



POLICY

COMMERCIALISATION POLICY

1.0 Introduction

Commercialisation of Intellectual Property (for a discussion on what constitutes Intellectual Property and Macquarie University's policy on Intellectual Property visit www.research.mq.edu.au) refers to the process of taking an idea or innovation from conception to market. The routes taken may vary, but the following aims to set out the policy followed by Access MQ when commercialising the Intellectual Property of Macquarie University staff or students.

Where possible, Access MQ endeavours to work with researchers at the early stages of a research project. Access MQ believes that this arrangement works to the benefit of both the University staff and the Company. University staff may obtain advice and input about possible commercial applications for research outcomes, current market state, competitive technologies and market needs. Access MQ benefits from being aware of, and able to monitor research projects throughout the University and build good relationships with academic staff and students.

2.0 Confidentiality and Security

Prior to commencement of, or even during, your research activities it is never too early to consider aspects of confidentiality of research and results. We realise that this is not always possible because of requirements of external funding bodies. However, if you are considering commercialisation as a possible outcome of your research results, in order to meet the "novelty" requirement for patents in most jurisdictions, it is important that details of your research be kept confidential and secure.

Simple precautions such as storing your material and notes in a secure area and refraining from publishing or presenting conference papers until steps have been taken to apply for patent protection are easy to implement.

Another important step that should be taken is the use of Laboratory notebooks to record details of your research and progress. They should be available from each University department or from Access MQ. They have proved to be valuable sources of evidence, accepted in jurisdictions such as the United States of America, when proving priority of one innovation over another similar innovation.

3.0 Innovation Disclosures

Access MQ undertakes, where applicable, to register and obtain protection for the intellectual property of the staff and students of Macquarie University. Disclosure to the Company can be made by completing an Innovation Disclosure Form. Once completed the form can be sent to, Mr Warren Bailey, Commercialisation Director by email to wbailey@access.mq.edu.au or by post to Access MQ, 1st Floor, Dow Corning Building, 3 Innovation Road, Macquarie University, NSW 2109.

The purpose of an Innovation Disclosure Form is:

- it enables the inventor(s) to summarise the innovation, background and novel features in a concise manner;
- it acts as a record of the names and inventive contributions of all who were involved in the development;
- it enables the inventor(s) to give consideration to various likely applications of, markets and vehicles for commercialisation for the innovation; and
- it informs Access MQ of any prior disclosures of the new innovation, the intellectual property contained thereof and any potential obligations to funding bodies.

This last point is quite important. In some cases prior disclosures by means of conference papers, journal articles and other methods could hamper protection of the innovation. Prior disclosure impacts directly on the “novelty” requirement of most patent jurisdictions. It would of course depend on the extent of disclosure. However, prior disclosures will be taken into consideration when assessing a new technology. Since patents effectively grant the applicant a monopoly over the patented technology, or its disposal, in return for disclosure of the technology to the public, it allows investors to recoup their investment expenditure over a period of time. As most Universities find it difficult to allocate resources to the extent necessary to commercialise an innovation from concept to market we must therefore seek commercial partners.

It is of course not always necessary to obtain a grant of patent, for instance Coca Cola Amatil protects its famous formula by keeping it a trade secret. This would only be effective if the technology was not susceptible to reverse engineering and it was possible to take elaborate measures to ensure the security of the “blueprint” to the technology. If those factors are present, the virtue of protecting technology via the trade secret path is that the technology is never disclosed. The Coca Cola example introduces another important Intellectual Property element i.e. a Trademark. It is arguable that the Coca Cola brand now has considerable more value than the formula itself. The establishment of a strong brand may in some cases be the only registrable Intellectual Property available. This may particularly be the case in the Social Sciences.

The innovation disclosure form also requires that due recognition is given to all who made an inventive contribution to the innovation, including those who may have provided technical or experimental support. It is also extremely important to give credit all those who have made an inventive contribution to an innovation. They should be able to participate in any rewards resulting from their work and given due recognition, both as an inventor on the patent or in any publication. Failure to identify all inventors may result in legal actions and complications later on during the patent proceedings.

