Interpretation of the new IP Protocol

An overview for Maynooth University researchers

1. Introduction

In Autumn 2012, the Department of Jobs, Enterprise and Innovation (DJEI) published a document called "Putting public research to work for Ireland", also known as the national IP Protocol. The document outlines how intellectual property arising from Irish state funded research should be managed and best used for national economic return. The document is the outcome of the work of the IP Implementation Group, appointed by DJEI to implement the recommendations of the Innovation Taskforce report (published in March 2010) and the Forfas report "Review of Supports for Exploitation of Intellectual Property from Higher Education Research"(published in May 2010).

The IP Protocol sets the tone and principles for IP developed from state funded research and also includes rules and guidelines for industry engagement. It also outlines the basis of a national system and seeks to ensure national consistency and high performance.

Thus the IP Protocol states that

"*Ireland aims to provide an exemplary innovation ecosystem that creates economic and societal benefits, especially sustainable jobs. An essential condition for this is a user-friendly system that enables industry and the public research sector to work well together and which encourages the commercialisation of all forms of intellectual property ('IP') arising from research in the public sector*."

and further that

"*It is Government policy that:*

- *Where commercially exploitable IP arises as a result of State funding for research and development, the opportunity shall be taken to commercialise the IP in all possible fields, applications and territories;*
- *The purpose of this commercialisation, from Ireland's point of view, is to maximise the economic and societal benefits and returns to Ireland from its public investment in research;*
- *The primary objective of commercialisation is the creation of sustainable jobs in Ireland: this is the most important form of economic and societal benefit;*
- *Where the potential for job creation in Ireland is limited or non-existent, the aim is commercialisation elsewhere that will lead to wealth flows to Ireland."*

While much of the IP Protocol document simply makes clear current operational practice and unifies approaches to publicly funded research, industry engagement and IP management, it has three significant new additions of which we need to be aware. They are:

1. Knowledge Transfer Ireland Office (KTI)
2. Model contracts
3. IP Integrity.

2. Outline overview of the IP Protocol

(a) **KTI** is a new operational structure, housed in Enterprise Ireland but closely tied to the Irish University Association, and has an overall remit to manage the rollout of and adherence to the IP Protocol and promote technology transfer in Ireland. While each research performing organisation (RPO) such as Maynooth University will retain ownership of IP generated from its research and ownership of how it disposes of that IP, KTI has an oversight role, ensuring that we comply with national guidelines for IP management and exploitation. KTI will also act as an entry point / marketing hub for research expertise and available IP from RPOs. It is envisaged that companies looking for research partners / expertise / IP or entrepreneurs looking for new technologies to bring to market will firstly engage KTI and then be directed to the RPO(s) in best position to offer a solution. KTI will also have a mediation dimension, for

example if an RPO appeared to be non-compliant with national guidelines when doing business with industry or for example if an RPO felt pressured into making a deal which was non-compliant with national guidelines. KTI also manages and disperses the EI funding awarded to technology transfer offices at each RPO based on performance to agreed metrics.

(b) The IP Protocol directs KTI to create a set of **model contracts** for RPO-Industry engagement for state funded research and for dealing with IP exploitation. These model contracts deal with bilateral interactions (although model agreements for multilateral collaborations will be introduced at some point) and outline terms of engagement for research collaboration and terms for licensing of IP from RPOs. In general, the IP Protocol seeks that RPOs offer generous terms to industry in these engagements, particularly where companies financially support the research programs. The model contracts will be offered to industry partners as templates by the RPO's but are not mandatory.

The IP Protocol provides explicit directives on how IP should be dealt with arising from RPO-Industry collaborations and such terms will appear in the model contracts. The most significant of these directives on IP ownership and management are:

"*When research by an RPO is **wholly funded by the State**, the RPO shall own any IP arising from the research. The RPO shall then be free to negotiate arrangements for other organisations to access the IP in order to maximise the benefits of commercialisation for Ireland*."

"*When research by an RPO is **partly funded by the State and partly (in cash and/or in kind) by one or more industry parties**, the preferred arrangement for ownership, as a starting position for negotiation, is that the RPO will initially own all IP arising from the research and then licence the IP to the industry parties on preferential terms*."

