



**THE INTELLECTUAL PROPERTY RIGHTS
POLICY
NATIONAL RESEARCH COUNCIL OF SRI LANKA**

THE INTELLECTUAL PROPERTY RIGHTS POLICY OF THE NATIONAL RESEARCH COUNCIL OF SRI LANKA

The IP Policy intends to facilitate the widespread use of the Institution's IP

Hence, the IP Policy seeks to set the framework for the transferring of the IP arising from the Institution's Research into products, services and processes.

It encourages researchers to become Creators and to identify IP with potential commercial value. It also establishes clear rules and procedures for the management and Commercialization of such IP generated at the Institution.

The IP Policy seeks to ensure the legal protection, where applicable; effective management and Commercialization of Institution IP; while at the same time not impeding with the traditions of education and scholarship, academic freedom, open and timely publications, Institution sovereignty, and the Institution's mission serving the public interest.

Where IP arises that has commercial potential as a result of Research, the Institution intends to make such IP available in a form that will most effectively promote its development and use for economic and social benefit.

The Institution wishes to recognize and reward Researchers/ Creators whose IP generates a demonstrable socio- and/or economic impact.

The Institution shall ensure that Researchers/ Visitors participating in a Research Project sign an agreement/ Research Contract before commencing the project.

The Institution shall establish an IP Committee with five members (as per Article 4.1.2) to oversee the implementation and evolution of this Policy and provide strategic guidance to the IPMO. The members for the IP Committee shall be appointed based on the seniority and the expertise.

The Institution shall establish an IP Management Office (IPMO) or designate a function within the Institution to act as such (as per Article 4.2), to assist the Institution in managing and Commercializing its IP in a form that will most effectively promote its development and use for economic and social benefit

CONTENTS

ARTICLE 1 –

1.1. CONTEXT AND THE INSTITUTION MISSION

1.2. OVERALL PRINCIPLES

ARTICLE 2 – DEFINITIONS

ARTICLE 3 – SCOPE OF THE POLICY

ARTICLE 4 – GOVERNANCE AND OPERATION OF THE IP POLICY

ARTICLE 5 – OWNERSHIP OF IP AND RIGHTS OF USE

ARTICLE 6 – PUBLICATION, NON – DISCLOSURE AND TRADE SECRETS

ARTICLE 7 – RESEARCH CONTRACTS

ARTICLE 8 – DETERMINATION BY THE IPMO

ARTICLE 9 – COMMERCIALIZATION OF IP

ARTICLE 10 – INCENTIVES AND DISTRIBUTION OF REVENUES

ARTICLE 11 – IP PORTFOLIO MAINTENANCE

ARTICLE 12 – TRADITIONAL KNOWLEDGE AND GENETIC RESOURCES

ARTICLE 13 – CONFLICTS OF INTEREST AND CONFLICTS OF COMMITMENT

ARTICLE 14 – DISPUTE

ARTICLE 15 – AMENDMENT

ARTICLE 1

1.1. Context and the Mission of the Institution

- 1.1.1. The core mission of the National Research Council of Sri Lanka ("Institution") is to promote, fund, facilitate and monitor fundamental and applied research and enhance human resource development for Sri Lanka to achieve the status of a developed country based on Science and knowledge.
- 1.1.2. The Institution is committed to ensuring that Intellectual Property (IP) emanating from its Research activities is used in support of the objectives set out in the National Research Council Act No 11 of 2016, and in accordance with its legal obligations, for the benefit of the Institution, the Creators and, most importantly, society-at-large.

1.2. Purpose of the Intellectual Property Policy (IP Policy)

- 1.2.1. **Promotion of IP utilization.** The intent of the IP Policy is to facilitate the widespread use of intellectual property through various modalities of access to, the Institution's IP.
- 1.2.2. **IP management.** The IP Policy sets out the framework for the transferring of the IP arising from the Institution's Research into products, services and processes. It encourages researchers to become Creators and to identify IP with potential commercial value. It also establishes clear rules and procedures for the management and Commercialization of such IP generated at the Institution.
- 1.2.3. **Balance of interests.** The IP Policy seeks to ensure the legal protection, where applicable; effective management and Commercialization of the Institution's IP; while at the same time not impeding with the traditions of education and scholarship, academic freedom, open and timely publications, Institutional sovereignty and the Institution's mission in serving the public interest.

1.3. Overall Principles

The Institution operates under the following overall principles:

- 1.3.1. **Responsible Commercialization.** Where an IP that has potential for commercial viability arises as a result of Research, the Institution intends to make such IP available in the form that will most effectively promote its development and use for economic and social benefit.
- 1.3.2. **Incentives.** The Institution wishes to recognize and reward Researchers/ Creators whose IP generates a demonstrable socio- and/or economic impact.
- 1.3.3. **Local development.** The Institution encourages Research that responds to the local, regional and national needs. In its efforts to Commercialize Institutional IP, the Institution shall seek to optimize the economic and societal benefits for the growth of the Sri Lankan industries.

ARTICLE 2- DEFINITIONS

Without prejudice to any applicable laws, in this Policy the definitions set out below shall apply:

Appointment. A formal agreement for a Visitor at the Institution, which is a prerequisite to participate in or conduct Research, scholarship, creative work, or teaching at the Institution.

Author. Any person to whom this Policy is applicable, who individually or jointly with others makes a design, a mark or copyrightable work and who meets the criteria for authorship under the IP Intellectual Property Act No. 36 of 2003.

