



**UOW Submission in response to the Department of Education, Skills
and Employment's Higher Education Research Commercialisation IP
Framework Consultation Paper (1498 Words)**

October 2021

The University of Wollongong (UOW) welcomes the development of frameworks that will facilitate research commercialisation, and the opportunity to respond to the consultation paper.

1. KEY DESIGN ELEMENTS

RECOMMENDATION 1

UOW recommend that the Government conduct a broader and longer consultation across the Commonwealth, industry and universities on the HERC IP Framework. This consultation should include sector input on the drafts of the agreements before they are finalised.

UOW supports the Government's drive to lift economic prosperity through research commercialisation. We understand the desire to expedite the introduction of the Framework. The combination of speed and mandated legal agreements, however, is fraught. UOW is concerned that, without a broader and more comprehensive consultation period, the Framework will fail to achieve its goals, and may lead to adverse outcomes including a reduction in collaboration and commercialisation, and an increase rather than decrease legal complexities. Stakeholder consultation on the DESE draft agreements will be essential to ensure the success of the Framework.

RECOMMENDATION 2

UOW recommends that the HERC IP Framework and Agreements should not be mandated, and should instead be used as a starting point for discussion, following the same principles as the UK Lamberts Agreements.

The experience of the UK's Lambert IP Toolkit indicates that, without mandating a system, it has led to greater standardisation and more informed negotiations. We note that the UK Lambert Agreements, referenced in the consultation paper, are not mandatory in the UK. Further, the Lambert Agreements framework allows for clauses to be altered, where necessary, to progress collaboration and commercialisation.

Flexibility will be important to enable parties to reach a fair contractual position, especially where the research involves Indigenous knowledge or research student participation. UOW has longstanding experience working with industry on collaborative research and commercialisation in a manner that benefits all parties. Our experience is that standard agreements can provide an excellent starting point, but one-size does not fit all. We agree that in some circumstances, a mandated set of standard agreements may enable a quick conclusion to contractual negotiations. However, in other circumstances, a mandated approach brings a significant risk of lost opportunity. We have found that customisation of standard agreements is often critical to achieve a successful collaboration.

Ease of access and ease with which users can select and modify agreements will be key to the take-up of the HERC suite of IP agreements. The suite of agreements will require supporting training materials, guidance notes and decision tools. For example Lambert Agreements have easily available model agreements and an interactive decision guide on which one to use for specific circumstances. Once a suite of draft agreements has been produced, we recommend that DESE undertake an in-depth sector-wide consultation of those drafts, with strong involvement of Small to Medium Enterprise (SME) stakeholders. In our experience, SMEs have specific and varied requirements in relation to research

outcomes and utilisation. As outlined in the Knowledge Commercialisation Australasia (KCA) submission SMEs often have difficulties with complex agreements (including the IP Australia agreement) including in terms of commercial focus and intellectual property structure, project management, publication, involvement of students, warranties, liabilities.

As a starting point, the range of documents available on the UK Government Lambert toolkit website, in combination with those of IP Australia could provide a useful scope covering collaboration and consortium agreements, Non-Disclosure Agreements (NDA), Material Transfer Agreements (MTA), License Agreements, and Assignments. A finalised HERC IP Framework should supersede the current Australian IP Toolkit.

In the UK, the bio-pharmaceutical sector has specific agreements that differ from the standard Lambert Agreements. This should also be the case in Australia. Further, we recommend developing specific agreements, deeds, or IP obligations pertaining to research knowledge exchange and translation of Indigenous knowledge, or involving research student participation.

2. KEY PARAMETERS GUIDING DEVELOPMENT AND IMPLEMENTATION

RECOMMENDATION 3

UOW recommends that the HERC IP Framework apply to only ARC, NHMRC or DESE research programs;

In considering the scope of Commonwealth Funding Agencies that a non-mandatory HERC IP Framework could be applied to, we need to keep in mind that different Commonwealth Departments and agencies have different client bases sometimes comprising universities, other public institutions and private sector. In those cases, there is a need to treat all these different organisations in an equitable manner. If the HERC IP framework only applies to the university and publicly funded research sector than the HERC IP framework should only apply to those agencies which only fund university and publicly funded research sector applications i.e. ARC, DESE and NHMRC. Where the HERC IP framework applies to Commonwealth Departments or Agencies, Commonwealth Grant Agreements should be standardised to align with a flexible HERC Framework.