"Joint ownership involves complex management arrangements and should normally be avoided in favour of RPO ownership. Joint ownership may be appropriate in specific industry sectors but otherwise should be considered only in exceptional cases"

To promote such collaborations, for the benefit of the Irish economy, the IP Protocol outlines

"*As an incentive to encourage partnering between industry and RPOs, an industry party who contributes towards the cost of a research programme shall be entitled to receive, if it wishes, a non-exclusive royalty-free (NERF) licence to the IP arising from the research programme, providing that:*

- *The research programme provides for the grant of NERF licences; and*
- *The industry party has made at least the necessary minimum contribution to the research programme, as defined at programme level; and*
- *The licence is for defined purposes, fields and territories that are sufficient to protect the industry party's freedom to operate; and*
- *The license is subject to standard conditions*."

The IP Protocol also speaks to multi-party collaborations

"*The partners in a multi-party Collaborative Research Programme may have differing needs and expectations regarding the benefits to them of their participation. Depending on their individual needs, the partners may enjoy benefits such as:*

- *The entitlement to negotiate access to IP and BIP arising from the programme ahead of other organisations who may wish to access it;*
- *A 'first look' at IP, for information purposes only;*
- *Non-exclusive royalty free access to IP for use in research or in defined fields and territories;*
- *Non-exclusive royalty bearing access to IP for use in defined fields and territories;*
- *Co-exclusive access to IP (exclusive to the collaborators but non-exclusive amongst them) for use in defined fields and territories;*
- *Exclusive access to IP for use in defined fields and territories*"

The IP Protocol directs that the process for dealing with RPO-industry collaborations include a term sheet and a programme plan to be put in place prior to funding being drawn down.

"*The RPO(s) and the industry party(ies) shall agree the following two documents describing their proposed Collaborative Research Programme and shall provide a copy of both documents to the State research funding organisation which will fund the Programme for approval, before the date on which the first part of the funding awarded by that funding organisation is drawn down:*

• ***Term Sheet*** *(based on the model* ***National Bilateral Collaboration Term Sheet*** *at Appendix I) which defines the arrangements for ownership of and access to IP and any other core terms relating to the Programme or any subsequent licence;*

• ***Programme Plan****, which includes all the technical aspects of the programme and the deliverables required."*

Reflecting on these directives, we can say that the most significant new directives are:

(a) Even if a company partly funds a research project, the other part funded by the state, the recommendation is that the RPO own the IP,
(b) Joint ownership should be avoided, and
(c) NERFs should be used as incentives for industry partners that contribute to the research project.

Upon reflection, we may see some push back from industry on points (a) and (b) and there is ample scope for us to negotiate around all of these points without being in breach of the IP Protocol.

In regard to the Term Sheet and Programme Plan, for the most part we do this already, the prime example being the EI funded Innovation Vouchers and Innovation Partnerships, which are our principle vehicles for state funded RPO-Industry collaborations.

(c) IP Integrity has a direct impact on our processes at Maynooth University as it deals with how RPOs manage IP generated from publicly funded research. It outlines some fundamental management structures and processes which we need to adopt to comply with the IP Protocol. In particular, the IP Protocol directs that the RPO adopt an IP Management System and it complies with national requirements and is audited by KTI.

"Ireland is establishing a set of ***National IP Management Requirements****. These specify the standard "best in class" procedures for IP management which all RPOs are expected to follow. It is particularly important to ensure that the researchers within the RPO, as well as the RPO itself, comply with the RPO's IP management system."*

The IP Protocol also requires that Principal Investigators leading state funded research awards and individual researchers on such awards are aware of the terms and conditions of such awards and agree to comply with them.

"In the first instance, the ***Researcher Undertaking*** *shall be completed prior to commencing any State-supported research. This ensures that all researchers are aware of their responsibilities around ownership and assignment of IP, confidentiality and publication, record-keeping compliance with the RPO's IP management system;"*

and

"The ***Lead PI Undertaking*** *shall be completed prior to a researcher submitting a proposal to act as Lead PI for a Collaborative Research Programme. This document sets out further provisions around ownership of IP, disclosure, record-keeping, confidentiality, project management and introduction of BIP to Collaborative Research Programmes."*

For the most part, our current system is fully compliant and the set of Standard Operating Procedures used by the Maynooth University Commercialisation Office details the processes we use to ensure we maintain an IP management system of high quality.