Background IP. Any pre-existing IP created before the execution of any Research Project, or prior to a Creator becoming subject to this IP Policy, by virtue of Appointment or Research Contract of a Researcher/ Visitor.

Collective Work. Any work created by two or more persons at the initiative and under the direction of a physical person or a legal entity with the understanding that it will be disclosed by the latter person or the entity under his or its name and that the identity of the contributing persons will not be indicated.

Commercialization. Any form of utilisation of IP intended to generate value, which may be in the form of a marketable product, process or service, commercial returns, or other benefit to society. **Commercialize** is similarly defined.

Commercialization Entity. A company that has access to the IP of the Institution, through any one or more of the available Commercialization modes, to produce new products, processes or services. This can be a spin-off or start-up.

Conflict of Commitment (COC). Any situation in which an individual Visitor's primary professional loyalty is not to the Institution because the time devoted to outside activities adversely affects their capacity to meet their responsibilities as set out in their employment contract of Appointment, respectively.

Conflict of Interest (COI). Any situation in which real or perceived interests of an individual Visitor may run counter to the interests of the Institution or negatively affect their employment or duties.

Course Materials. All materials used in, or in connection with, and for the purpose of, teaching an education course through the provision of lectures, tutorials, seminars, workshops, field or laboratory classes, assessments, practicum and other teaching activities conducted by the Institution; and all IP in such materials.

Creator. Any person to whom this Policy is applicable, who creates, conceives, reduces to practice, authors, or otherwise makes a substantive intellectual contribution to the creation of IP and who meets the definition of 'inventor', 'author' or 'breeder' as generally implied in the IP laws of Sri Lanka.

Economic Right. Any right referred to in section 9 of the Intellectual Property Act No. 36 of 2003.

Enabler. Any assistants, technicians, and other individuals who have indirectly contributed to the creation of IP by Creators - and as such may not be listed themselves as an author or inventor in terms of statutory IPR's - mainly through the execution of standard tasks or following through on specific instructions, but without whose practical contribution the Commercialization would not have been possible.

Genetic Resources (GRs). "Genetic material of actual or potential value." Genetic material is defined as "any material of plant, animal, microbial or other origin containing functional units of heredity". Some GRs are linked to traditional knowledge (TK) through their use and conservation by indigenous peoples and local communities, often over generations, and through their widespread use in modern scientific Research. Examples include medicinal plants, agricultural crops and animal breeds.

Gross IP Revenue. All revenue received by the Institution on Commercialization of the Institution's IP before any deductions for IP Expenses, as defined in Article 10.

Institution. National Research Council of Sri Lanka.

Institutional IP. IP owned or co-owned by the Institution.

Intellectual Property (IP). All outputs of creative endeavour in any field at the Institution for which legal rights may be obtained or enforced pursuant to the law. IP may include:

- a) literary works, including publications in respect of Research results, and associated materials, including drafts, data sets and laboratory notebooks;
- b) teaching and learning materials;
- c) other original literary, dramatic, musical or artistic works, sound recordings, films, broadcasts, and typographical arrangements, multimedia works, photographs, drawings, and other works created with the aid of the Institution's resources or facilities;
- d) databases, tables or compilations, computer software, preparatory design material for a computer program, firmware, courseware and related material;
- e) patentable and non-patentable technical information;
- g) designs including layout designs (topographies) of integrated circuits;
- h) plant varieties and related information;
- i) trade secrets;
- j) know-how, information and data associated with the above; and
- k) any other Institution-commissioned works not included above.

IP Act. Intellectual Property Act No. 36 of 2003.

Intellectual Property Rights (IPRs). The proprietary rights that may be granted for an invention, mark, design, plant variety, or other type of IP, should the statutory requirements for protection be met to result in a patent, trade mark, registered design or plant breeders' right, respectively.

Invention. As defined in Section 62 of the Intellectual Property Act No 36 of 2003 as amended of Sri Lanka.

Inventor. Any person to whom this Policy is applicable, who individually or jointly with others makes an Invention and who meets the criteria for inventorship under the Intellectual Property Act No 36 of 2003 as amended of Sri Lanka.

IP Disclosure Form. The form to be completed by Creators and submitted to IPMO to document their creation.

IP Expenses. All expenses incurred by the Institution in the management and Commercialization of IP for which Gross IP Revenue has been received.

IP Committee. The body within the Institution, set up in terms of Article 4.1, which is responsible for overseeing the drafting, implementation, monitoring and evolution of the Policy, and for providing strategic oversight of the IPMO.

IP Management Office (IPMO). The administrative unit established in terms of Article 4.2, responsible for day-to-day management of all IP-related activities of the Institution.

Moral Right. Rights referred to in Section 10 of the IP Act.

Net IP Revenue. Gross IP Revenue less IP Expenses.

Open Educational Resources (OER). Teaching, learning and Research materials that reside in the Public Domain and that have been released under an open license that permits their free use or modification by others.

Plant Variety. A homogenous grouping of plants that can be protected by a form of plant breeder's right such as that defined in the International Convention for the Protection of New Varieties of Plants.

Policy. This Policy titled the Intellectual Property Policy of the National Research Council of Sri Lanka.

Public Disclosure. The communication of information, relating to IP, to external parties. Public Disclosure includes, but is not limited to, disclosure in written or oral form; communication by email; posting on a web blog; disclosure in a news report, press release or interview; publication in a journal, abstract, poster, or report; presentation at a conference; examination of a thesis; demonstration of an Invention at a trade show; or the industrial application of an Invention.