RECOMMENDATION 4

UOW recommends a flexible IP agreement toolkit that would allow consistent agreements or sets of agreements to be constructed which cover the terms required by parties. We do not support a dollar value trigger for different agreements.

UOW applauds the initiative to simplify agreements, but this is a complicated space. Could DESE consider innovative approaches to embed flexibility into an IP Agreement toolkit? For example, expert systems could be developed to generate flexible agreements, rapidly, and in a sector-consistent manner, from responses provided by the parties to a series of standard questions.

The dollar value of agreements or the nature of the background IP are not necessarily the best triggers for switching from simple to complex agreements. However, triggers may be useful within a toolkit to prompt parties to consider alternate contractual arrangements and modifications to specific contractual terms. Ideally, the parties to the contract should select the most appropriate terms for them.

This flexibility for the parties is important as there have been problems associated with the uptake of some standard agreements such as Lambert Agreements and IP Australia standard agreement. For the Lambert Agreements this included inability to use the agreements without modification which was only possible in 3% of cases, the toolkit only being suitable for 10-15% of University industry interactions, not overcoming legal (cost) barriers in collaboration for 72% of SMEs and a preference by large companies to use their own agreements. As outlined in the Knowledge Commercialisation Australasia

(KCA) submission, similar problems have been encountered when using the IP Australia Standard Agreements.

Whilst agreements should be succinct and fit for purpose, a balance must be struck with covering of essential terms. For example, simple agreements such as the Easy Access suite are over simplified and have created problems down the line because key eventualities are not addressed.

3. TRUST AND CULTURE

RECOMMENDATION 5

UOW recommends that the focus for building trust and culture should be on guidance materials, highlighting best practice, and enabling parties to differentiate and articulate their separate objectives to reach a fair outcome. This could be facilitated by a Federally supported, standardised IT system for IP management that is rolled out across all Australian universities.

To be attractive to industry and universities alike, the IP framework will need to provide clear and user-friendly resources with the flexibility for diverse parties to formulate successful research and commercialisation partnerships. Key to achieving this will be helping parties to differentiate IP ownership from enabling rights to effect commercialisation, maximise impact and grow Australia's research and development capabilities. However, rather than providing a prescriptive set of term sheets, we recommend developing and providing best practice examples, and guidelines. This could include sharing best practice process maps setting out each of the commercialisation activities, sharing best practise or guidelines for managing conflicts of interest when academics work across universities and spinouts, as well as best practice IP policies and protocols.

The Federal Government could further support trust-building by developing and rolling out a standardised IP management IT system (incorporating all process requirements such as due diligence) to all Australian universities.

4. IMPLEMENTATION

RECOMMENDATION 6

UOW recommends that DESE develop training materials that support professional and legal staff who work on agreements, and researchers and industry partners who are new to research commercialisation

Training will be critical to the successful take-up and implementation of the HERC IP Framework. Resources could include on-line workshops incorporating case studies, and a website resource with guidance materials such as is available for the UK Lambert agreements.

Development of these training materials will require continuous consultation to ensure they meet the needs of industry and universities, and to allow evolution over time, informed by practice-driven improvement.

In addition, DESE will need to ensure that the IP agreement suite, guidelines and supporting tools can be refined over time through consultation with key stakeholders from industry and academia. To minimise the burden on users, version updates to agreements should be clear, fixed and regular and steered by a professional body such as Knowledge Commercialisation Australasia (KCA).

FURTHER INFORMATION

UOW welcomes the opportunity to elaborate upon, or further clarify, the matters raised within this submission. Please do not hesitate to contact UOW Director, Government Relations Mr Canio Fierravanti (02 42215931, caniof@uow.edu.au)