For programs already placing IP management directives on Maynooth University (such as the EI Innovation Partnership, the EI Commercialisation Fund Standard Grant Agreement and recently the SFI TIDA award, we already have an IP Assignment document which for the most part covers the requirements spelled out by the undertakings required by the IP Protocol. As funding agencies require us to impose such IP management directives on us, we will expand the use of our IP Assignment document to cover our warrants to the agency.

3. How to comply with the IP Protocol while managing your research program

Maynooth University has an excellent record in delivering DJEI defined "impact" from its research programs. That is, we create more commercialisation related metrics per research spend than most others and our processes for engagement with industry is well regarded. To ensure we continue to perform well in this regard, particularly in light of the IP Protocol, we need simply to ensure that our processes and procedures are IP Protocol compliant.

The intention of the IP Protocol is not to discourage open innovation, publication, collaborations and free knowledge transfer. It is only to ensure that when appropriate, we can exploit IP generated by our research, for the benefit of the Irish economy. Thus, we should continue to work to our core mission of learning, education, knowledge dissemination, social engagement and internationally regarded research output.

For the most part we are already compliant with all aspects of the IP Protocol. We only need to consider what additional aspects we need to comply with and how it might impact our day-to-day operations and processes. A useful way to do this is to consider real examples and how to manage them.

State funding will now be prefaced by reference to the IP Protocol so we must ensure that when we manage IP according to the award terms and conditions. In many cases this is relatively easy. For example, an EI Commercialisation Fund is awarded against a detailed commercialisation plan and the PI will understand clearly that the project is ring-fenced and the IP is developed to be exploited under the terms of the award.

Basic science funding awards will require that we are diligent in our management processes. So for example, SFI PI award funding requires that we own all the IP and we have in place mechanisms for demonstrating to SFI that all outputs from such research remain unencumbered by any 3rd party claims on ownership. Given that such funding is used to fund basic science (albeit based on impact statements related to how the research might provide tangible economic return) we need to feel free enough to pursue our goal of knowledge creation and proper academic engagement with the leaders in research across the world.

It is likely that an active researcher has multiple funding awards. Separating pure commercialisation awards (say from EI or from a company partner) from basic science or other projects is relatively straightforward. Clear definitions of projects and avoidance of projects which overlap is essential and achievable. As a researcher, if you have a basic science award from SFI and are also engaged in say EU programs or other basic science programs, then you need to be diligent in how you separate the projects. For example EU programs generally have an open access IP model or a model which promotes joint ownership. This may not compatible with the IP Protocol demands, as seen above, so clear distinction between projects is essential. This is necessary so we can make the undertakings as an institute and as individual researchers to firstly comply with the IP Protocol but also to ensure we comply with the terms and conditions of the research award, as Irish state agencies now adopt these directives.

The IP Protocol was designed and delivered with the intent that it would bring clarity, consistency and quality to IP emerging from state funded research, particularly to benefit the Irish economy. The intent is not to bring undue process and hamper research and innovation. It should not become a burdensome set of rules and processes that result in the opposite outcome, to stifle innovation, open research and collaboration. For the most part we are already compliant. The purpose of this document is to summarise the IP Protocol and distil the salient points for consideration versus day-to-day research processes. Thus, while we can look after the institutional requirements, as you adopt the individual researcher requirements, we will provide the help and advice to make this as easy as possible.

Some good practices to adopt are:

(a) Use separate laboratory notebooks and management files for each separate project, and particularly for projects funded from different sources, dated and signed regularly;
(b) Instil awareness and the adoption of good practice within your team (postgraduates, associates, post-docs, collaborators, etc.) on how to manage being part of virtual teams where many researchers work on different projects, and between which exist background and foreground IP boundaries;
(c) Instil awareness and adopt management structures and good practice within your team to ensure compliance with any confidentiality or publication conditions;
(d) Ensure you use clear definitions of projects, potential foreground IP and introduced, assumed or relevant background IP;
(e) Ensure you and your team read and understand the terms and conditions of IP agreements relating to any of your projects.

Our role in the Commercialisation Office is to assist you to secure research funding which can lead to commercialisation related outputs and ease your path in dealing with IP related topics. So if in doubt, please ask us or our colleagues in the Research Support Office. This document is provided as advice and guidance only, and for a full outline of the new IP Protocol please see:

http://www.djei.ie/publications/science/2012/Intellectual_Property_Protocol_Putting_Public_Research_to_Work_for_Ireland.pdf

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