

# Commercialisation and Intellectual Property

## Policy for Staff, Students and Visitors

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**Contact Person:** Chief Executive Officer, Canterprise Limited, Extn 6539

### **Preamble:**

The University of Canterbury prides itself on the quality of its staff and students and wishes to encourage and support an entrepreneurial environment where creativity is celebrated. The intellectual property (IP) generated by staff and students is one important outcome of a thriving research culture. Like many top Universities we recognise the advantages of protecting and commercialising IP and we wish to sensibly and fairly share the benefits.

In the first instance our policy claims all staff and student IP on behalf of the University so that we can openly talk with the inventor about the best approach to commercialisation where appropriate. Both the University and its subsidiary Canterprise will act in good faith and provide timely and sensible advice about whether Canterprise wishes to lead the commercialisation process or whether there are other options, including in some cases passing the IP back to the investor. In those cases where Canterprise leads the process we have developed what we believe to be fair policy about the share of benefits.

### **Introduction:**

The University has ownership rights in respect of intellectual property (“IP”) created by staff employed by the University and by students and other visitors using University Resources by agreement with the University. The University wishes to encourage and promote academic freedom wherever possible but also to manage IP through appropriate recognition and sharing of benefits with the Creators of IP. These aims must be balanced against duties owed by staff, students and visitors to the University and the University’s obligations under the Education Act 1989. In addition, in making resources and other benefits available to the individual Creators, the University requires the Creators to assign the rights to IP to the University so that the University can manage the IP more effectively for the benefit of its staff, students, visitors, stakeholders and the University community.

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Canterprise Limited is the Commercialisation and IP transfer company of the University of Canterbury and as such it provides intellectual property, Commercialisation and other commercial services to the University, staff, students and visitors. One of the objectives of Canterprise is to maximise the future value of IP created within the University environment, through licensing, joint ventures and business start ups. This policy outlines the types of Commercialisation process used by Canterprise; describes the framework for managing the IP created by staff, students and visitors of the University; and determines the way in which benefits will be distributed between the various Creators of IP (staff, students and visitors) and the University.

The objects of this policy are to:

- encourage and maintain a climate of creativity, inventiveness and innovation amongst staff, students and visitors and an awareness of the importance of IP;
- state and explain the respective ownership rights and obligations of the University, its staff, students and visitors in relation to IP; and
- assist in the effective Commercialisation of IP for the benefit of the University, its staff, students and visitors.

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## **Definitions:**

**Artistic Work** means an artistic work as defined by the Copyright Act 1994;

**Benefit Policy** means the sharing of benefits from the Commercialisation of any University IP between the University, and any Members of the University as set out in the Appendix to this Policy;

**Book** includes sections in books;

**Canterprise** means Canterprise Limited a wholly owned subsidiary company of the University and includes any subsidiary of Canterprise Limited.

**Commercialise** means the development, protection by Patent or otherwise, exploitation and marketing for commercial gain or otherwise, of IP; and “Commercialise the University IP”, “Commercialisation” and “Commercialising” shall have an equivalent meaning;

**Confidential Information** means information subject to an obligation of confidence whether contractually or by operation of statutory or common law relating to any University work, project, research, IP (whether University IP or not), or the subject matter of any research contract whether such information is oral, written or embodied in any other physical or electronic form whether written or spoken;

**Copying** means copying as defined in the Copyright Act 1994;

**Copyright Work** means those original works referred to in Section 14 of the Copyright Act 1994 and further defined in Section 2 of that Act;

**Creator** and **Creators** means any person(s) who produces, invents, discovers, or originates any Intellectual Property, and “create”, “created”, “creation” and “creating” have corresponding meanings and where any Staff Member, Research Student or Visitor is the “Creator” of any University IP the reference to “Creator” throughout this Policy shall apply to such Staff Member, Research Student or Visitor as the case may be;

**Department** means a department within the University or a School;

**Design** means the definition of Design appearing in the Designs Act 1953, which at the date of the issue of this Policy means: features of shape, configuration, pattern, or ornament applied to an article by any industrial process or means, being features which in the finished article appeal to and are judged solely by the eye; but does not include a method or principle of construction or features of shape or configuration which are dictated solely by the function which the article to be made in that shape or configuration has to perform;

**Dramatic Work** means a dramatic work as defined in the Copyright Act 1994;

**Excluded Copyright Work** means the Copyright Work in the following work created by Staff, Students or Visitors:

- a) a monograph, journal article, book, or conference paper whether first published in hard copy or in some other format (until assigned to another party as a condition of publication);
- b) a Research Student’s thesis, dissertation and other assessable work to the extent that he/she is the author of the work;