Public Domain. The freely accessible public realm in which works that are not protected by IPRs, either because the rights have been forfeited or because the rights have been expired, are thereby held by the public at large and available for all to use without permission from the Creator or owner.

Research. Any creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications. It comprises three activities: basic research, applied research and experimental development.

Research Contract. Any type of agreement between the Institution and a Visitor or an external party or research sponsor, concerning Research, which could result in IP being created at the Institution. This shall include, but is not limited to, all sponsorships, donorships and collaborations with the Visitor or external party or research sponsor.

Research Project. Any project that forms the basis of Research undertaken by the Institution and includes projects undertaken by a Visitor, with or without the supervision of a Research Supervisor.

Research Supervisor. Qualified personnel responsible for coordinating and approving research plans proposed by the Researcher.

Researcher. A person who performs research.

Scholarly Works. All copyright works which are the outputs of Visitors, including Research, creative and other outputs in area(s) of his/her expertise. It does not include Course Materials and computer software and databases.

Senior Responsible Officer. The Chairman (*ex officio*) of the National Research Council of Sri Lanka.

Trade Secret. Confidential information not publicly available that has commercial value because of its confidential nature, and which the owner has taken reasonable efforts to keep secret.

Traditional Knowledge (TK). A living body of knowledge resulting from intellectual activity in a traditional context, which includes know-how, practices, skills, and innovations. TK embodies the traditional lifestyles of indigenous peoples and local communities and is transmitted from generation to generation, often forming part of the cultural and spiritual identity of the community. TK is not limited to any specific technical field, and may include agricultural, environmental and medicinal knowledge. TK also often encompasses knowledge associated with Genetic Resources.

Visitor. Any person who engages in research work at the Institution, including visiting professors, adjunct and conjoint professors, teachers, researchers and scholars.

Work. Any literary, artistic or scientific work referred to in section 6 of the IP Act.

Work of Joint Authorship. Any work for the creation of which two or more authors have contributed, provided the work does not qualify as "a collective work".

ARTICLE 3 – SCOPE OF THE POLICY

- 3.1. IP.** This Policy applies to all IP generated at the Institution by the Researchers.
- 3.2. Background IP.** Upon commencing employment, enrolment or an Appointment, Researchers/ Visitors must declare any existing IP they wish to exclude from the application of this Policy due to creation prior to their employment, enrolment or Appointment at the Institution.
- 3.3. Applicability.** This Policy applies to all Researchers/ Visitors who participate in a Research Project or produce Scholarly Works. Rights and obligations under this Policy shall survive any termination of employment, enrolment or Appointment at the Institution.
- 3.4. Binding effect of the Policy.** This Policy constitutes an understanding that is binding on the Institution, Researchers, Visitors, once adopted by the Board or Senate of the Institution, on the following grounds:
- 3.4.1. Researchers participating in a Research Project.** The Institution shall ensure that Researchers/ Visitors participating in a Research Project sign an agreement before commencing the project, to the effect that they have read and will comply with the provisions of this Policy, according to Article 5.2.5.
- 3.4.2. Visitors.** The Institution shall ensure that Visitors sign an Appointment agreement before commencing any activity at the Institution. Such agreement shall place the Visitor under the scope of this Policy and shall make reference to this Policy, a copy of which will be made available to the Visitor.
- 3.4.3. Informed consent.** This Policy shall be included on the Institution's website. In addition, a reference to this Policy shall be made in academic catalogues or their equivalent. Said reference shall be in sufficient detail to enable the full text of the Policy to be easily accessed.

ARTICLE 4 – GOVERNANCE AND OPERATION OF THE IP POLICY

4.1. IP Committee

4.1.1 **Purpose.** The Institution shall establish an IP Committee to oversee the implementation and evolution of this Policy and provide strategic guidance to the IPMO (according to Article 4.2 below).

4.1.2. **Composition.** The IP Committee shall consist of Five Members selected based on the expertise and the seniority, chaired by the Chairman (*ex officio*) or their designated other. The tenure shall be three years and eligible to be inducted for a second term.

4.1.3. **Responsibilities.** The IP Committee is the ultimate decision-making body in the determination of an IP management and Commercialization strategy for a particular IP. The IP Committee shall decide on the proposals eligible for funding and approve the funding. It shall look over the requisites including staff, equipment, funds, travel and transport and the likes and make recommendations. The IP Committee shall also monitor the on going projects, evaluate the reports, decide on the extensions/ termination of the projects prior to their planned durations along with reasons and justifications for the decisions. The decisions of the Committee shall be final.

4.1.4. **Meetings.** The IP Committee shall establish regular meetings and also be available for *ad hoc* meetings. The meetings shall be held as per the need, but shall held at least once six months. For each meeting the members can be co-opted upon the expertise and requirement.

4.2. The IP Management Office (IPMO)

4.2.1. **Purpose.** The Institution shall establish an IP Management Office (IPMO) or designate a function within the Institution or another organisation to act as such, to assist the Institution in managing and Commercializing its IP in a form that will most effectively promote its development and use for economic and social benefit.

4.2.2. **Responsibilities.** The responsibilities of the IPMO shall include, but are not limited to:

- a. Outreach/awareness to Creators;

- b. Relationship management with Creators;
- c. IP management;
- d. Technology marketing and IP contract negotiation;
- e. IP contract management; and
- f. IP costs and revenue distribution.

