



## CNBP COMMERCIALISATION & INTELLECTUAL PROPERTY GUIDELINES

### PURPOSE

The purpose of this policy is to provide guidance in relation to Commercialisation and Intellectual Property linked to the CNBP

### SCOPE AND APPLICATION

This recommendation document is to be used in conjunction with the Collaboration Agreement, which was executed by the initial Partner Organisations on 8 August 2014. In cases of doubt please refer directly to the Participation Agreement and any relevant amendments.

### TERMINOLOGY

**Background Intellectual Property** means Intellectual Property owned or controlled by a Party, including but not limited to Intellectual Property developed prior to or independently of this Agreement, which the Party determines, in its sole discretion, to make available for the carrying out of the Activities.

**Centre Intellectual Property** means the Intellectual Property, including but not limited to Project Intellectual Property, which is created, developed or discovered as a result of conducting the Activities.

**Commercialise** or **Commercialisation** in relation to Intellectual Property means to manufacture, have manufactured, use, sell, offer to sell, import, hire licence, sub-licence or otherwise exploit a product or process, or to provide a service, based on or incorporating any part of the Centre Intellectual Property [GS2] or to authorize any [GS3] any third party to do any of those things.

**Commercialisation Lead** has the meaning given to that term in clause 10.15.

**Intellectual Property** means all rights resulting from intellectual activity whether capable of protection by statute, common law or in equity and including copyright, discoveries, inventions, patent rights, registered and unregistered trade marks, design rights, circuit layouts and plant varieties and all rights and interests of a like nature, together with any documentation relating to such rights and interests.

**Project Intellectual Property** means Intellectual Property, which is created, developed or discovered in the conduct of a CNBP, supported Project



## PRINCIPLES

- Centre participants have agreed to “good faith” negotiations between nodes and partners
- CNBP is a funded body that expects to generate new Intellectual Property
- CNBP makes no claim on Background Intellectual Property
- New Centre and/or Project Intellectual Property will be owned by host node and/or collaborating partners as appropriate based on proportion of contribution, negotiated in good faith
- Nodes / Partners will nominate a Commercialisation Lead with the authority to act as a single point of contact to drive commercialisation
- It is the Directors responsibility to ensure that an IP register is maintained
- CNBP will form a commercialisation committee to advise on Intellectual Property and Commercialisation matters

### ***Responsibility:***

- a) Centre Director and Commercialisation Champion



**APPENDIX: Excerpts from the Participation Agreement: Executed 8 August 2014**

**TERMINOLOGY**

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**Centre Intellectual Property** means the Intellectual Property, including but not limited to Project Intellectual Property, which is created, developed or discovered as a result of conducting the Activities.

**Commercialise** or **Commercialisation** in relation to Intellectual Property means to manufacture, have manufactured, use, sell, offer to sell, import, hire licence, sub-licence or otherwise exploit a product or process, or to provide a service, based on or incorporating any part of the Centre Intellectual Property [GS2] or to authorize any [GS3] any third party to do any of those things.

**Commercialisation Expenses** means bona fide direct external out of pocket expenses incurred by the Owning Party(s) under clause 7.3(b)(vi) for;

- (i) obtaining, maintaining and prosecuting patent or any other form of Intellectual Property protection;
- (ii) any royalties and other consideration paid to any person for access to Background Intellectual Property;
- (iii) reasonable travel and accommodation expenses, legal expenses, and fees and expenses of other advisers and consultants; in relation to the Commercialisation of a specific item of Centre Intellectual Property. For the avoidance of doubt, costs associated with the employment of commercialisation staff are excluded.

**Commercialisation Lead** has the meaning given to that term in clause 10.2.

**Commercialisation Plan** is that plan referred to in clause 10.4.

**Commercialisation Revenue** means any income whatsoever derived from the Commercialisation of Centre Intellectual Property, including (without limitation) royalties upon sales, royalties upon sub-licence fees and any other lump sum amounts.

**Intellectual Property** means all rights resulting from intellectual activity whether capable of protection by statute, common law or in equity and including copyright, discoveries, inventions, patent rights, registered and unregistered trademarks, design rights, circuit layouts and plant varieties and all rights and interests of a like nature, together with any documentation relating to such rights and interests.

**Owning Parties** means the relevant owners of Centre Intellectual Property as determined in accordance with clause 7.2 (a) and (b).

