SUBMISSION COVER FORM

Draft National Principles of Intellectual Property Management for Publicly Funded Research Conducted in the Public Sector

Please complete the form below and attach it to your submission. Submissions that do not have this form attached will not be accepted.

1. **Does this submission reflect the views of the organization or an individual?**

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If the submission reflects the views of an organization, please include details of the organization below.

1. **Contact details**

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Date:	18 July 2012
Name:	**Professor Bob Williamson AO FAA FRS**
Signature:	Bob Williamson

(Note: It is acceptable to type your name in the signature box of the Declaration Form as your electronic signature.)

TEMPLATE FOR COMMENTS

Draft National Principles of Intellectual Property Management for Publicly Funded Research Conducted in the Public Sector

Date:	**18 July 2012**
Organisation:	**Australian Academy of Science**
Position:	**Professor Bob Williamson AO FAA FRS** **Secretary for Science Policy**

Submission to the Coordination Committee on Innovation

Draft revision of the National Principles of Intellectual Property Management for Publicly Funded Research (the National Principles)

Introduction

The Australian Academy of Science welcomes the opportunity to provide comment on the draft revision of the National Principles of Intellectual Property Management for Publicly Funded Research (the National Principles). Maximising the national benefits from investment in research requires careful and considered management of intellectual property. The Academy recognises that a set of National Principles can help guide research institutions, research managers, researchers to maximise the benefits of publicly funded research, provided there is no marked increase in cost in terms of time and finance.

The existing National Principles have now been in place for over ten years, and during this time there have been a number of developments affecting research and intellectual property management. These developments raise important questions as to how best to maximise national benefits whilst securing positive commercial outcomes. The revision of the National Principles provides an opportune moment to guide those carrying out publicly funded research on how they can attempt to ensure their research brings commercial benefits to Australia.
The Academy would like to make a number of general comments relating to the National Principles, and as requested by the Committee has also made specific comments on the National Principles using the supplied template.

General comments

Within the National Principles further emphasis should be placed on encouraging research institutions and researchers to avoid intellectual property rights issues that result in barriers to future research. It is important that commercial opportunities are exploited where appropriate and in the national interest, but it is also important that IP issues are handled in a way that permits research to continue without impediments. Protecting intellectual property is time consuming and expensive. Given that the resources required to pursue intellectual property rights are limited, institutions should be encouraged to focus only on pursuing intellectual property rights and patents that are most likely to bring commercial benefits. Protecting intellectual property where there is no commercial advantage of development should be avoided, to save valuable resources and to encourage further research. It is particularly important that the temptation to measure effectiveness of this policy in terms of “numbers of provisional patents applied for” is resisted; this merely encourages institutions to patent everything possible, whether realistic or not.

The findings of the *University of Western Australia versus Gray* do not appear to be adequately addressed with the draft revision of the National Principles. This judgement has been interpreted by some to mean that it is no longer appropriate to assume that research institutions can rely on employer Common Law rights as the

sole means of determining their ownership of IP, as the draft revision currently states. Further consideration of the National Principles in light of this judgement might be appropriate so that additional guidance can be offered if necessary.

The draft revision of the National Principles might appear to present a binary choice for researchers and research institutions, between the protection of intellectual property and the rapid release of research findings into the public domain. The release of research findings by those not needing to pursue intellectual property protection is welcomed. However, it should be recognised that these two approaches may at times conflict with each other, and there may be some occasions where the protection of IP dictates that the rapid release of research findings is not appropriate. The existing National Principles acknowledge that there is no single 'best approach' for commercialising intellectual property, and that each case should be considered individually. A similar statement within the revised principles, recognising the importance of acting in the national interest, would help give direction.

Unfortunately the principles as set out are not being applied to research being conducted by or for government departments and agencies. It is not clear why significant areas of publicly funded research, such as research being carried out by CSIRO or DSTO, are not included. Whilst it is appreciated that such agencies do develop significant amounts of Intellectual Property and will already have their own policies and guidance on this issue, there might be real benefit in the research community taking a consistent approach and adopting the National Principles for all government funded research where IP may be generated.

