated Intellectual Property and Commercialisation Vice-Chancellor's Directive

Abstract

This Directive outlines the requirements for contracting and managing research-generated Intellectual Property and its Commercialisation.

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Approved by	Vice-Chancellor	
	Latest amendment: Director, Governance Support Unit (see change history for details)	
Implementation Officer	Director, Research and Innovation Office	
Relevant to	All Staff, Contractors and students involved in research contract management and Commercialisation processes	
Related documents	<p>UTS documents</p> <p>Intellectual Property Policy</p> <p>Contract of Employment</p> <p>Council Directives for UTS Commercial Activities</p> <p>Enterprise Agreements</p> <p>Handling Staff Grievances Vice-Chancellor's Directive and Handling Staff Grievances - Supervisors' Guidelines</p> <p>Handling Student Complaints Policy and Procedures for Managers</p> <p>Intellectual Property Commercialisation Manual (under development)</p> <p>Open Access Policy</p> <p>Outside Work Vice-Chancellor's Directive</p> <p>Procurement Policy</p> <p>Research Data Management Vice-Chancellor's Directive</p> <p>Risk Management Policy</p> <p>Code of Conduct</p>	

	Standing Delegations of Authority UTS Student Rules and UTS General Rules University Consulting Vice-Chancellor's Directive External documents National Principles of Intellectual Property Management For Publicly Funded Research
Legislation	Circuit Layouts Act 1989 (Cwlth) Copyright Act 1968 (Cwlth) Designs Act 2003 (Cwlth) Patents Act 1990 (Cwlth) Plant Breeder's Rights Act 1994 (Cwlth) Trade Marks Act 1995 (Cwlth)
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1. Purpose

This Directive outlines the requirements for contracting and managing research-generated Intellectual Property and its Commercialisation. It identifies key decisions and processes for implementing the [Intellectual Property Policy](#) in respect of research contracts involving Intellectual Property and in the Commercialisation of research-generated Intellectual Property.

This Directive should be read in conjunction with the [Intellectual Property Policy](#).

2. Scope

2.1 Research-generated Intellectual Property

This Directive applies to research-generated Intellectual Property. This Directive applies to all staff, including all employees, and other appointees, whether paid or not, including conjoint appointees, emeritus professors, adjunct, visiting appointees, fixed-term, continuing, permanent or casual (collectively 'Staff') and to all students.

The Directive also applies to consultants, contractors and other persons generating Intellectual Property in collaboration with University Staff or students, or engaged by the University to undertake a specific activity, and it may also apply from time to time to other persons by agreement (collectively 'Contractors').

2.2 Other Intellectual Property

The Intellectual Property Policy covers Intellectual Property generation and management in Course and Educational Materials, educational software and systems, Creative Works and Scholarly Works. Contractors producing Intellectual Property for the benefit of the University are also made subject to the Intellectual Property Policy.

3. Definitions

Items defined in section 3 of the Intellectual Property Policy have a corresponding meaning in this Directive.

Commercial Activity means an activity so defined under the Council Commercial Activities Directive.

Commercialisation Manager or Manager, Innovation and Commercial Development (MICD) means the delegated University representative nominated by the Deputy Vice Chancellor (Research) who is responsible for negotiating the commercial arrangements on behalf of the University.

Substantial contribution or use of University resources means use of University resources over and above those which would normally be made available to students and non-Staff in the normal course of their work/study in any particular discipline area of the University; and could include major equipment and/or facilities developed specifically to support research leading to creation of Intellectual Property, or research and development activities to develop the Intellectual Property.

4. Directive principles

In promoting, protecting, managing and commercialising Intellectual Property, the University does so for the benefit of the community, the University and its Staff, Contractors and students. The University may Commercialise Intellectual Property for the purpose of generating financial gains or for other non-financial objectives.

The Commercialisation of research-generated Intellectual Property is one of a number of pathways to achieve research impact over and above academic impact. Other relevant pathways include open sourcing/creative commons licensing, catalysing changes to policy and practice (for example, by governments, industry or professions), or improvement to the social, economic or environmental domains.