**Project Intellectual Property** means Intellectual Property, which is created, developed or discovered in the conduct of a Project



## 7. INTELLECTUAL PROPERTY

### 7.1 Background Intellectual Property

- a) Each Party acknowledges and agrees that it will not have any claim, ownership or interest in another Party's Background Intellectual Property or any Improvements in such Background Intellectual Property.
- b) Each party acknowledges and agrees that ownership of Background Intellectual Property will not be altered, transferred or assigned merely by virtue of its use by another party under this clause 7.
- c) Each Party grants to each other Party a non-exclusive, royalty-free licence to use its Background Intellectual Property for the sole purpose of carrying out the Activities subject to clause 12.2. If a Party notifies the other Parties that any encumbrances, restriction or prior licences apply to particular Background Intellectual Property at the time that Background Intellectual Property is made available, then the licence contemplated by this sub-clause is limited with respect to that Background Intellectual Property to the extent of that encumbrance, restriction or prior licence.
- d) Nothing in this clause 7.1 prevents a party from Commercialising or otherwise using its Background Intellectual as it deems appropriate with the understanding that in order to facilitate the work of the Centre, any rights granted by a Party to its Background IP in accordance with this clause will be reported to the Chief Operating Officer who will update the IP Register with the relevant information.

### 7.2 Ownership of Centre Intellectual Property Arising from the Activities

Subject to clause 10 the Parties agree that in the event that:

- a) One Party created or invented the Centre Intellectual Property, said item of Centre Intellectual Property shall be owned by that Party.
- b) More than one Party created or made an inventive contribution to an item of Centre Intellectual Property, said item of Centre Intellectual Property will be owned jointly by each of the Parties in proportion to their respective inventive contribution to the creation of such Centre Intellectual Property. If unanimous agreement is not reached by the relevant parties on ownership of an item of Centre Intellectual Property and evidenced in writing, then the matter shall be referred for resolution as a Dispute in accordance with clause 26.

### 7.3 Protection of Centre Intellectual Property Arising from the Activities

- a) The Parties acknowledge and agree that creating, protecting and disseminating the Centre Intellectual Property, is a fundamental objective of the Centre and the Parties. The Parties further acknowledge that it is also a fundamental objective of the Commonwealth Government under the Funding Agreement.
- b) Subject to this clause 7.3 and prior to the appointment of a Commercialisation Lead for Centre Intellectual Property pursuant to clause 10.2 the following clauses will apply:



- (i) each Party will act diligently to protect and develop the Centre Intellectual Property solely or jointly owned by it and, subject to its obligations under this Agreement, will deal with such Centre Intellectual Property in accordance with National Principles of Intellectual Property Management for Publicly Funded Research.
- (ii) Each Party will report potential Centre IP to the Centre Director, Translational Champion and Chief Operating Officer and provide information in its possession regarding Centre Intellectual Property which has been or is being developed.
- (iii) If a Party considers that a particular development arising from the Activities may be patentable or the subject of other forms of Intellectual Property registration or protection, the Party must promptly communicate details of that development to the Centre Director, EMC and the Centre Commercialisation Committee by completing an invention disclosure form.
- (iv) If the Owing Parties of the Centre Intellectual Property, after consulting with the Centre Director who will take advice from the EMC and the Centre Commercialisation Committee, approve the pursuit of patent protection, or other forms of Intellectual Property protection in specific countries, the Owing Parties will use best endeavours to agree which amongst them, if not all of them, will apply for, maintain, prosecute and bear the cost of any such Intellectual Property protection. If Owing Parties are not able to reach agreement within a reasonable period of time not exceeding 60 days, clause 26 shall apply.
- (v) If patenting or other registrable forms of Intellectual Property protection of Centre Intellectual Property is pursued, it is to be in the name or names of the Owing Parties at their cost.
  - (vi) Subject to agreement otherwise by the Owing Parties, the Owing Parties that incur Commercialisation Expenses shall be entitled to deduct those Commercialisation Expenses from any Commercialisation Revenue generated by that specific Centre Intellectual Property prior to distribution of Commercialisation Revenue in accordance with clause 11.

## **8. INTELLECTUAL PROPERTY REGISTER**

- 8.1 The Centre Director will be responsible for ensuring that the Chief Operating Officer establishes and maintains an Intellectual Property Register, which must include up to date details of Centre Intellectual Property and each Party's Background Intellectual Property.
- 8.2 The Intellectual Property Register must contain at least the following information:
  - a) with respect to Background Intellectual Property, any and all third party interests in such Background Intellectual Property; and
  - b) with respect to Centre Intellectual Property:



- (i) the owners of each item of Centre Intellectual Property, and the proportion of ownership
- (ii) any and all third party interests in such Centre Intellectual Property; and
- (iii) any patents or patent applications relating to such Centre Intellectual Property.

