

COMMERCIAL RESEARCH GUIDELINES

UNIVERSITY OF WOLLONGONG'S APPROACH TO COMMERCIAL RESEARCH CONTRACT NEGOTIATIONS

The University of Wollongong (UOW) encourages its staff to make their expertise and UOW's equipment available to industry, business and government customers via consulting and contract research activities (together termed "commercial research").

COMMERCIAL RESEARCH ACTIVITIES HELP UOW TO:

- establish and strengthen relationships with its customers;
- exchange technologies with the broader research community;
- ensure that staff maintain "real world" skills;
- offset maintenance costs for large items of equipment; and
- generate a commercial income.

COMMERCIAL RESEARCH ACTIVITIES HELP UOW'S CUSTOMERS TO:

- access expertise and equipment not readily available elsewhere;
- access leading edge technologies and world-class experts at competitive rates;
- develop stronger relationships with UOW; and
- expand their own research capabilities via the development of a UOW/customer team.

THE COMMERCIAL RESEARCH APPROVAL PROCESS

In order for UOW to enable its staff to undertake commercial research activities, it has had to develop an approval process that allows UOW to meet its insurer's requirements for risk management. Key elements in this process are an internal procedure whereby UOW provides approval for the staff member to do the commercial research for you and the development of a contract between you and UOW.

Before the UOW researcher can start work on your project, a formal contract detailing the responsibilities of each party will need to be prepared. The contract will include clauses relating to intellectual property ownership, fees, milestones, deliverables, timelines, indemnities and insurance. UOW's Managers of Innovation and Commercialisation (MICs) will be your contact point for contract negotiations.

THE SPECIFIC STEPS INVOLVED IN ACCESSING UOW EXPERTISE ARE:

1. initial discussions with the relevant MIC who will link you to the appropriate UOW researcher/expert.
2. direct discussions with a UOW researcher who will provide initial advice regarding the feasibility of your proposed project and appropriateness to their areas of expertise.
3. the UOW researcher will complete some internal paperwork to determine costings according to UOW policy.
4. the UOW researcher will provide you with a proposed fee and you will both agree on a project proposal.
5. if you agree to the fee and project proposal, the UOW researcher will seek the internal approvals to undertake the project for you.
6. the MIC may negotiate specific intellectual property or commercial terms with you.
7. a contract will be prepared by your organization or by UOW via its Legal and Commercial Unit (LCU).
8. both parties will need to agree on terms and sign the contract.
9. once a fully executed copy of the contract has been received by UOW, the UOW researcher can commence work on the project.
10. UOW will raise invoices as per the project fees and timelines described in the research contract.

COSTING OF PROJECTS

UOW is committed to a costing process that generates full cost recovery for externally funded research. The expectation is that the price to be charged for a project conducted under a contract with a customer will not be less than the full cost to UOW of doing the work and in some cases may include a profit factor.

Factors that will determine the "profit factor" include:

- the commercial value of the research (both to the customer and to UOW);
- market conditions;
- demand for the expert and/or item of equipment; and
- intellectual property ownership.

INTELLECTUAL PROPERTY OWNERSHIP

UOW will always seek to maintain ownership of any pre-existing IP that it has developed (often termed Background IP). However, ownership of IP developed through commercial research activities is negotiated on a case by case basis.

IP ownership and commercialisation rights are very different issues. Given the problems associated with the commercialisation of jointly owned IP, it is UOW's preference that one party is the sole owner of the IP. However, this may not preclude the other party from sharing in the benefits of commercialisation (e.g. through a share of returns from commercialisation) or having the rights to commercialise the IP (e.g. a license to commercialise). Owning the IP does not necessarily give the owner the right to commercialise the IP (e.g. UOW can own IP but give the exclusive right to commercialise the IP to you).

UOW's general approach will be for UOW to own the IP arising from a project and to then give you the exclusive right to commercialise in a specified field of application.

Factors that will determine UOW's specific position on IP ownership and rights to commercialise IP include:

- the intellectual and financial contributions of each party to the development of the IP;
- the extent to which either party's pre-existing IP was used in the project or is incorporated into the project outcomes;
- the potential benefits to UOW in the form of non-IP-ownership related benefits, such as royalties, milestone payments and profit-sharing; and
- who is in the best position to commercialise the IP.

The following general principles are usually applied by UOW:

- **Consultancy Projects** (i.e. projects that make use of existing IP and aren't expected to lead to the development of new IP, such as routine spectroscopic testing of samples). For such projects, UOW will seek to maintain ownership of any methodologies that it uses and any improvements to those methodologies. However, UOW will provide a copy of any reports that arise as a result of the project to the customer as well as any results that are specific to the customer's business or own pre-existing IP.
- **Rights for Further Research** - UOW will usually seek the right to continue to use the project IP for its own internal research purposes.
- **Fields of Application** - where UOW does not seek a right of ownership, it will seek a license to commercialise the IP in fields that are not of interest to you (e.g. if IP is developed relating to car manufacturing for a customer who manufactures cars only, UOW will seek a license to use the IP in all other fields of applications, such as manufacturing aeroplanes and trains).
- **Costing and IP Ownership/Returns from Commercialisation** - when you fully pay for the development of a project, this does not necessarily result in you completely owning the IP or solely benefiting financially from the commercialisation of that IP. The value of IP can be more than the direct cost of its development and in cases where UOW has provided pre-existing IP or will make a significant intellectual contribution towards the development of the project IP, UOW will seek a right to share in the returns from commercialisation. Conversely, where a customer has not fully paid for the development of the IP, UOW will not agree to the customer having complete ownership and commercialisation rights.

The approach to IP ownership and commercialisation rights will be made on a case by case basis and on commercial terms.

PUBLICATION

It is a primary role of a university to publish the outcomes of its research. UOW will seek to publish its research outcomes wherever possible but with consideration of IP protection and confidentiality issues. Where UOW will access confidential information of a customer during commercial research activity, it will not include confidential information in any publications without consent provided such consent is not unreasonably withheld. Publication rights will be negotiated with customers on a case by case basis..

MORAL RIGHTS

UOW recognises the moral rights of its staff in accordance with the Copyright Act 1968 (Cwth). UOW will use its reasonable efforts to assist authors in asserting their moral rights, which are personal rather than proprietary in nature and as such cannot be sold, licensed or assigned.

TIMING

UOW has a Legal and Commercial Unit (LCU) that prepares and reviews UOW's commercial research contracts. LCU has prepared standard agreements for UOW commercial research activities. Wherever these standard agreements are used, the process of review is reduced and the issuing of a contract is swifter than when LCU has to review an agreement prepared by you. Delays in commencement may be experienced where you do not accept UOW's relevant precedent agreement. Given that UOW staff cannot commence on a project until a contract has been executed by both UOW and you, UOW encourages all customers to use UOW's precedent agreements rather than your agreements.

**MORE
INFO:**

To discuss your options, contact the Commercial Research Unit.
Contact details are listed at:

www.uow.edu.au/research/commercial/rescontact