The University aims to increase its research intensity, including through collaborative and contract research. Ownership and rights related to the Intellectual Property to be generated through those relationships requires careful consideration in the best interests of the community, the University and its Staff, Contractors and students.

The University is committed to applying the [National Principles of Intellectual Property Management for Publicly Funded Research](#).

5. Directive statements

5.1 General responsibilities of Staff, Contractors, students and others connected to the University

5.1.1 Knowledge of University Intellectual Property requirements

Staff and Contractors have a responsibility to understand and comply with the [Intellectual Property Policy](#) and this Directive.

Visiting, adjunct, honorary and conjoint appointees and those working with UTS under specific contract arrangements have a responsibility to understand and comply with the Intellectual Property Policy, this Directive and any contract provisions that impose obligations in relation to Intellectual Property.

Staff responsible for engaging appointees and contracted persons have a responsibility to bring the Intellectual Property Policy and this Directive to their attention and ensure their understanding of the requirements prior to the engagement being finalised.

On enrolment, all students undertake to comply with University policies and directives. Without in any way diminishing students' responsibilities, University faculties and Staff should bring the Intellectual Property Policy and this Directive to the attention of students who are about to undertake studies prior to the creation of Intellectual Property.

5.1.2 Identifying Intellectual Property

Staff, Contractors and students engaged in research should have or develop the ability to identify Intellectual Property created in the course of their work which the University may wish to protect and, if in doubt, should seek advice from mentors or supervisors or the designated Commercialisation Manager or MICD.

5.2 University contracts

5.2.1 Research and Commercialisation agreements

Under no circumstances should Staff, Contractors or students, other than those specifically authorised by the University, enter into binding negotiations, or come to agreement, with third parties for the conduct of research or Commercialisation of research-generated Intellectual Property.

Staff and students must not pre-empt the University's negotiation of research contracts by intentionally or inadvertently making commitments on behalf of the University.

In preliminary discussions with potential industry partners, it is helpful if researchers comment that they are not authorised to make binding commitments on behalf of the University.

In particular, the University has a range of negotiating positions it can adopt in respect of Intellectual Property arrangements in research and Commercialisation agreements. These reflect considerations that are important to the University's core functions, as well as the following issues:

- price paid for the research/rights
- strategic nature of relations with partner
- relative likelihoods of University and partner to create value from the Intellectual Property

- connection of Intellectual Property with other University activities (including Background Intellectual Property)
- transaction costs of negotiation and administration of arrangements.

Staff and students should understand that the University, through its delegate(s) authorised under the [Standing Delegations of Authority](#) may enter contractual relationships with research sponsors (for example, funding agreements) that determine the ownership, licensing or other rights associated with research-generated Intellectual Property, at any point, in respect of research activities that have been or will be conducted. Such contracts may alter, exclude or otherwise affect the University's rights and obligations associated with ownership or Commercialisation of Intellectual Property.

5.2.2 Confidentiality or Non-Disclosure Agreements

A disclosure of confidential information may be necessary in the course of discussions or negotiations with an external sponsor or partner, a potential licensee or an investor.

Staff, Contractors and students must not disclose confidential information without the approval of the Director, Research and Innovation Office (RIO) or a Commercialisation Manager. Such approval will normally require that a signed Confidentiality Agreement is in place.

Under no circumstances should Staff, Contractors or students, other than those specifically authorised by the University, enter into a confidentiality or non-disclosure agreement on behalf of the University. Staff and students must not receive confidential information from another person without that being preceded by a signed confidentiality or non-disclosure agreement.

A Commercialisation Manager will negotiate the terms of confidentiality or non-disclosure agreements. The delegated authority to sign confidentiality or non-disclosure agreements relating to research and/or Commercialisation of research-generated Intellectual Property on behalf of the University is restricted in accordance with the [Standing Delegations of Authority](#).