## **9. INTELLECTUAL PROPERTY GUIDELINES**

- 9.1 The Parties acknowledge that under the Funding Agreement, the Centre Director may have certain obligations in relation to the protection and development of Centre Intellectual Property and publications arising from the Activities.
- 9.2 Each Party must use its reasonable endeavours to assist the Centre Director and the Administering Organisation in performing their obligations under the Funding Agreement.

## **10. COMMERCIALISATION OF CENTRE INTELLECTUAL PROPERTY**

- 10.1 It is the intention of the Parties to explore the establishment of a special purpose company ("SPC") to access the Centre Intellectual Property and/or Project Intellectual Property together with such other or alternative entities as may be deemed appropriate to carry out Commercialisation of such Centre Intellectual Property and Project Intellectual Property on a case-by-case basis. The establishment and formation of the SPC will be subject to the unanimous consent of the Administering and Collaborating Organisations. It is not a requirement that all parties to this Agreement are members of any SPC formed pursuant to this clause.
- 10.2 Subject to any agreement by the Parties pursuant to the intentions at clause 10.1 and to clause 10.14, for each item of Centre Intellectual Property proposed to be patented and / or Commercialised, the Owing Parties will determine, after consultation with the Centre Director who will take advice from the EMC, the Centre Commercialisation Committee and the Industry Advisory Group, which of the Owing Parties will take responsibility for the Commercialisation of the relevant Centre Intellectual Property (Commercialisation Lead).
- 10.3 Each Owing Party grants to each other Party in the Centre a non-exclusive, royalty free, perpetual, worldwide licence to use its legal title and interest in the relevant Centre Intellectual Property from the date of its creation, for educational purposes, non-commercial research, teaching and scholastic endeavours, but not for Commercialisation provided that a Party:
  - a) maintains the confidentiality of Confidential Information;
  - b) exercises such rights in a manner that is consistent with this Agreement; and
  - c) does not prejudice the Commercialisation Lead's ability to protect the Centre Intellectual Property; use the Centre Intellectual Property to achieve the Centre objectives; or maximise the commercial return from any Centre Intellectual Property that has significant commercial potential.



- 10.4 Each Owing Party will grant the Commercialisation Lead the right to deal with the relevant Centre Intellectual Property that is to be Commercialised, as the Commercialisation Lead sees fit, on receipt of an agreed Commercialisation Plan from the Commercialisation Lead. The Commercialisation Plan will include at least:
- a) details of the strategy of the Commercialisation Lead to ensure the Centre Intellectual Property will be exploited to realise value and benefit;
  - b) an agreed definition of the field and territory;
  - c) An agreed return to the Owing Parties based on commercial terms with regard to matters including the breadth of the field and taking into account each of those Parties inventive contributions to the creation of relevant Centre Intellectual Property;
  - d) the milestones and conditions (if any) which, if not satisfied, will trigger a downgrade to (if exclusive), or termination of, any non-exclusive licence of the relevant Centre Project Intellectual Property;
  - e) arrangements regarding the resources required to secure and protect patents on inventions or other valuable Intellectual Property rights; and the Commercialisation Lead may undertake Commercialisation of the relevant Centre Intellectual Property in accordance with the Commercialisation Plan and the terms of the grant of rights as relevant.
- 10.5 After commencing Commercialisation of any Centre Intellectual Property the Commercialisation Lead will be required to provide a progress report to the Owing Parties, the EMC and the Centre Commercialisation Committee at least every 12 months for the Term detailing the progress and outcomes of the Commercialisation of the relevant Centre Intellectual Property as against the Commercialisation Plan.
- 10.6 The Commercialisation Lead will upon and as a condition of any right to Commercialise Centre Intellectual Property, grant to the Parties a non-exclusive, royalty free, sub-licensable, irrevocable, perpetual, worldwide licence to use the relevant Centre Intellectual Property for all non-Commercialisation Activities and non-Commercial purposes of the Centre provided that the relevant Centre Intellectual Property is maintained as Confidential Information until such time as it is published or disclosed within the public domain by the Commercialisation Lead.
- 10.7 The Commercialisation Lead agrees, and the Owing Party(s) will ensure that the Commercialising party under clause 10.14 agrees, that as a condition of any right to Commercialise it will be obliged to ensure Commercialisation of Centre Intellectual Property complies with:
- a) this Agreement including in relation to obligations on a Commercialisation Lead, rights granted to the Parties and entitlements to Commercialisation Revenue hereunder; and
  - b) the Funding Agreement.
- 10.8 The Commercialisation Lead will consult with the Centre Director who will take advice from the EMC, the Centre Commercialisation Committee and the Owing Parties as to whether any of the relevant Centre Intellectual Property warrants pursuing patent protection, or other forms of Intellectual Property protection, and if it does, the scope of the claims being sought and in which countries protection should be sought.