ARTICLE 5 – OWNERSHIP OF IP AND RIGHTS OF USE

5.1. IP Created under the Research Contract with the Institution

- 5.1.1. **IP emanating from Research Contracts.** In the absence of provisions to the contrary in any national law, the terms of the Research Contract will regulate ownership of IP created by the Researcher/ Visitor in the course of a Research Project that forms part of a Research Contract, as set out in Article 7.
- 5.1.2. **Researchers/ Visitors affiliated with a different institution.** It is the responsibility of each Researcher/ Visitor that holds an honorary or other academic or research appointment at another institution (Host Institution) to bring to the attention of the Host Institution, including its IPMO, his/her obligations in terms of this Policy, prior to the tenure at the Host Institution. To the extent that the Host Institution's IP Policy makes a claim on IP created by the Researcher/ Visitor pursuant to such appointment, the Researcher/ Visitor shall ensure that the Host Institution negotiates a suitable IP arrangement with the Institution
- 5.1.3. **Theses or dissertations.** Researcher/ Visitor must grant a royalty-free licence to the Institution to reproduce his/her thesis or dissertation and to distribute copies thereof to the public
- 5.1.4. **Ownership by the Institution and its responsibilities.** Where the Institution is the owner of IP created by Researcher/ Visitor, in terms of a Research Project or Research Contract, respectively, the Institution shall:
 - a. provide the Researcher/ Visitor with an explanation of the reasons for the assignment of IP rights to the Institution;

- b. advise the Researcher/ Visitor to seek independent advice regarding the assignment;
- c. obtain a deed of assignment from the Researcher/ Visitor for all IPRs emanating from the Research Contract or Research Project, where relevant, in return for revenue sharing as provided for in Article 10; and withdraw the Researcher/ Visitor from the Research Project or Research Contract if a Researcher/ Visitor elects not to assign the relevant IPRs to the Institution.

5.1.5. **Bursaries/scholarships.** An external party that grants a bursary or scholarship to a Researcher/ Visitor may elect to own the IP created by that Researcher/ Visitor in the course of his/her study at the Institution provided the Researcher/ Visitor and the Institution have consented to the assignment of IP ownership in writing and such consent is not contrary to any applicable local or national law.

5.2. **Special Rules for Scholarly Works**

5.2.1 **Publication.** The Institution recognises and endorses the rights of Researchers/ Visitors to publish their Scholarly Works, provided that any Scholarly Work which may disclose any possible Institutional IP shall first be cleared by IPMO after having an opportunity to protect such Institutional IP according to Article 8.

5.2.2. **Institutional repository.** Researchers/ Visitors should endeavour to obtain publishers' permission to include published Scholarly Works in the Institutional repository [whether as a published edition or in pre-publication form].

5.2.3. **Granting of License to the Institution.** Researchers/ Visitors shall grant to the Institution a non-exclusive, royalty free license to use their Scholarly Works for the Institution's administrative, promotional, Research and teaching purposes.

5.3. **Moral Rights**

5.3.1. **Recognition.** The Institution undertakes to respect and protect the moral rights which copyright law confers on Authors of copyright works.

5.3.2. **Rights granted.** The Institution acknowledges that moral rights vest in Authors of copyright works irrespective of the copyright ownership thereof and include:

- a. the right of attribution of authorship in respect of the copyright works;
- b. the right not to have authorship of the copyright works falsely attributed;
- c. the right of integrity of authorship in respect of the copyright works;
- d. to have the author's name indicated prominently on the copies and in connection with any public use;
- e. the right to use a pseudonym and not to have the author's name indicated on the copies and in connection with any public use; and
- f. the right to object to any distortion, mutilation or other modification of, or other derogatory action in relation to his work which would be prejudicial to the honour or reputation of the author.

5.3.3. **No waiver.** The Institution will not require Researchers/ Visitors to waive their moral rights as a condition of employment, enrolment, Appointment or funding.

5.4. **Public Domain**

5.4.1. **Public Domain.** Institutional IP forms part of the Public Domain in the following circumstances:

- a. if a Research Contract provides that the Research results be placed into the Public Domain; or
- b. if Researchers/ Visitors made use of OERs or resources licensed through Open Source or Creative Commons Licences and the licensing conditions require release of derivatives into the Public Domain.

5.4.2. **Release into the public domain.** The Institution will release IP into the Public Domain in the following circumstances:

- a. where it is deemed to be in the public interest;
- b. if the IP has low commercial or other development potential and low prospects of fostering the development of new products or services; or
- c. if deemed necessary by the Institution.

ARTICLE 6 – PUBLICATION, NON-DISCLOSURE AND TRADE SECRETS

- 6.1. **Right of publication.** The Institution encourages and supports the right of Creators to decide if and when to publish their Research results, in accordance with Article 5.2 above.
- 6.2. **Non-disclosure for IP protection.** In conjunction with the right of publication, Creators should be aware that premature Public Disclosure may result in loss of IP protection rights. Therefore, they are strongly encouraged to make all reasonable efforts to identify any protectable IP as early as possible, according to Article 8, and shall consult IPMO before making any Public Disclosure of potential Institutional IP.
- 6.3. **Trade Secrets.** The Institution may designate certain confidential information as a Trade Secret, owned by the Institution. In that event, all Creators will be obligated to maintain secrecy of the Trade Secret and to follow the direction for management of the Trade Secret by IPMO.