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- c) except where expressly commissioned by the University (independently of any general contract of employment):
  - i. a Dramatic Work;
  - ii. film scripts and scenarios but not films themselves;
  - iii. the words of a song;
  - iv. a Musical Work;
  - v. a Work of Fine Art; and
- d) Instructional Material developed as part of a Staff Member's duties in teaching;

**Instructional Material** means any Copyright Work prepared specifically for the purposes of teaching and learning including lecture notes, overhead transparencies, PowerPoint presentations or slides, hand-outs for personal presentation or software that has been created purely for the purposes of teaching or, for example, as utility software for the University's information technology systems, which is made available in the public domain;

**Intellectual Property (IP)** means any discovery, innovation, invention, form, shape, sound image, expression, technique or process which is the product of skill, effort or intellect and includes:

- i. Copyright Work and performances;
- ii. Patents and potentially patentable inventions and associated Patent Rights;
- iii. Plant Varieties and protectable life forms;
- iv. Designs, whether registerable or otherwise;
- v. Databases and other valuable or potentially valuable information, including research outcomes and records;
- vi. Trade secrets, Know How and Confidential Information;
- vii. Layout Designs for integrated circuits;
- viii. Signs or insignia of origin, quality, reputation, or commercial connection;
- ix. Registered and unregistered trade marks and business names;
- x. Goodwill in a name or in the presentation or packaging of any goods or services;

and as such terms or items are further defined in the following acts:

Copyright Act 1994  
Designs Act 1953  
Geographical Indications Act 1994  
Hazardous Substances and New Organisms Act (HSNO) 1996  
Layout Designs Act 1994  
Medicines Act 1981  
Patents Act 1953  
Plant Variety Rights Act 1987  
Trade Marks Act 2002

**IP Right, Intellectual Property Right or Right to Intellectual Property** means any claim, right or interest in intellectual property, which is enforceable or recognised under the law of New Zealand or any other country where the rights to the Intellectual Property have been asserted, whether by contract, statutory or common law;

**Know How** means any information, data, know-how or experience (whether patentable or not) including trade secrets, processes, procedures, formulae, concepts, ideas, data, experimental methods and results (including physical, chemical, biological, pre-clinical and clinical data), assays, descriptions, business and scientific plans, depictions, nucleic acid sequence listings, computer programmes, design or manufacturing techniques, operating instructions, machinery designs, raw

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material or product specifications, drawings, blue prints, and any other technical and commercial information relating to research, design, development, manufacture, assembly, use or sale and all IP comprised therein;

**Layout Design** means a layout design as defined in the Layout Designs Act 1994;

**Member of the University** includes Staff, Students, and Visitors and Members of the University has a corresponding meaning;

**Musical Work** means a musical work as defined in the Copyright Act 1994;

**Paris Convention** means the Paris Convention for the Protection of Industrial Property recognised by the World Intellectual Property Office;

**Patent** means the exclusive rights granted by a government anywhere in the world for a new invention which enables the owner (the patentee) to exclusively exploit and Commercialise the invention for a period of time;

**Patent Application** means the filing with any government authority of an application for a Patent together with a provisional specification;

**Patent Rights** means the rights to:

- a) apply for and obtain Patents or other similar forms of protection in respect of an invention in any country;
- b) to claim priority under any international convention or agreement including the Paris Convention and Washington Treaty (as amended from time to time) from any such application or applications referred to in paragraph (a) above;
- c) all rights conferred by any such Patent or similar forms of protection when granted;
- d) the Patent Applications together with any Patent that may be granted pursuant to the Patent Applications and any future Patent(s) and Patent Application(s) which are based on or derive priority from or have equivalent claims to the Patent Applications in any country in the world (including divisions, continuations, continuations in part, supplementary protection certificates, reissues, extensions, innovation Patents and petty Patents);

**Performance** means a performance as defined in Section 169 of the Copyright Act 1994 or other applicable law;

**Person** means a natural person, body corporate, university, Crown body or any other entity recognised as having legal personality;

**Plant Variety** means a plant variety as defined in the Plant Varieties Act 1987 and Plant Varieties has a corresponding meaning;

**Policy** means this Commercialisation and intellectual property policy document and any schedules or appendices, as amended or updated from time to time;

**Research Student** means any Student enrolled for any course or qualification offered by or on behalf of the University, which either: (i) requires research to be presented in the form of a Thesis; or (ii) is a post-graduate course, post-graduate qualification or post-graduate degree; or (iii) requires the Student to submit a dissertation or take part in a research project;

**School** means a school within the University;

**Sign** means a sign as defined in the Trade Marks Act 2002;

**Staff Member** means a person engaged by the University under a contract of employment, engaged by another employer but seconded to the University, a contractor, consultant, officer of the University or any other person contracted to provide personal services to the University and includes any person employed by a contractor to the University to provide personal services via the contractor to the University and Staff has a corresponding meaning;