The Innovation Disclosure Form is available in electronic version (online form), PDF file and MS Word. It can be accessed and downloaded from www.access.mq.edu.au.

4.0 Commercialisation Group

Protection of Intellectual Property is only one aspect of commercialisation of an innovation or technology.

Some of the matters to be considered are as follows:

- the resource implications for the University;
- type of Intellectual Property protection that is most appropriate;
- whether intellectual property protection will increase value as a means of attracting support or provide royalty income or licence;
- whether there is a sufficiently large market for the product or service offered by the Innovation which would justify expenditure of obtaining Intellectual Property protection, i.e. the size and state of the market and existence of competing technologies; and
- gains for the University from adding to its portfolio.

The fortnightly Macquarie University Intellectual Property and Commercialisation Management Committee (IPCMC) endeavours to apply these considerations to each innovation disclosure.

The IPCMC comprises a mixture of academics, University staff, specialised business development managers, and Access MQ staff. The IPCMC decides whether the innovation meets the criteria for commercialisation. Prior to taking that decision they may require further information on the innovation, possible applications, market report etc. If the IPCMC decides to proceed with commercialisation, external patent attorneys are instructed to lodge a provisional application. Someone from the Commercialisation Unit at Access MQ will contact the inventors for comment on the drafted patent specifications, exploring further steps to be taken to refine innovation (depending on the state of disclosure), proof of concept etc.

5.0 Commercialisation

It is the policy of Access MQ that at all times staff work closely with academics and students to commercialise their IP in a way which incorporates the wishes and views of the inventors, the reputation of the University and the realities of commerce and external funding bodies. Where possible, inventors will be involved in presentations to potential venture capitalists and funding partners and in patent decisions. Inventors can obtain financial statements relating to expenditure and income of commercialisation such as the legal costs, company incorporation costs etc.

Inventors will also be involved in decisions on whether a licence or a spin-off company would be the most appropriate vehicle in relation to their particular innovation. Licences may be most appropriate where a potential licensee had a mix of complementary products or technologies, an efficient distribution network, sufficient resources to complete any further Research & Development required, product development and a culture of in-licensing technologies from Universities.

Spin-off companies could be appropriate if substantial value can be added by further development of the innovation prior to licensing, technology in the area is relatively new or the market relatively small, markets for products incorporating the innovation do not exist and there are no available alternatives and incorporation of a spin-off will not lead Macquarie University or Access MQ to assume an unmanageable risk.

6.0 Assignments

If a decision to seek Intellectual Property protection or begin the process of bringing technology to the market is taken, Access MQ will require the signing of an assignment of the technology or innovation over to the University. The reasons for doing this can be found in the University's IP Policy which sets out the reasons why the University may want to claim Intellectual Property. There is another reason for this as well: as commercialisation proceedings advance potential venture capitalists, joint partners and licensees usually wish to be assured that there is a clear ownership trail and it is often simpler from a commercial perspective to deal with a company rather than individuals.

While Access MQ is not obliged to commercialise every innovation or technology that may be capable of Intellectual Property protection, it would use reasonable commercial efforts to do so or to assist the inventors in obtaining assistance from other parties. In addition, even though a particular innovation may be judged to be capable of commercialisation and patent applications lodged, at any time, Access MQ may, in conjunction with the Commercialisation Unit, decide that costs and expenses of obtaining patent protection far exceed the benefits. This decision will only be taken after extensive reviews of the technology, which may involve commissioning a comprehensive survey of the market and analysis of the technology. In this situation, the University may assign the technology or innovation back to the inventors and in some instances it may not seek reimbursement for expenditure to date.

7.0 Remuneration

Any licence fees, sales or royalties arising from the licence of technology or sale of products will be divided in accordance with Macquarie University policy after payment of costs and expenses have been deducted, on a 50:50 basis between the inventors and University. Typically, in the case of exclusive licences these expenses may be patent expenses and payment for ongoing research. A similar principle applies to equity arrangements the University may have in spin-off companies.