ARTICLE 7 – RESEARCH CONTRACTS

- 7.1. **Authority.** Researchers/ Visitors shall not have the right to enter into a Research Contract with external parties on behalf of the Institution unless they are authorized to do so by an official representative of the Institution.
- 7.2. **Research Contract Policy.** All Research Contracts must be executed and performed in compliance with the Institution's Research Contract Policy.
- 7.3. **Due diligence.** Persons acting for and on behalf of the Institution shall exercise all due diligence and consult IPMO when negotiating and signing contracts that may affect the Institution's IPRs.
- 7.4. **Ownership and rights to use.** Subject to any provisions in law to the contrary, ownership and rights to use shall be agreed upon with the external entity, in accordance with the guidelines agreed upon with the Council.
- 7.5. **Government rules.** Research Contracts shall comply with any applicable laws and/or

Government regulations and/or rules, which may be applicable to Research undertaken by the Institution, in particular, as far as it relates to the ownership of IP resulting from such Research.

- 7.6. Approval.** Proposed Research Contract and other legal statements concerning the Institution's IPR's shall comply with the provisions of this Policy. Any variance from this Policy must be approved by the IP Committee.
- 7.7. Basic Principles.** The IP clauses in all Research Contracts shall be governed by the following basic principles:
- 7.7.1. Concluded from the outset.** A Research Contract must be executed in writing and signed by the Institution and the external party(ies)/sponsor(s) prior to the commencement of any Research Project and, as appropriate and without limitation, must contain terms relating to ownership, management and use of IP arising from the Research Project as well as any Background IP.
- 7.7.2. Background IP.** All Institutional Background IP must be properly recorded and declared prior to the commencement of a Research Contract and belongs to the Institution. Similarly, Background IP of the external party/sponsor, belongs to such party or sponsor. Use of such Background IP requires express written permission.
- 7.7.3. Foreground IP (IP arising from the Research Contract).** IP generated pursuant to a Research Contract by Researchers/ Visitors shall be governed in terms of the above provisions relating to IP generated by these parties. The general rule is that such IP shall be owned by the Institution.
- 7.7.4. Serendipitous IP.** Any IP created during the course of the Research Contract which falls outside of scope of the Research Contract shall be owned by the Institution or the external party(ies)/sponsor(s) which developed such IP, unless agreed contractually otherwise in the Research Contract.
- 7.7.5. Right of first refusal to the IP.** The Research Contract may include provisions giving the external party(ies)/sponsors, a right of first refusal to Commercialize the IP emanating from the Research Contract, through a license or joint venture arrangement or assignment.
- 7.7.6. Publication delay.** It is the strict policy of the Institution to allow Creators freedom to publish their work. However, the Institution acknowledges that delays in publication

for the purpose of initiating statutory protection of the IP is often necessary. In this regard, the Institution will agree, on a case-by-case basis, to a contractual delay in publication by Creators. Such delay will not exceed [typically 90 calendar days] from the date IPMO is notified of the intent to publish, unless authorized by the IP Committee.

IPMO may, if so required, will facilitate the signing of a non-disclosure agreement by the journal appointed peer reviewers, so that the review of the article for publication can proceed while the necessary procedures are being followed for IP protection.

7.7.7. Use of the IP for Research and teaching. In instances, where the Institutional IP is licensed exclusively or assigned as part of the Research Contract, all efforts should be made to secure a royalty-free license for use of the IP for on-going Research and teaching purposes.

7.8. Exceptions to the Policy. In certain cases, it may be necessary and/or beneficial to the Institution to enter into a Research Contract that contains exceptions to the provisions of this Policy. Any such exceptions require prior, written approval from the IP Committee.

ARTICLE 8 – DETERMINATION BY THE IPMO

8.1. Responsibility to Disclose IP

8.1.1. Recording. Creators shall keep appropriate records of their Research in accordance with the Institution's applicable policy procedures and make reasonable efforts to ensure that only those individuals within the Institution who have a need to have access to such records for the performance of their duties are granted such access.

8.1.2. IP Disclosure. Where a Creator identifies potential IP resulting from his/her Research [or that of his/her team], he/she shall disclose such potential IP to IPMO promptly by means of an IP Disclosure Form.

- 8.1.3. **Complete disclosure.** Creators must provide to IPMO such full, complete and accurate information as IPMO may reasonably require to enable it to sufficiently assess the technical and related features and functions, ownership, commercial potential and IP protection that might be applicable to such IP. Upon complete disclosure, the IP Disclosure will be registered and assigned a reference number and IPMO will share this reference number with the Creators to signify that the IP Disclosure has been formally received by the Institution.

8.2. Creatorship and Ownership

- 8.2.1. **Creatorship.** Creators shall, upon request, sign the appropriate legal documents provided by IPMO that attest to creatorship. Where there is more than one Creator, and there is a dispute as to the contribution to creatorship, IPMO shall in consultation with the Creators, assist in the determination of the percentage of the IP creatorship to be allocated, failing which it shall be assumed that there was an equal undivided contribution.

- 8.2.2. **Ownership.** Once creatorship has been determined, the Creators shall be required to formally assign any right, title or interest they may have in that IP to the Institution in the form of a contract that specifies the rights that will accrue to the Creator(s) and the Institution and the obligations. They will have to assist the Institution with the Commercialization of that IP. Article 9.3 will apply.

8.3. Determination as to IP Protection and Commercialization

- 8.3.1. **Evaluation and recommendation.** IPMO will analyse the information disclosed in the IP Disclosure within [usually 60-90 days] of formal receipt. The analysis will include: whether or not the subject matter is protectable as IP; an assessment of economic viability or marketability; and determination of any rights of external parties, such as a funder or collaborator. After evaluation, IPMO will prepare a preliminary report with findings that enable the Institution to decide if it will proceed with IP protection and Commercialization. IPMO shall share the preliminary report with the Creator(s), and seek their input.