**Student** means any person enrolled for any course or qualification offered by or on behalf of the University;

**“Subsidiary”** has the meaning given to that term by the Companies Act 1993.

**Third Party** means any person or body corporate other than the University or a Member of the University and Third parties has a corresponding meaning;

**Trade Mark** means a trade mark as defined in the Trade Marks Act 2002;

**University** means the University of Canterbury and where the context permits, includes Canterprise (unless expressly excluded) and, includes any other company in which the University has an ownership interest and includes a subsidiary of the University;

**University IP** means IP in which the University or Canterprise has rights of ownership or in which the University asserts its ownership in accordance with clause 2.1 of this Policy;

**University Resources** means monetary or other resources owned, made available, provided or obtained by the University or Canterprise and as such term ‘resources’ shall have its widest possible meaning which includes (for the purpose of illustration only and without limitation to the foregoing):

- a) money, services, facilities, tuition or property owned, provided or obtained by the University;
- b) pre-existing University IP;
- c) funds obtained by or through the University (other than the Staff Members’ salaries unless in respect of a consulting or research contract) or Canterprise;
- d) computers, library books, laboratory or other equipment;
- e) access to any University supervisory or support Staff Member or to Canterprise;
- f) access to premises or facilities occupied by the University;

**Visitors** means a person other than a Staff Member or Student who is given access to or use of University Resources;

**Washington Treaty** means the Patent Cooperation Treaty, signed at Washington on the 19th day of June 1970, the text of which, as amended on the 2nd day of October 1979 and modified on the 3rd day of February 1984, is set out in Schedule 1 to the Patents Amendment Act 1992; and

**Work of Fine Art** means an Artistic Work originally produced in single or limited editions and not intended for industrial application or use but does not include:

- a) a work of architecture being a building or model or plan for a building; or
- b) a means of storing accessing or arranging an Artistic Work.

## **Policy and Guidelines:**

### **1.0 Principles**

- 1.1 The University has an obligation under the Education Act 1989 to protect its property which includes University IP or IP in which it has an interest.
- 1.2 The University recognises the interests of Creators in University IP and the contribution of Staff Members, Research Students and Visitors to University IP.
- 1.3 To enable the University to achieve an equitable distribution of any financial benefits from commercialising University IP, the University has agreed to share any benefits arising from University IP with the Creators of the University IP in accordance with this Policy.
- 1.4 The University has appointed Canterprise to manage the identification and Commercialisation of University IP for the benefit of the University and all Members of the University. To allow Canterprise to carry out its duties the University and all Members of the University must adhere to a clear policy on IP and its Commercialisation. (*For further information about the role of Canterprise in managing the University's intellectual property, see [the Canterprise website](#).*)
- 1.5 The University will procure the compliance by Canterprise with the terms of this Policy. If there is an inconsistency between decisions or representations of the Members of the University (including Heads of Department or the Pro-Vice-Chancellors) and Canterprise, the terms of the Policy will prevail. Heads of Department or the Pro-Vice-Chancellor are not authorised to waive any rights contained in the Policy or otherwise agree to deal with any IP or IP rights outside the terms of this Policy unless discussed and agreed with Canterprise or the Deputy Vice Chancellor.
- 1.6 The University (and not Staff Members, Students or Visitors) shall have the right to decide whether to commercially develop University IP, and the University has and shall assign and delegate such rights to Canterprise. Canterprise will consult with the Creators of IP wherever possible as to the appropriate mode of commercialisation in accordance with this Policy.
- 1.7 Staff Members, Research Students and Visitors must promptly disclose to Canterprise [Drafting Note. Amended to be consistent with clause 3] any IP in which the University or Canterprise may have an interest. Subject to the terms of this Policy, the Creators of Excluded Copyright Works will retain all rights to such works subject to a non-exclusive royalty free licence to the University to use the Excluded Copyright Work for teaching, scholarship, research, study or consultancy work in perpetuity.
- 1.8 All IP (other than Excluded Copyright Works) created by Staff Members (in carrying out their duties under their employment contracts, in utilising University Resources or in supervision of Research Students) and by Research Students and Visitors (in utilising University Resources or in supervision of Research Students) shall be deemed to be University IP and shall be dealt with in accordance with this Policy.
- 1.9 All IP created by Students (other than Research Students) shall belong to the individual Students and shall not be University IP unless assigned to the University in writing by the Student Creator(s).
- 1.10 The University has a commitment to Maori under the Treaty of Waitangi, and recognises Maori intellectual property to be a taonga (*treasure*) within the terms of the Treaty.