5.2.3 Material Transfer Agreements

Staff, Contractors and students must not transfer University Material relating to University Intellectual Property without approval. Such approval will normally require that a signed Material Transfer Agreement is in place. The signature of Staff, Contractors and/or students who are Intellectual Property Creator/Inventors will be required as evidence of their agreement to abide by the conditions of the agreement. Staff, Contractors and students must not receive Material from another party without that receipt being preceded by a signed Material Transfer Agreement.

A Commercialisation Manager or MICD will negotiate the commercial terms of any Material Transfer Agreements.

5.3 Conflict of interest

Staff, Contractors and student researchers must be aware of and comply with their responsibilities under the [Code of Conduct](#) or [Student Rules](#), as appropriate, including the requirement to advise their supervisors of any actual or perceived conflict of interest they have. Supervisors are required to advise the Director, RIO or a Commercialisation Manager/MICD of the conflict of interest where it relates to current or prospective Research Project activities or Commercialisation of research-generated Intellectual Property.

Conflicts of interest may arise when Staff, Contractors or students have an actual or perceived interest (financial, personal or otherwise) in a research sponsor, company or other entity that also has or may have an interest in University or jointly owned Intellectual Property. A conflict of interest may also arise where a researcher is working on multiple projects with different external entities in relation to the same Intellectual Property.

5.4 Recordkeeping

All University researchers (whether Staff, Contractors or students) must keep appropriate records of their research. Maintaining good notes in relation to research may be important in substantiating inventorship and the date of invention during Intellectual Property disputes. Staff, Contractors, research students, research assistants and other researchers involved in projects that may create commercialisable Intellectual Property should use and retain notebooks (laboratory or other) to detail their work. Uniquely numbered laboratory notebooks and advice regarding best practice in the use of notebooks are available from RIO.

5.5 Intellectual Property ownership

5.5.1 Intellectual Property created by Staff

Under the Intellectual Property Policy, the University, in most circumstances, asserts ownership of Intellectual Property created in the course of University employment.

Only with the approval of the Deputy Vice-Chancellor (Research) will the University enter into an agreement not to assert ownership of Intellectual Property that has commercial value.

5.5.2 Intellectual Property created by the University's students

The ownership of Intellectual Property created by the University's students is set out in the [Intellectual Property Policy](#).

If the University asserts ownership of student-created Intellectual Property, the student will be required to sign an Assignment Deed or Agreement. In this instance, the University may agree to cover the costs of independent legal advice on the student's rights in relation to the Intellectual Property Policy and this Directive. Students should ensure that they have this approval before committing to legal costs, and should talk to their supervisor or a Commercialisation Manager/MICD regarding University Intellectual Property.

5.5.3 Intellectual Property created by visiting, adjunct and conjoint appointees

Faculties seeking approval of visiting, adjunct and conjoint appointments should clarify institutional or company Intellectual Property policies applicable to appointees before they commence the appointment. A Background Intellectual Property Statement should be provided to the faculty dean or institute director and lodged with RIO so that suitable Intellectual Property arrangements can be made. Subjects to these arrangements, normally the University will assert ownership of the Intellectual Property created by the appointee if such Intellectual Property:

- involves substantial contribution or use of University resources
- results from the use of pre-existing University Intellectual Property
- is generated by a team including members who are University employees, and/or
- is generated as a result of funding provided or obtained by the University.

If any of these circumstances apply, either on appointment or during the course of the appointment, RIO advice should be sought on whether or not the University will assert ownership of the Intellectual Property. Appointment contract provisions relating to Intellectual Property must be approved by the Deputy Vice-Chancellor (Research) prior to the contract being signed.

The Deputy Vice-Chancellor (Research) will decide whether or not the University will assert ownership of the Intellectual Property. If the University does intend to assert ownership, a Commercialisation Manager/MICD will negotiate with the appointees and, where relevant, any other institution(s) which may also intend to assert Intellectual Property ownership. The [National Principles of Intellectual Property Management for Publicly Funded Research](#) will apply when asserting ownership if not otherwise governed by an existing agreement.