8.3.2. **Decision to protect/Commercialize.** The Institution will decide, as soon as reasonably practicable, whether or not it wishes to protect and/or Commercialize the IP. IPMO will use all reasonable efforts to notify the Creator(s) of the Institution's decision within [usually 60-90 days] of formal receipt of the IP Disclosure. IPMO will also make a determination in relation to the validity of any claim made by a Researcher/ Visitor that they are the true Creator(s) of that IP and in relation to their rights under this Policy.

8.3.3. **Institution's obligation to notify Creators of its decision.** Within no more than [usually 60-90 days] IPMO will notify the Creator(s) of the decision of whether the Institution will or will not pursue IP protection and Commercialization of their IP Disclosure.

8.4. Institution Elects not to Protect /Commercialize the IP

8.4.1. **IP abandoned or not Commercialized.** The Institution reserves the right not to protect or Commercialize IP that it owns if after consultation with the Creators:

- a. there is no reasonable prospect of commercial success;
- b. it is not deemed to be in the best interest of the Institution; or
- c. it is not deemed to be in the public interest.

8.4.2. **Transfer of Ownership.** In the event the Institution decides not to pursue IP protection and/or Commercialization, it will take steps to return the said IPR's to the Creator(s), contingent on any other superseding contract rights of external party(ies)/sponsor(s).

8.4.3. **Written notification.** If the Institution is unable to or decides not to protect or Commercialize the Institutional IP, it should notify the relevant Creator(s) of its decision in writing and in a timely manner.

8.4.4. **No prejudice to IP protection.** The Creator(s) should receive the written notification in a timely manner that enables the relevant Creator(s) to take any formal steps to ensure the protection of IP, should they so desire.

8.4.5. **Assignment.** If the Creator elects to take assignment of the IP, the Institution shall ensure that a deed of assignment is executed without delay.

- 8.4.6. **Terms and conditions.** If the Institution assigns IPR's to the Creator in terms of this Article 8.4.5, the assignment may be subject to one or more of the following terms and conditions:
- a. that upon Commercialization, the Institution be compensated for any expenditure it may have incurred in connection with the protection and/or Commercialization of such IP; and/or
 - b. that the Institution be granted a non-exclusive, royalty-free licence to use the IP for Research and teaching purposes as defined as fair use in section 11 of the IP Act.

ARTICLE 9 – COMMERCIALIZATION OF IP

- 9.1. **Determination of the Commercialization Strategy.** Within [usually 3-6 months] of the decision to protect or Commercialize the IP under Article 8.3.2, the Institution will determine, with input from the Creators, would be the most appropriate Commercialization strategy.
- 9.2. **Assistance to IPMO.** Creators of an IP which has been selected for IP protection and Commercialization by the Institution must provide IPMO with all reasonable support in the assessment, protection (including preventing premature disclosure and execution of any documents including deeds of assignment and deeds attesting to creatorship), and Commercialization of the IP.
- 9.3. **Sovereignty and Cooperation.** The Institution shall have the sole discretion regarding the Commercialization of IP owned by it. Notwithstanding, the Institution will ensure that reasonable efforts are made to keep the Creators informed and, where appropriate, involved in the Commercialization of the IP to which they contributed. The Commercialization of Institutional IP will be planned, executed, and monitored by IPMO.
- 9.4. **Commercialization Pathways.** Modes of IP Commercialization may include:
- a. license, either exclusive or non-exclusive, and variations thereof;
 - b. assignment (sale);

- c. formation of a Commercialization Entity to which the IP is licensed or assigned in terms of this Policy;
- d. non-profit use or donation;
- e. joint ventures;
- f. royalty free access on humanitarian or other grounds; or
- g. various combinations of the above.

9.5. Guidelines. Regardless of the mode of IP Commercialization, the transaction will be executed in a contract which:

- a. protects the interests of the Institution, its Researcher/ Visitor;
- b. retains rights for the Institution to use the IP for educational and research purposes;
- c. assures that the IP will be utilized in a manner which will serve the public good;
- d. assures that the IP will be developed and brought to the marketplace as useful goods and services; and
- e. prohibits the "shelving" or "mothballing" of the IP or its use in any illegal or unethical manner.

ARTICLE 10 – INCENTIVES AND DISTRIBUTION OF REVENUES

10.1. The Institution's Incentive Structure

10.1.1. Purpose and scope. The Institution, in the interest of promoting knowledge transfer, will give due consideration to incentives to researchers to foster Research that has socio-economic impact; such incentives may be financial or non-financial. A Creator/Enabler may receive incentives from each IP they created/enabled which is Commercialized.

10.2. Sharing of Revenues

10.2.1. General. The Institution, in line with the minimum requirements set out in relevant national legislation namely, section 9 of the IP Act, where there is such legislation], will

award Creators/Enablers in the sharing of monetary benefits that may accrue to the Institution from the Commercialization of Institution IP.

10.2.2. Calculation of revenues for distribution. Calculation of Gross IP Revenue, IP Expenses, and Net IP Revenue shall be in accordance with the following rules:

10.2.2.1. Calculation of Gross IP Revenue. "Gross IP Revenue" is defined in Article 2 as *"all revenue received by the Institution for Commercialization of Institutional IP before any cost recovery or deductions for IP Expenses"* and includes, but is not limited to, outright sale of IP, option payments received, licence fees received, evaluation fees received, upfront and milestone payments received, royalty payments received, share of profits received, dividends received, commissions, income through disposal of equity, and direct sale of products or services.