- 1.11 Commercialisation of IP shall not hinder the completion and examination of Masters or PhD theses.
- 1.12 Where the University enters into a contract with a Third Party in respect of University IP they shall have regard to the principles set out in this IP Policy. However, where there is a conflict between a contract with a Third Party and the IP Policy, the terms of the contract shall prevail.

## **2.0 Ownership**

- 2.1 The University retains rights to all IP (other than Excluded Copyright Work) created as a result of research, consultancy, inventions, creative skill or application of other work attracting IP rights and the improvement, development or creative addition or alterations to any such work (or to other work attracting IP rights) carried out by:
  - a) Staff Member's, in accordance with his or her duties as an employee of the University; or where he or she was specifically contracted to provide services to the University; or utilising University Resources; or in supervision of Research Students.
  - b) Research Students, using University Resources; or
  - c) Visitors, using University Resources or in accordance with contracts to provide services to the University or in supervision of Research Students.
- 2.2 Where the University, Canterprise on behalf of the University, or for itself (where University IP has been assigned to Canterprise) determines that it does not wish to retain its rights to any University IP, in full or in part, it shall inform the Creator(s) of that decision in writing and will, if necessary, execute any necessary assignment or conveyance of the IP, in full or in part, to the Creators. The Creator(s) will then be free to exploit that IP as they see fit, subject to Clause 5.1(c) of this Policy.
- 2.3 Where the University reasonably requests, the Creator(s) of any University IP will execute any necessary assignment or conveyance of the University IP, in full or in part, to the University or Canterprise.
- 2.4 The Creator(s) of any Excluded Copyright Work shall, subject to clause 3.5, retain all rights to Copyright Work in such works but will comply with any reasonable request made by the University in respect of confidentiality of University IP and the timing of any publication or public disclosure of any such Excluded Copyright Works.

## **3.0 Obligations of Staff Members, Research Students and Visitors**

- 3.1 Members of the University must not do any of the following in relation to University IP:
  - a) apply for a Patent or other Patent Rights;
  - b) enter into any contracts, discussions or negotiations with Third Parties without the permission of Canterprise;
  - c) act in any way that is inconsistent with this Policy.

Note: See clause 6 also.

- 3.2 When a Member of the University discovers University IP or suspects that he or she has, whether alone or with others, created or contributed to the creation of University,

he or she must submit forthwith a full written disclosure of the University IP to Canterprise.

- 3.3 The publication or public disclosure of University IP before an application is made for statutory protection can jeopardise the right to obtain statutory protection of that University IP, with the potential for loss of future rights (including the loss of substantial value). The Creators of University IP or Excluded Copyright Works that relate to University IP must not publish or make disclosure that relates to University IP except in accordance with clause 6.
- 3.4 Whenever disclosure of University IP is made, pursuant to clause 3.2, the relevant Staff Member, Research Student or Visitor concerned shall provide further details of the University IP in question at the request of the University, including:
  - a) the date upon which the IP was created or discovered;
  - b) the identity of any person or persons who contributed to the creation or discovery of the IP;
  - c) the details of any pre-existing IP which was used in creating or discovering the IP;
  - d) whether any person other than the Creator claims any entitlement or interest in the IP; and
  - e) the details of any University Resources used to create or discover the IP.
- 3.5 The University shall have a non-exclusive royalty free licence to use Excluded Copyright Works for the purposes of teaching scholarship, research, study, consultancy or learning only.

#### **4.0 Commercialisation**

- 4.1 Where a Creator has made a disclosure to Canterprise in accordance with clause 3, Canterprise will respond to the Creator within a period of 60 days from receipt of disclosure with its initial assessment of the relevant University IP.
- 4.2 In any case where Canterprise is considering whether to commercially exploit University IP, Canterprise shall report regularly to the Creator(s) on its actions in relation to that University IP. Failure to report shall not prejudice the rights of Canterprise or the University except as provided in this Policy. Canterprise shall be free to exercise its discretion on decisions regarding Commercialisation of University IP and whilst Canterprise may consult with Members of the University from time to time such consultation shall not fetter its discretion as regards Commercialisation of University IP.
- 4.3 If Canterprise has not responded within 60 days in accordance with clause 4.1 the Creator(s) may, by written notice to Canterprise, call on Canterprise to respond within a further 60 days, failing which the relevant University IP together with any future benefits that may follow from a commercial development of it (but excluding any pre-existing University IP), will be deemed to have become the property of the Creator(s) subject to Clause 5.1(c).
- 4.4 Subject to clause 4.5, where Canterprise exercises its rights to Commercialise University IP it shall aim to provide or secure funding or a commercial partner for the Commercialisation of such IP within 24 months of commencing the process of Commercialisation (not including protection of IP Rights). At the end of the 24 month period if no funding or commercial partner has been provided/secured the rights to Commercialise the relevant University IP (but excluding any pre-existing University IP)