Specific comments

Section no:	Comments:
Part 1, para 2, line 3	Reference is made to a definition within this sentence but no definition is given. Perhaps Sec 1, para 2, sentence 1 is the definition. However at present this is not clear and it would be helpful if this was clarified.
Part 1, para 2, line 5	The term 'etc' is not particularly useful within a paragraph that is setting out the areas that are, and are not, affected by the National Principles. Precision is required here and removing 'etc' and replacing it with details of the types of research not covered by the definition will help avoid ambiguity.
Part 1, para 2	It is disappointing that government agencies have not been included. Some government agencies, such as CSIRO, generate significant amounts of IP and it is not clear why different rules should apply.

Section no:	**Comments:**
Part 2, sec b	It is appreciated that the principles state that: 'Australian research institutions and researchers will *make every reasonable effort* to gain benefit for Australia from IP' (emphasis added) However, it should be recognised that patents are expensive to write and maintain, and very expensive to litigate. An inadequately written and prosecuted patent can result in it holding no value, even where the underlying technology is good. Ensuring that patenting work is carried out to a high enough standard to withstand challenges requires appropriate resourcing. Specific recognition of the responsibilities of research institutions to appropriately resource this activity should be stated within the National Principles. As it stands this principle is problematic as it presents a binary choice for researchers and research institutions between IP protection and rapidly releasing research findings into the public domain. It should be recognised that these two approaches may sometimes conflict and such acceleration might not always be appropriate. In addition, given that funding and the resources required to undertake adequate IP protection are currently limited, further time to develop and commercialise research might be required.
Part 2, sec c and also Part 2, sec d, subsec ii and iii	The findings of the *University of Western Australia versus Gray* do not appear to be adequately addressed here or elsewhere in the document. In this decision, because there was no implied term in the researcher's contract regarding IP ownership, the IP involved in this case was found to be the property of the researcher and not the research institution. It has been interpreted by some that this judgment now means that unless there is express agreement to the contrary, IP rights made by academic staff may belong to the academic staff and not the university. For this reason it might not be appropriate to assume that research institutions can rely on employer Common Law rights as the sole means of determining their ownership of IP.
Part 2, sec c, line 1	It is unclear as to what the 'associated rights' of generated IP are within this section. Presumably these 'associated rights' include exploitation rights. If this is the case then these, and any other identified associated rights, should be specifically stated within the document.

Section no:	Comments:
Part 2, sec c, line 2-3	This paragraph is technically incorrect. Stating that the ownership of IP is vested in the *administering institution* is contrary to many existing arrangements already in place. It needs to be noted that the *administration* of a grant is *not* linked to inventorship, ownership, and exploitation. These are three different areas and they should be addressed separately. The ownership of IP might in many cases be based on the assignment of rights from the inventor to the employer, but it needs to be recognised that such an employer is not necessarily the grant administering institution. This might particularly be the case where one institution is administering a grant that involves researchers employed across multiple institutions. It is also well known that reward for the development of IP does not necessarily go to, nor is necessarily restricted to, those who are named in a patent. It would be more useful to address this issue by stating that any administering institution should ensure that the principles for developing and identifying ownership of IP are agreed to in advance.
Part 2, sec d, line 1	This footnote is confusing as it states that research institutions must incorporate their policies within the NHMRC *Australian Code for the Responsible Conduct of Research*. Presumably this is the wrong way around, and research institutions should be ensuring that their policies are consistent with the code.
Part 2, sec d, subsec ii and iii	Please also see comments on *University of Western Australia versus Gray* as discussed above. It is not clearly articulated within this section that institutions have a duty to communicate and implement IP policies with respect to the duty to invent, IP ownership and also exploitation.
Part 2, sec d, subsec vi	It should be stated that the preferred policy is that there is an assignment of IP from researchers to their employers. The examples where universities or research institutes have not adhered to such a policy and have allowed researchers to retain IP ownership have frustrated efforts to commercialise and translate research.
Part 2, sec d	This section should emphasise the obligation of the IP holder to exploit the IP or otherwise release it into the public domain. The protection of IP without the intention or resources to exploit must be avoided.
Part 2, sec e	This section assumes that there are appropriate skilled resources already in place to enable this to happen. The reality for many research institutions is that resources are constrained.
Part 2, sec f	This section does not appear to add anything of further substance to the document and so clarification is sought as to the intent of its inclusion.