10.2.2.2. IP Expenses. The term "IP Expenses" are defined in Article 2 as *"all expenses incurred by the Institution in the management of IP for which Gross IP Revenue has been received"* and includes, but is not limited to, those expenses that relate to (i) the Institution's expenses incurred by payment to external entities for securing, maintaining and enforcing IP protection, such as patenting and litigation expenses; (ii) costs incurred by the Institution in the licensing/assignment of IP, including marketing costs, contract negotiation and drafting costs; and **[Optional]** (iii) costs in making, shipping or otherwise distributing products, processes or services that embody the particular IP, **[Recommended]** but not including general administrative costs.

10.2.2.3. Calculation of Net IP Revenue. IPMO shall maintain accurate and transparent documentation of IP Expenses incurred for a particular IP and shall be entitled to cover all IP Expenses it has incurred, as set out in 10.2.2.2 above. The "Net IP Revenue" is calculated as the Gross IP Revenue less IP Expenses.

10.2.2.4. Co-owned IP. Where the IP is co-owned by the Institution and an outside organization, the Gross IP Revenue received by the Institution will be shared in accordance with a pre-determined formula as per a contractual

arrangement. Thereafter, the Gross IP Revenue received by the Institution and the Net IP Revenue will be determined, and revenues will be shared in accordance with section 10.2.3.1 and 10.2.3.2 below.

10.2.3. Sharing of revenues – Creators/Enablers

10.2.3.1. Standard Creator's share.

[Option 1] [Number]% of the Gross IP Revenue **[Option:** the first [amount] of the Gross IP Revenue] will be allocated to the Creators. Where there is more than one Creator, the Creators are entitled to an equal or *pro rata* share, based on contribution, of the [number]% of the Gross IP Revenue. Thereafter, the Creator(s) shall be entitled to [number]% of the Net IP Revenue.

[Option 2] [Number]% of the Net IP Revenue will be allocated to the Creator. Where there is more than one Creator, the Creators are entitled to an equal or *pro rata* share, based on contribution, of [number]% of the Net IP Revenue, except where there is a prior written agreement between all the Creators to the contrary.

10.2.3.2. Standard Enabler's share.

[Option 1] Creator(s) may at their joint sole discretion choose to provide for Enablers to receive a share of the Creator(s)' portion of the Gross or Net IP Revenue. This arrangement must be agreed to in writing by all Creators, if more than one.

[Option 2] The Institution may elect to set aside [number]% of the Gross or Net IP Revenue for an Enabler. Where there is more than one Enabler, the Enablers are entitled to an equal or *pro rata* share, based on practical contribution, of [number]% of the Gross or Net IP Revenue, except where there is a prior written agreement between all the Enablers to the contrary.

10.2.3.3. Disputes. In the event of a dispute or uncertainty regarding the Creators'/Enablers' share of the Gross or Net IP Revenue from a specific IP, the issue shall be brought for resolution to the IP Committee.

- 10.2.3.4. **Payment.** Payment to the Creators/Enablers will be made by the Institution on a periodic basis as agreed in writing, but no later than [typically twelve] months after receipt of the Gross IP Revenue by the Institution.
- 10.2.3.5. **Taxes.** Payments made as per 10.2.3.4 are subject to personal tax.
- 10.2.3.6. **Entitlement.** Creators/Enablers and their heirs will be entitled to IP revenue sharing for as long as the Institution receives Gross IP Revenues from Commercialization of the Institution's IP.
- 10.2.3.7. **Banking details.** The onus is upon each Creator/Enabler to ensure that the Institution has their current banking details for the purpose of revenue sharing. The Institution will keep the relevant IP revenue amounts in reserve for a maximum period of 3 (three) years after which all rights of Creators/Enablers to receive such payments will be forfeited. If the Institution pays an amount into an incorrect account as a result of information supplied to it being outdated or incorrect, the Institution will not have any further obligation or liability in respect of such payment, which will be deemed to have been duly and properly made.
- 10.2.4. **Sharing of revenues – Institution.** The Institution's share of Net IP Revenue is distributed internally as follows:

<p>[number]% for further Research;</p> <p>[number]% to IPMO;</p> <p>[number]% for further IP prosecution and maintenance costs; and</p> <p>[number]% to institutional overheads.</p>
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10.3. Other Incentives

- 10.3.1. **General.** As a default position, the Institution will refrain from accepting non-monetary benefits for the Commercialization of its IP or from offering incentives other than revenue sharing, unless they are in addition to the revenue sharing as per Articles 10.2.3.1 and 10.2.3.2, as appropriate. The Institution will thus give consideration, on a case-by-case basis, to the provision of other incentives, where monetary benefits (revenues) are not available or where the Creator/Enabler elects to choose other benefits *in lieu of* revenue sharing, which may only be realized in due

course. Other incentives will include, but are not limited to the incentives described in Article 10.3.2. – 10.3.4.

10.3.2. **Growth, development and acknowledgement.** A framework for growth and development of the Creator/Enabler in their professional and personal capacity shall be developed including (i) recognition of IP generation and Commercialization performance in appraisal procedures; and (ii) opportunities for enterprise development or capacity development through, for example, specific training opportunities, sabbaticals, and local and international exchanges in their relevant Research field or in the field of IP management and knowledge transfer.

10.3.3. **Research funds.** The Institution will actively, through its IPMO, promote, source and/or facilitate collaborative arrangements with industry partners to secure funding for further Research for the Creators/Enablers.