shall revert to the Creator(s), together with any future benefits that may follow from a commercial development of it but subject to Clause 5.1(c). It is acknowledged that when some University IP is first created or discovered its Commercialisation may not be possible without either further development of the relevant University IP or availability of associated applications required to exploit and use the relevant University IP (a “development phase”). The period for Canterprise to facilitate Commercialisation shall not commence until the end of any such development phase. In any event the 24 month period referred to in this clause 4.4 may be extended by mutual agreement between Canterprise and the Creator(s) with extended periods normally being no longer than 12 months at a time. The rights to any University IP may also revert to the Creator(s) sooner than 24 months by mutual agreement between Canterprise and the Creator(s). For the avoidance of doubt, the entering into a contract with a Third Party for the purposes of Commercialising the relevant University IP shall, for the purposes of this clause be deemed to constitute the securing of “funding or a commercial partner for the purposes of Commercialisation” in terms of this clause.

- 4.5 Should Canterprise choose not to commercially develop the University IP at the then present time but continuing development of the University IP takes place using University Resources, the University and Canterprise retain the right to re-assert the University’s rights to the relevant IP and to Commercialise the relevant IP. In such case the Creator(s) who either wish IP to be deemed to become their property or seek assignment of any IP to them, must give written notice to Canterprise of this intention. Canterprise shall have a period of 60 days in which to consider any such request for IP to be deemed to belong to or to be assigned to the Creator(s). If Canterprise chooses not to assert the University’s rights or fails to respond within the 60 days of receiving written notice from the Creator(s) the relevant IP (but excluding any pre-existing University IP) shall revert to the Creator(s), together with any future benefits that may follow from a successful commercial development of it but subject to Clause 5.1(c).
- 4.6 Where Canterprise files a Patent Application, unless agreed otherwise with the Creator(s), Canterprise shall pay the costs of the Patent Application with such costs associated with the Patent Application being deducted as a cost of Canterprise under the Benefit Policy (see Appendix).
- 4.7 If a Patent is granted to Canterprise and the period of protection granted is due to expire Canterprise will notify the Creator(s) no less than 6 weeks before the expiry of the initial period of protection whether Canterprise wishes to seek a renewal of the Patent. If Canterprise chooses not to renew such Patent then the rights to the Patent, and the right to seek a renewal of it, shall be assigned by Canterprise to the Creator(s) (at their written request) but subject to clause 5.1(c).
- 4.8 Where University IP is licensed to a Third Party, Canterprise will manage the subsequent net royalty flow back to the University or Canterprise and the Creator(s) in accordance with the Benefit Policy (see Appendix).
- 4.9 Nothing in this clause 4 shall prevent a Creator from referring a dispute for resolution in terms of clause 8.

## **5.0 Assignment of IP and Sharing of Benefits**

### **5.1 Assignment of Intellectual Property Rights**

- a) In consideration of the assignment by the Creator(s) to the University of any rights they may have to University IP, the University and Canterprise will share the financial benefits received from any Commercialisation of University IP with the Creator(s) in accordance with the Benefit Policy (see Appendix).
- b) The distribution of benefits between multiple Creators shall be determined by agreement between the Creators with the assistance of Canterprise. Failing agreement between the Creators Canterprise shall hold any benefits belonging to the Creators (under the Benefit Policy) on trust for the Creators until its distribution between the Creators can be determined by the Creators in accordance with clause 8.
- c) Where Canterprise determines that it does not wish to Commercialise or retain its rights to any University IP, then, in consideration of Canterprise assigning rights to the relevant IP to the Creator(s), the Creator(s) shall share the economic benefits received from any subsequent Commercialisation of the relevant IP with Canterprise and the University at the rate of 5% of all economic benefits. The Creator(s) will ensure that any agreements they reach with Third Parties for the Commercialisation of the relevant IP shall not seek to reduce the value of the 5% share of benefits to which Canterprise and/or the University are entitled. Where 5% of the economic benefits are to be paid to the University, the terms on calculation and deduction of costs appearing in the Benefit Policy (see Appendix) shall apply equally to the Creator(s) as they are expressed to apply to Canterprise so that only costs that are directly related to the relevant IP may be deducted before the 5% share of benefits is calculated and paid to the University and/or Canterprise.

### **5.2 Share of Benefits**

The distribution of financial benefits and royalties received by Canterprise from the Commercialisation of University IP will be in accordance with the Benefit Policy (see Appendix).

### **5.3 Excluded Copyright Works**

Except where the Creator of Excluded Copyright Works is specifically contracted by the University to produce such Excluded Copyright Works (whether in exchange for an agreed share of royalties payable to the University or otherwise) the financial benefits or royalties from Excluded Copyright Works shall belong to the Creator exclusively and are not required to be paid through Canterprise or distributed in accordance with the Benefit Policy (see Appendix).