- 10.9 After any agreement pursuant to clause 10.6 has been effected, the Commercialisation Lead will apply for registration, maintain and prosecute Intellectual Property protection as agreed under clause 10.8 or will reimburse the Owing Parties for any amounts incurred by them in the registration, maintenance and prosecution of that Intellectual Property protection.
- 10.10 If the Owing Parties wish to pursue protection for certain items of the relevant Centre Intellectual Property or in a certain jurisdiction that the Commercialisation Lead does not, the Owing Parties may pursue protection at their own expense and the Commercialisation Lead will, as necessary, licence those Owing Parties the right to Commercialise the relevant Centre Intellectual Property in the relevant jurisdiction subject to those Owing Parties paying Commercialisation Revenue as though it were the Commercialisation Lead, in accordance with clauses 10.4 to 10.9.
- 10.11 For the avoidance of doubt, if patenting or other registrable forms of Intellectual Property protection of Centre Intellectual Property is pursued under clause 10.10 unless otherwise agreed with the Owing Parties, such registration:
- a) is to be in the name of the Owing Parties; and
  - b) where required, will identify the inventors of the relevant Centre Intellectual Property.
- 10.12 Unless otherwise agreed with the Owing Parties, the Commercialisation Lead will meet all costs associated with applying for, maintaining and prosecuting patent or any other form of Intellectual Property protection under clause 10.10 and the application, maintenance and prosecution of any actions which may be associated with any such Intellectual Property (including any action for infringement).
- 10.13 If the Commercialisation Lead chooses not to proceed with or to discontinue any prosecution of Intellectual Property rights, the Commercialisation Lead will offer the Owing Parties the right to do so at their own expense on the same basis as set out in clause 10.10, such right to be exercisable within three months of the date of the offer.
- 10.14 If there is no appointment of a Commercialisation Lead under clause 10.2 the Owing Parties may, after receipt of advice from the Centre Director who will consult with the EMC, the Centre Commercialisation Committee and the Industry Advisory Group appoint another Party or a third party to undertake the Commercialisation on terms and conditions to be agreed. If the Owing Parties are unable to agree on the appointment of a Commercialisation Lead under this clause then the matter shall be referred for resolution as a Dispute in accordance with clause 26.
- 10.15 The “Commercial Lead” will meet certain obligations to commercialise and report as per the Participants agreement.

## **11. COMMERCIALISATION REVENUE**

- 11.1 Each Owing Party will have a right to receive a share of all Commercialisation Revenue net of Commercialisation Expenses from the relevant Centre Intellectual Property in proportion to their inventive, contributions to the creation of that Centre Intellectual Property (together in this clause 11 referred to as “Equity”) or as otherwise agreed in writing with the relevant



Owning Parties.

- 11.2 The Commercialisation Lead or Commercialising party will keep written records of all Commercialisation Revenue, Commercialisation Expenses and distributions due to the relevant Owning Parties and the basis for calculation thereof.
- 11.3 By 31 August each year, the Commercialisation Lead or Commercialising party will distribute Commercialisation Revenue with respect to Centre Intellectual Property for the previous Financial Year to the relevant Owning Parties in proportion to their Equity in the relevant Centre Intellectual Property.

## **12. LICENCE OF BACKGROUND INTELLECTUAL PROPERTY**

- 12.1 Any agreement between the Owning Parties to determine the Commercialisation Lead under clause 10.2 or the Commercialising person determined under clause 10.14 for a particular item of Centre Intellectual Property will comply with this clause 12.
- 12.2 Where a Party's Background Intellectual Property is a functional and necessary element of the relevant Centre Intellectual Property to be Commercialised, that Party will negotiate in good faith the grant to the Commercialisation Lead or such other party determined under clause 10.14, of a non-exclusive licence to use (and sublicense others to use) that Party's Background Intellectual Property only to the extent and for the period necessary to Commercialise the Centre Intellectual Property. The owner will negotiate in good faith the use of Background Intellectual Property with Project Intellectual Property.

<i>RMO File/Document Number</i>	
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<i>Responsible Officer</i>	<i>BDM, Mel Trebilcock</i>
<i>Endorsed by</i>	<i>Director, Prof Mark Hutchinson</i>
<i>Approved by</i>	<i>EMC</i>
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