10.3.4. **Creator/Enabler receiving shares in a Commercialization Entity or other licensee.**

10.3.4.1. In the case where a Creator/Enabler is granted equity in a Commercialization Entity that licences the Institutional IP which the Creator/Enabler has created, such Creator's/Enabler's portion in the standard revenue sharing formula of Article 10.2.3.1 or 10.2.3.2 will be adjusted accordingly, taking into account the shares held in the company by the Creator/ Enabler. All other Creators/Enablers will be rewarded in accordance with the formula in Article 10.2.3.1 or 10.2.3.2.

10.3.4.2. Where the Institution receives shares in a licensee company, which company may be a Commercialization Entity, as consideration for an IP license, the Institution will hold all the shares until liquidation, at which time the income will be considered Gross IP Revenue and the Creators/Enablers will receive their share according to the revenue sharing formula in Article 10.2.3.1 or 10.2.3.2.

10.3.4.3. Notwithstanding the benefit sharing in respect of shares in terms of this Article 10.3.4, the Creators/Enablers will still be entitled to their share of any other revenues under the IP license.

10.4. Contact Details

- 10.4.1. **Contact details.** The onus is upon each Creator/Enabler to ensure that the Institution is in receipt of their current address details for the purpose of revenue sharing. Unless contrary to law, should the Institution be unable to locate the Creators/Enablers through reasonable efforts, in order to effect payment of the revenue share amount, and a period of [five] years has passed since an initial attempt, then the portion owed to that Creator/Enabler or his/her heirs will be paid to the Institution's central fund to be used to support Research and innovation activities.

ARTICLE 11 – IP PORTFOLIO MAINTENANCE

- 11.1. **Recording and monitoring.** IPMO [or an external entity designated by the IPMO] shall maintain records of the Institution's IP in an appropriate form and in sufficient detail. It shall monitor the deadlines for the payment obligations related to the maintenance or annuity fees of protected IP, and shall, within a reasonable time, inform the person or department designated to make such payments.
- 11.2. **Accounting.** IPMO shall maintain income/expense accounting records on each IP so that revenue sharing allocations can be calculated.

ARTICLE 12 – TRADITIONAL KNOWLEDGE AND GENETIC RESOURCES

- 12.1. When Research is conducted at the Institution using TK and/or GR's, provisions of national legislation must be observed, which provisions may include prior informed consent, and access and benefit-sharing, and the need to obtain any relevant permits.
- 12.2. The Institution shall formulate procedures and mechanisms for access to GR's/TK in order to comply with national legislation.
- 12.3. The Institution shall make provision in all Research Contracts concluded for the protection of any IP which may arise from the use of TK and/or GR's.

ARTICLE 13 – CONFLICTS OF INTEREST AND CONFLICTS OF COMMITMENT

- 13.1. **Commitment to the Institution.** Researcher's/ Visitor's primary commitment of time and intellectual contributions should be to the education, research and academic programs of the Institution.
- 13.2. **Best Interests of the Institution.** Researchers/ Visitors have a primary professional obligation to act in the best interests of the Institution; they should avoid situations where external interests could significantly and negatively affect their work ethic and research integrity.
- 13.3. **Agreements with External Parties.** It is the responsibility of all Researchers/ Visitors to ensure that their agreements with external parties do not conflict with their duties and responsibilities in terms of this Policy. This provision shall apply in particular to private consultancy and other research service agreements concluded with external parties. Each individual should make his/her duties and responsibilities clear to those with whom such agreements may be made and should ensure that they are provided with a copy of this Policy.

- 13.4. **Disclosure of External Activities and Financial Interests.** Researchers/ Visitors shall promptly report all potential and existing Conflict of Interest (COI) or Conflict of Commitment (COC) to the appropriate Institutional authority, in compliance with applicable COI/COC policies. The authority will be responsible for resolving the conflict or reaching a solution satisfactory to all parties concerned.
- 13.5. **Policy.** The Institution will develop a separate and comprehensive policy on COI, in order to increase the awareness of Researchers/ Visitors about COI and COC; outline requirements for disclosure of COI and COC; and establish procedures to identify them, avoid or properly manage such conflicts.

ARTICLE 14 - DISPUTE

- 14.1. **Violation.** Breach of the provisions of this Policy shall be dealt with under the normal procedures of the Institution, and in accordance with the relevant provisions of laws and regulations in force.
- 14.2. **Dispute Resolution.**
- 14.2.1. Any internal disputes or questions of interpretation arising under this Policy must in the first instance be referred to IPMO for consideration and mediation by the IP Committee.
- 14.2.2. If the matter cannot be resolved by the IP Committee within [two months], then the dispute or question of interpretation must be referred to the Chairman of the institution for mediation.
- 14.2.3. The Chairman of the institution may at their sole discretion refer the matter to Institution's Executive Committee and/or an independent committee for arbitration as final arbiter of any disputed issues or for final determination.
- 14.3. **Appeal.** Individuals covered by this Policy shall have the right to appeal any matter arising from this application to the IP Committee.

ARTICLE 15 - AMENDMENT

15.1. Revision. This Policy may be amended at any time by a decision of the IP Committee.

In this case:

- a. all IP disclosed on or *after* the effective date of such amendment shall be governed by the Policy as amended; and
- b. all IP disclosed *prior* to the effective date of the amendment shall be governed by the Policy prior to such amendment, provided that the provisions of the Policy (as amended) shall apply to all IP licensed or otherwise Commercialized on or after the effective date of any such amendment regardless of when the IP is disclosed.