### **5.4 Licensing or Assignment of Intellectual Property to a Partnership, Start-Up Company or Existing Company in Exchange for Shares**

Where Canterprise licenses or assigns University IP to a company or other entity or person in exchange for the issue or part issue of shares (equity) or similar equity securities (possibly mixed with a financial component), such shares or securities received by Canterprise will be divided in the proportions: 34% to the Creator(s) (or to Canterprise, at the election of Canterprise, to be held beneficially on the Creator'(s) behalf); and 66% to be held by Canterprise for the University (see further the Benefit Policy (see Appendix) on Distribution of Monetary Income and Capital Receipts). The holding of shares or similar equity securities by the Creator(s) (or by Canterprise to be held beneficially on the

Creator(s) behalf) shall not prevent Canteprise from continuing to make all decisions in relation to the University IP in its sole discretion and having the unfettered right to make all final decisions that it considers necessary or desirable for the Commercialisation of the University IP. Canteprise shall be entitled to require the Creator(s) to enter into such documentation and arrangements as Canteprise deems reasonably necessary to administer and structure the Commercialisation of the relevant University IP.

### **5.5 Commissioned Copyright Work**

- a) Where a Member of the University engages in consulting or editorial work for a Third Party on behalf of their Department or School then any payment or royalties arising from such work will be distributed in accordance with the Benefit Policy (see Appendix) but with the Creator'(s) Department or School receiving the share of benefits to which the Creator(s) would otherwise be entitled.
- b) Where a Head of Department/School or the Pro-Vice-Chancellor considers an individual has demonstrated exceptional creative input in providing consulting or editorial work for a Third Party on behalf of their Department or School, then the Head of Department/School or the Pro-Vice-Chancellor may award to such individual a share of up to and not exceeding 20% of the resulting payment or royalty to the Department or School (after deduction of Canteprise's costs).

## **6.0 Confidentiality and Restrictions on Publication**

- 6.1 The University is committed to its duties to uphold academic freedom and the free exchange of information, discussion and interchange of ideas in scholarship.
- 6.2 Notwithstanding clause 6.1, agreements with Third Parties to perform research or development work may require, from time to time, limited or full confidentiality, or a limited period of restriction on publication. Members of the University will act in accordance with the confidentiality obligations in clauses 6.3 to 6.5 when requested to do so by Canteprise, a Head of Department/School, the Pro-Vice-Chancellor, a Staff Member who is a supervisor or automatically in the following circumstances:
  - a) where a research contract with a Third Party arises from a contract or agreement to provide consultancy services and it is a term of the contract or agreement (or implied by law) that ownership of the IP created remains with the Third Party in whole or in part;
  - b) where a Third Party has entered a research contract or sponsorship agreement (or otherwise pays valuable consideration) which requires that no publicity be given to a project or contract without their prior approval;
  - c) in general, where Members of University working on Third Party contracts have access to IP or inventions or new techniques developed or belonging to a Third Party;
  - d) during a period of Commercialisation of University IP including technology transfer to a Third Party or where a Patent Application has commenced or is likely to commence.
- 6.3 Where a duty of confidentiality applies, all Members of the University shall keep and maintain as confidential all Confidential Information and shall not, directly or indirectly, disclose or permit any Confidential Information to be disclosed to any Third Party or use such Confidential Information other than for the purpose for which it was provided except:

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- a) to the extent required by law; or
  - b) as is already public knowledge without there being a breach of this clause 6 by the parties seeking to disclose or use such Confidential Information; or
  - c) as is authorised in writing by Canterprise, or a Head of Department/School or the Pro-Vice-Chancellor with the consent of Canterprise.
- 6.4 In the event that any party is legally required to disclose any Confidential Information, that party will:
- a) immediately notify Canterprise and the Head of Department/School or the Pro-Vice-Chancellors in writing, so that they may seek a protective order or other remedy;
  - b) only disclose Confidential Information to the extent legally required; and
  - c) notify the Third Party authority that the information is Confidential Information of the University or Canterprise.
- 6.5 The obligations of confidence in clauses 6.3 and 6.4 shall survive, in perpetuity, where a Member of the University ceases to be a Member of the University.
- 6.6 Third parties (including external clients or sponsors) shall not unreasonably withhold freedom of publication, and this shall be specified in Third Party contracts.
- 6.7 If restrictions on publication are required by the University, Canterprise or by a Third Party (through a contract with the University or Canterprise), then they are subject to the following conditions:
- a) the reasons for the restrictions shall be clearly specified in writing to the Creator(s);
  - b) the restrictions shall be the minimum necessary in time and subject matter;
  - c) no restriction on publication will be permitted where to do so may pose a danger to society or a risk to public health;
  - d) the maximum period of delay of publication that the University or Canterprise will accept with any Third Party is 12 months (or in exceptional cases 24 months) unless the University or Canterprise can demonstrate a longer period of delay is required or justified to allow the legitimate protection of valuable University IP.
- 6.8 Where the Creator(s) of University IP or Excluded Copyright works that relate to University IP desire or wish to publish or make public disclosure that relates to such University IP then they may only make publication if:
- a) They have obtained Canterprise's written consent to make such disclosure; or
  - b) Such disclosure is made in accordance with any restrictions on disclosure as may be notified to the Creator(s) by Canterbury or the University, but subject to the following conditions:
    - i) the reasons for the restrictions shall be clearly specified in writing to the Creator(s);
    - ii) the restrictions shall be the minimum necessary in time and subject matter;
    - iii) no restriction on publication will be permitted where to do so may pose a danger to society or a risk to public health;

