

NATIONAL PRINCIPLES OF INTELLECTUAL PROPERTY MANAGEMENT FOR PUBLICLY FUNDED RESEARCH

**The Australian Research Council
The Australian Tertiary Institutions Commercial Companies Association
The Australian Vice-Chancellors' Committee
The Department of Education, Training and Youth Affairs
The Department of Industry, Science and Resources
IP Australia
The National Health and Medical Research Council**

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FOREWORD

Knowledge and research findings have become the most important resources, and the key elements, in the new business paradigm for economic development. The Government's strategic policy direction to reinforce research investment and commercialisation is clearly reflected in a number of reports and discussion papers, including, the *Health and Medical Research Strategic Review (Wills Report)*¹; *Knowledge and Innovation: A policy statement on research and research training (White Paper)*²; the Science Capability Review *Chance to Change*³; and the Innovation Action Plan: *Backing Australia's Ability*⁴. It has become essential, at both institutional and national levels, that appropriate principles and mechanisms are in place to identify, protect, develop and commercialise these resources.

To this end, a working party was established that comprises some key organisations involved with, or with an interest in the outcomes from, publicly funded research in Australia: the Australia Research Council (ARC), the Australian Tertiary Institutions Commercial Companies Association (ATICCA), the Australian Vice-Chancellors' Committee (AVCC), the Department of Education, Training and Youth Affairs (DETYA), the Department of Industry, Science and Resources (DISR), IP Australia and the National Health and Medical Research Council (NHMRC). These agencies have worked together to develop a consistent national framework for the management and the exploitation of intellectual property (IP) generated by publicly funded research.

The purpose of developing the National Principles of IP Management for Publicly Funded Research is to assist researchers, research managers and their research institutions, in ensuring that they have access to best practices for the identification, protection and management of IP, and therefore, to maximise the national benefits and returns from public investment in research.

It is important to emphasise that the public research funding agencies, including the ARC, the NHMRC and other government agencies, will continue to support the best research in the national interest and will continue to pursue the vision of advancing the nation's capacity for quality research for the economic, social and cultural benefit of the community. The ARC and the NHMRC do not wish to hold a stake in direct ownership of IP nor do they intend to benefit directly from commercial outcomes of the research funded through their financial support. The intention of the National Principles is simply

¹ The Health and Medical Research Strategic Review 'The Virtuous Cycle: Working together for health and medical research' (1999). Commonwealth of Australia

² Knowledge and Innovation: A policy statement on research and research training (2000). Commonwealth of Australia

³ Australian Science Capability Review, 'The Chance to Change' (2000). Commonwealth of Australia

⁴ Backing Australia's Ability: an innovation action plan for the future (2001). Commonwealth of Australia

to improve the commercial outcomes from publicly funded research where a commercial outcome is appropriate.

The National Principles are expected to evolve over time in the light of the experiences of the funding agencies, research institutions and researchers. Organisations may wish to develop their own detailed IP management strategies within the framework of these principles to best suit their particular environments and needs. The NHMRC recognises that further consideration needs to be given to intellectual property issues in health and medical research involving indigenous people and communities, and where research has the potential to benefit public health in an international context⁵.

⁵ World Health Assembly Resolution WHA54.13 and (draft)A54/48, May 2001 http://www.who.int/wha-1998/EB_WHA/english/newANG_navigat.htm

INTRODUCTION

What is Intellectual Property (IP)?

IP is generally regarded as representing ‘... *the property of your mind or intellect.*’⁶
Methods for the protection and exploitation of IP include, but are not limited to:

- **patent** for new or improved products or processes;
- **copyright** for original material in literary, artistic, dramatic or musical works, and in other works that include films, broadcasts, multimedia and computer programs;
- **trade mark** for words, symbols, pictures, sounds, smells or a combination of these, to distinguish the goods and services of one trader from those of another;
- **design** for the shape or appearance of manufactured goods;
- **circuit layout right** for the 3-dimensional configuration of electronic circuits in integrated circuit products or layout designs;
- **plant breeder's right** for new plant varieties;
- **trade secret** including know-how, other confidential or proprietary information and background knowledge.

Many of the major issues concerning IP relate to the inventor's and/or owner's legal rights to exploit this property. Many of these issues, at least in the context of the university environment, have been canvassed in detail by the AVCC⁷.

Certain types of IP require registration with a relevant Government agency, for example patents, trademarks and designs. Other IP, such as copyright, does not, even though the rights associated with it are strongly established by legislation and legal precedent. Still other types of IP, for example trade secrets and know-how, can be protected only under the Common Law.

⁶IP Australia (2000)

⁷ Australian Vice-Chancellors' Committee (1995) 'Ownership of Intellectual Property in Universities' - under review

PRINCIPLES

1. Institutional policies

Research institutions will have policies approved by their Governing Body relating to the ownership, protection and exploitation of IP.

2. Identification of IP

Research institutions will have procedures that provide support to publicly funded researchers so that they can recognise when their discoveries may have potential commercial value and provide for a review process to identify IP that can be protected and/or exploited.

3. Protection of IP

Research institutions will have policies that make clear to staff their responsibilities in relation to IP protection including, where appropriate the maintenance of research laboratory records and the prevention of premature public disclosure of research results prior to obtaining IP protection.

Institutions should provide, wherever possible, assistance to researchers in fulfilling these obligations and responsibilities as well as rewarding and encouraging their participation in any subsequent commercialisation process.

4. Ownership of IP

Public funding agencies should have a clear policy on whether they will claim any ownership and/or associated rights for IP generated from their supported research. Recognising the Common Law rights of research institutions as employers, the ownership and the associated rights of all IP generated by the NHMRC and the ARC supported research will initially be vested in the research institutions administering the grants.

Research institutions will have policies and relevant procedures in place for determining the subsequent ownership and/or assignment of IP rights, and will have clear agreements with employees and grant holders registered through the research institutions on ownership and/or associated rights of IP.

Research institutions will also have clear policies and agreements in place regarding students including postgraduate students, who are not covered under the Common Law in this context, on ownership of IP generated during their course of study, research and training.

Particular attention should be given to cases where IP impinges or potentially impinges on the cultural, spiritual or other aspects of indigenous peoples.

5. Assessment of existing IP

Institutions will have procedures in place to guide researchers in assessing the existing IP in the field that is likely to affect their research in order to determine their freedom to operate in that field of research.

6. Management of IP

Research institutions will have procedures for the regular review of IP and associated commercial activities and outcomes arising from publicly funded research.

Research institutions will have procedures in place to provide advice to the creators of the IP on the options that are available for commercialising IP.

7. Sharing of benefits

Research institutions will have policies that recognise the rights and needs of all stakeholders involved in the research supported by public funds.

These policies will define the way in which benefits from the development and exploitation of the IP will be allocated.

8. Transparency and reporting

In order for funding agencies to fulfil their reporting requirements to the government on the outcomes of the funded research, research institutions must be in a position to report annually on IP management of their publicly funded research.

9. Potential conflict of interest

Research institutions will have policies and procedures that provide guidance in relation to potential conflicts of interest concerning ownership, management, protection and exploitation of IP.

COMMERCIALISATION OF RESEARCH FINDINGS

Research institutions, and where appropriate, individual researchers, are expected to consider the most appropriate way of exploiting the IP generated from publicly funded research. It is acknowledged that there is no single 'best approach' for commercialising (or exploiting) IP, and each case should be considered individually. Options range from exclusive and non-exclusive licences, research agreements or contracts through to joint ventures or the establishment of spin-off companies.