5.5.4 Intellectual Property created by consultants and others contracted to the University for specific purposes

The ownership of Intellectual Property created by Contractors to the University for specific purposes will be determined under the provisions of the relevant contract. As a general principle, the University will seek to own, or at least have extensive use rights for research of, any Intellectual Property created under such contractual arrangements.

5.6 Pre-existing or Background Intellectual Property

Staff, Contractors, students and others connected to the University should disclose pre-existing or Background Intellectual Property (BIP) that they bring to the University or to a specific Research Project. Staff members and Contractors should advise the Deputy Vice-Chancellor (Research) in writing of the existence of BIP that the person brings to the University within 30 days of commencing employment. BIP Statements allow Creators/Inventors and the University to avoid future uncertainty and disputes.

It is common for collaboration agreements or funding agreements to make specific reference to BIP, and will often require BIP Statements to be included in the agreement.

A BIP Statement describes the statutory Intellectual Property (such as patents, copyright, design rights), as well as know-how, knowledge, experience and understanding that a person or organisation already owns. Normally a BIP Statement comprises a brief description of the Intellectual Property and may include a list of relevant publications (as evidence of know-how and experience), granted patents, patent applications, proprietary data, software code, a description of work and/or experience previously gained.

Disclosures of BIP are made by completing a BIP Statement and submitting it to a Commercialisation Manager or the Director, RIO. If a researcher is uncertain as to what should constitute BIP, the researcher should seek advice from their supervisor or a Commercialisation Manager/MICD.

5.7 Intellectual Property management

The management of Intellectual Property created under contract or external grants must comply with the relevant clauses of the funding or contractual agreement or with the [National Principles of Intellectual Property Management for Publicly Funded Research](#) as appropriate.

Confidentiality in relation to Intellectual Property may be critical for ensuring that the University meets its contractual obligations to industry research partners and clients, and generally involves minimal cost to the University. A number of different ways may be used to protect Intellectual Property for Commercialisation before a Commercialisation Plan has been developed and approved. These will be discussed with the Intellectual Property Creators/Inventors.

Intellectual Property protection includes decisions on:

- how best to protect the Intellectual Property (for example, through patent, copyright, design registration, trademark or trade secret)
- the terms of disclosures of confidential information and the terms of Confidentiality Agreements, and
- the terms of provision of Biological or other Material (including data) to persons outside the University, and from others to the University, and the terms of Material (including data) Transfer Agreements.

Ongoing Intellectual Property protection will be managed by RIO. The Director, RIO is authorised to take the necessary steps to protect the University's Intellectual Property, including requiring researchers' cooperation, where necessary, subject to reasonable recourse to appeal to the Deputy Vice-Chancellor (Research).

5.8 The Commercialisation Advisory Panel

The Commercialisation Advisory Panel is responsible for providing advice, guidance and recommendations for the Commercialisation of research-generated Intellectual Property. The Commercialisation Advisory Panel makes recommendations to the Deputy Vice-Chancellor (Research) and Director, RIO in accordance with the principles of this Directive. The structure and operating principles of the Commercialisation Advisory Panel is at the discretion of the Deputy Vice-Chancellor (Research).

5.9 The Commercialisation process

The typical stages of the process for Commercialisation of research at the University are:

- Stage 1: Discovery and Disclosure of Intellectual Property
- Stage 2: Disclosure Review
- Stage 3: Project management and Intellectual Property Strategy
- Stage 4: Transaction
- Stage 5: Post deal management.

Further details of the Commercialisation process are provided in the Intellectual Property (IP) Commercialisation Manual (under development).