- iv) the maximum period of delay of publication that Canterprise or the University may impose is 12 months unless Canterprise or the University can demonstrate a longer period of delay (but not exceeding 12 months) is so required or justified to allow the legitimate protection of valuable University IP;
- c) They have given written notice of their intention or desire to publish or make a public disclosure that relates to University IP and Canterprise or the University has not within 60 days of receipt of that notice converted in terms of clause 6.8(a) or imposed a restriction in terms of clause 6.8(b).

## **7.0 Moral Rights Recognition**

- 7.1 Nothing in this policy shall derogate from the provisions of Part 4 of the Copyright Act 1994 (which relates to the rights of Creators to be identified as the author of work that is subject to copyrights in terms of the Copyrights Act 1994) and the University shall comply with Part 4 of the Copyright Act 1994.

## **8.0 Disputes Resolution**

- 8.1 If agreement cannot be reached on any matter in dispute arising out of this Policy, then the affected parties (which may be the Creator(s), the University, Heads of Departments/Schools, the Pro-Vice-Chancellor, Canterprise, Staff Members, Students or Visitors) are to endeavour to resolve the disagreement amongst the affected parties acting in good faith within 30 days of one party notifying the other(s) that they are in dispute.
- 8.2 Failing resolution of a dispute under clause 8.1, a party in dispute must notify the other affected parties in writing that they wish to commence the resolution process set out in this clause 7 and must give the other affected parties reasonable details of the matter in dispute.
- 8.3 Within 20 days of the notice in clause 8.2 (or such other time as is mutually agreed), the affected parties must meet with the Deputy Vice-Chancellor to seek a resolution to the dispute.
- 8.4 If, in a particular case, the Vice-Chancellor is satisfied that the Deputy Vice-Chancellor has, or would reasonably appear to have, a conflict of interest in the matter, the Vice-Chancellor shall request the affected parties to choose a mutually agreed replacement. If they fail to reach agreement, a suitable replacement shall be selected by the Vice-Chancellor.
- 8.5 If the parties are not able to negotiate an acceptable solution within 40 days (or such other time as is mutually agreed) of the notice under clause 8.3, then the parties must appoint a mediator to help resolve the dispute. The role of the mediator is to assist in negotiating a resolution of the dispute and the decision of the mediator will not be binding on the affected parties.
- 8.6 Each of the affected parties acting in good faith will properly carry out such reasonable steps as may be requested by the mediator.

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- 8.7 The affected parties in dispute acknowledge that the purpose of any exchange of information or documents, or the making of any offer during mediation, is to be taken only as an attempt to settle the dispute. No affected party may use any information or documents obtained during mediation for any purpose other than in an attempt to settle the dispute, and shall keep such information and documents confidential.
- 8.8 If the affected parties are unable to resolve the dispute by mediation in accordance with this clause 8, then any affected party remains free to resort to the Courts of New Zealand to resolve the dispute or, by mutual agreement, proceed to a binding arbitration with a single arbitrator chosen by mutual agreement and failing that by the current President of the Canterbury District Law Society (or his or her nominee) on the request of any affected party.

### **Related Policies, Procedures and Forms:** *[show links]*

- Arbitration Act 1996
- Canterbury Operations
- Companies Act 1993
- Consulting Policy
- Copyright Act 1994
- Copyright Guidelines for the University of Canterbury (*still in draft*)
- Designs Act 1953
- Education Act 1989
- Layout Designs Act 1994
- Patents Act 1953
- Thesis Availability Policy
- Trade Marks Act 2002

### **Appendix**

- Benefit Policy

### **Notes:**

1. Any enquiries about this or related policies should be referred to either the Chief Executive Officer, Canterbury Limited, or to the Deputy Vice-Chancellor.