5.9.1 A decision not to pursue Intellectual Property Commercialisation

The University may determine not to proceed with Commercialisation of Intellectual Property at any point. If the University does not proceed with Commercialisation of Intellectual Property:

- the University will not, as a general principle, negotiate with the Creators/Inventors on the assignment of the Intellectual Property to them. In exceptional circumstances, the University may allow such assignment, provided that compensation for the use or contribution of its facilities and resources to the development of the Intellectual Property (in the form of an up-

front payment and/or share of future Commercialisation revenues realised by the Creators/Inventors) is received; or

- in some cases, the University may continue to assert its ownership of the Intellectual Property and prohibit its Commercialisation on the basis that, in its reasonable judgement, the Intellectual Property Commercialisation is incompatible with the best interests of the University, including based on the likely future prospects of research activity.

If the University has not agreed to assign ownership of Intellectual Property to its Creator/Inventors, they are advised not to act on any assumption or expectation that the University will assign or licence its Intellectual Property to any particular person or company, including a company set up by Staff, Contractors and/or students.

The University will not impede scholarly Publication or disclosure in relation to Intellectual Property judged not to have realisable commercial value.

5.9.2 University approval of Commercial Activities

Under the [Council Directives for UTS Commercial Activities](#), the following research Commercialisation pathways are defined as commercial activities:

- licence agreements
- start-up company
- joint ventures, and
- Cooperative Research Centres.

The University's participation in these activities requires approval, as set out in the Council Directives for UTS Commercial Activities.

5.9.3 Ongoing monitoring and review of Commercialisation activities

Provisions for monitoring and review over the lifetime of the University's involvement in the Commercialisation of the Intellectual Property are set out in a Commercialisation Plan ('Plan'). This includes reporting against milestones and/or performance indicators identified in the Plan, by the Deputy Vice-Chancellor (Research) and/or Commercial Activities Committee of Council, or in relevant contracts and agreements. The Commercialisation Plan will include an exit strategy. From time to time, the University will review its involvement in any Commercialisation activity or contractual arrangement, and may decide to:

- maintain Commercialisation support
- accelerate that support
- defer that support
- contribute no further support, or
- exit the project.

An exit strategy may be triggered by the University at any stage deemed appropriate in the best interests of the University. The approval of Council is required for the execution of the exit strategy.

5.9.4 Distribution of net Commercialisation Revenues

Not all Intellectual Property Commercialisation transactions will generate Commercialisation Revenues. Where Commercialisation Revenues (which are net of expenses) are received, they will be distributed in accordance with the [Intellectual Property Policy](#).

Net Commercialisation Revenue available for distribution to Creators/Inventors is the gross Commercialisation revenue received by the University from the Intellectual

Property they have created, less Commercialisation expenses. The Director, RIO is authorised to determine whether specific revenue is Commercialisation Revenue available for distribution to inventors.

5.9.4.1 Calculation of net Commercialisation Revenue

Commercialisation expenses include but are not limited to:

- patenting expenses
- legal expenses incurred on the project
- external professionals expenses incurred on the project
- accountants' expenses for financial modelling
- valuers' expenses
- other consultants' expenses (Commercialisation consultants, negotiators and so on)
- travel and accommodation expenses incurred on the project by any person (whether Staff member, Contractor or an external professional)
- taxation paid by the University, if any; and
- assigned costs by RIO for University Commercialisation expenses.

Commercialisation expenses do not include the indirect and overhead costs associated with research funding through grants and contracts.

In the event of any disagreement or dispute, the Director, RIO is authorised to determine whether a particular expense is a Commercialisation expense.

5.9.5 Equity and appointment of directors

5.9.5.1 Equity

As a general principle, shares in any start-up company will be held by or on behalf of the University. Distribution of benefits to Creators/Inventors will be undertaken in accordance with the [Intellectual Property Policy](#) and this Directive. Benefits to be distributed include dividend income and/or proceeds from the sale of shares. No distribution is due to Creators/Inventors solely by virtue of shares in a company being owned by or on behalf of the University. Variations on this general principle require the approval of Council.

5.9.5.2 Appointment of directors

Where the University has the right or obligation to appoint a director or directors onto the Board of Directors for a company in association with the Commercialisation of University Intellectual Property, an appropriate director will be nominated by the University, provided for the consideration of the Commercial Activities Committee, then recommended for Council approval. As a general principle, members of Staff, Contractors or students directly involved in research activities relating to a company will not be permitted to be appointed as a director of that company. Variations on this general principle require the approval of Council.