## **Appendix**

### **Benefit Policy**

#### **A: Benefit Policy applying to Staff Members and Visitors**

##### **Withholding Taxes**

Payments to individuals under this Policy may be subject to the deduction of withholding taxes and any share of benefits actually paid will be net of all such withholding taxes that Canterprise or the University are obliged to deduct.

##### **Recurring Royalty Income**

Where the Commercialisation of University IP generates recurring royalty income to Canterprise or the University, that income shall be distributed in the following priorities and shares:

1. All costs or expenses incurred by Canterprise in the development, protection (by Patent or otherwise), and exploitation and marketing (commercial or otherwise) of the relevant University IP (including costs of administering royalty income), plus a 10% margin on such costs (plus GST), will be deducted by Canterprise as a first charge on any financial or economic benefits received by Canterprise. This reimbursement must be based upon formal records of these costs which must be reasonably demonstrated to relate directly to the relevant University IP. The costs shall normally include the following:
  - costs for Canterprise staff time and travel at the current rates agreed with the University;
  - costs of correspondence;
  - Patent Application costs (provisional specification only);
  - legal costs;
  - advertising and publicity costs;
  - costs of preparing preliminary business plans or market research if specifically undertaken by Canterprise with the agreement of the Creator(s) and not funded by investors; and
  - the recovery of consulting or success fees paid to Third parties to arrange investment funding or research contract funding.
2. Following deduction of the costs in paragraph one above, the first \$10,000 (plus GST, if any) of the net royalties then remaining will be paid to the Creator(s) of the relevant University IP in the proportions agreed under clause 5.1(b) of the Policy.
3. The next \$90,000 (plus GST, if any), i.e. from \$10,001 to \$100,000 net royalties:
  - 50% to the Creator(s) of the relevant University IP;
  - 10% to Canterprise; and
  - 40% to the University, with an expectation that up to 50% of that will be available to the relevant Department or School, the use of which to be determined by the Pro-Vice-Chancellor.
4. Subsequent net royalties from \$100,001 (plus GST, if any) onwards:
  - 34% to the Creator(s) of the relevant University IP, and 66% to Canterprise.
  - Of the 66% net royalties it receives, Canterprise will retain 6% of the total net royalties.

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- Canterprise will return the remaining 60% total net royalties to the University, with an expectation that up to 50% of that will be available to the relevant School or Department, the use of which to be determined by the Pro-Vice-Chancellor.

### **Distribution of Monetary Income and Capital Receipts**

Non recurring royalty income or benefits may be received in monetary amounts (share of income, lump sum payments or stage payments for sale of University IP) or as non-monetary capital receipts (shares (equity) issued in a company or income arising from the growth in shares or value of a company). In respect of capital receipts, Canterprise will be entitled to make appropriate arrangements to hold the portion of capital receipts that are to be held beneficially for the Creator(s) and otherwise in accordance with clause 5.4 of the Policy.

Income and capital receipts shall be distributed as follows:

1. All costs or expenses incurred by Canterprise in the development, protection (by Patent or otherwise) and exploitation and marketing (commercial or otherwise) of the relevant University IP, plus a 10% margin on such costs (plus GST), will be deducted by Canterprise as a first charge on any financial or economic benefits, whether income, capital or a mixture of income and capital received by Canterprise. In the event that the benefits received from Commercialisation of the relevant University IP do not include sufficient monetary receipts to pay Canterprise's costs (and the 10% margin plus GST) then Canterprise may arrange to sell a sufficient number of the capital receipts in order to reimburse itself for such costs. This reimbursement must be based upon formal records of these costs which must be reasonably demonstrated to relate directly to the relevant University IP. The costs shall normally include the following:
  - costs for Canterprise staff time and travel at the current rates agreed with the University;
  - costs of correspondence;
  - Patent Application costs (provisional specification only);
  - legal costs;
  - advertising and publicity costs;
  - costs of preparing preliminary business plans or market research if specifically undertaken by Canterprise, with the agreement of the Creator(s), and not funded by investors; and
  - the recovery of consulting or success fees paid to Third parties to arrange investment funding or research contract funding.
2. Following deduction of the costs in paragraph one above, all remaining economic benefits received by Canterprise whether monetary or capital receipts will be distributed with 34% going to the Creator(s) and 66% to Canterprise.
3. Of the 66% remaining economic benefits it receives, Canterprise will retain 6% of the total economic benefits.
4. The remaining 60% net economic benefits will be passed to the University, with an expectation that up to 50% of that will be available to the relevant School or Department, the use of which to be determined by the Pro-Vice-Chancellor.

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**B: Benefit Policy applying to Research Students**

*[Based on section A of the Benefit Policy and to be inserted following input from Professor Jackson]*