5.9.5.3 Conflicts of interest or duty

Deputy Vice-Chancellor (Research) will take into account any actual or perceived conflict of interest or conflict of duty for Staff requesting variations to the general principles described in clauses 5.9.5.1 or 5.9.5.2.

6. Roles and responsibilities

The **Vice-Chancellor** has overall accountability for the enforcements of the Directive.

Accountable Officer: Deputy Vice-Chancellor (Research) is responsible for managing Directive compliance and initiating the Directive review process (at least every five years).

The Deputy Vice-Chancellor (Research) or nominee is responsible for authorising corrective action to rectify breaches of the Directive and must report any activities that may involve corrupt conduct, maladministration or serious and substantial waste of public funds to the Vice-Chancellor or the Director, Internal Audit as appropriate.

Breaches of this Directive will be dealt with in accordance with the relevant [Enterprise Agreement](#), the [Rules relating to student misconduct and appeals](#) and the [Code of Conduct](#).

The Deputy Vice-Chancellor (Research) is responsible for reporting to Council, via the Commercial Activities Committee, on Intellectual Property arrangements that are University Commercial Activities under the Council Directives for UTS Commercial Activities.

Implementation Officer: Director, Research and Innovation Office (Director, RIO) is the primary point of contact for advice on implementing and administering the Directive, establishing and maintaining the official file, proposing amendments as required, and managing the consultation process when the Directive is due for review.

The Director, RIO is responsible for the implementation of this Directive, including providing education to the University community about its operation.

Other positions and committees

The **Commercial Activities Committee** advises Council and the Vice-Chancellor, as appropriate, on the strategic development, performance, risk and compliance of Commercialisation of research-generated Intellectual Property; and approves courses of action in accordance with Standing Delegations of Authority.

All Staff, Contractors and students are responsible for the identification and disclosure of Intellectual Property.

The **First-Named Chief Investigator (FNCI)** is responsible for the management of contractual obligations in regards to Intellectual Property and the management of Confidential Information and Materials, and for the dissemination of any contractual obligations to all Staff, Contractors and students involved in related activities. There may be more Chief Investigators (CIs) involved in the research.

The **Associate Deans (Research), Associate Deans (External Engagement), delegates of the dean and institute directors** are responsible for managing faculty and centre accountabilities in this Directive.

The **Research and Innovation Office (RIO)** is responsible for managing the registration, review and Commercialisation of Intellectual Property, and for the disbursement of any Commercialisation Revenues. RIO also manages the approval and execution of research-related Confidentiality Agreements and Material Transfer Agreements.

The **Commercialisation Advisory Panel (CAP)** is responsible for making recommendations and providing advice regarding Commercialisation project status, appropriate Intellectual Property strategies (including patent filings and actions), project resources, funding requirements, ongoing reviews of project development,

Commercialisation transactions and any other matters pertinent to the Commercialisation process of research-generated Intellectual Property. The CAP also reports on key Intellectual Property Commercialisation metrics and operational matters to the Deputy Vice-Chancellor (Research) and Commercial Activities Committee via the Director, RIO.

7. Version control and change history

Effective date	Version	Approved by (date)	Amendment
12/03/2007	1	Vice-Chancellor (08/03/2007)	New Directive.
02/07/2014	2	Vice-Chancellor (05/06/2014)	Major changes made to: <ul style="list-style-type: none"> • clause 5.1.5, specifically outlining that the University does not automatically assert ownership of Pre-existing Intellectual Property, and • clause 5.1.6 to note that students own their Intellectual Property except in listed specific cases. Other minor amendments made, such as clarifications and improvements to readability.
23/07/2015	2.2	Director, Governance Support Unit (GSU) (09/03/2015)	Changes (approved under Delegation 3.17) to update references to the UTS General Rules (G4).