

18 October 2021

Via email: [urcs@dese.gov.au](mailto:urcs@dese.gov.au)

Dear Sir/Madam,

**Re: La Trobe University's submission to the consultation on the Higher Education Research Commercialisation IP Framework**

I welcome the opportunity to make a submission on the Higher Education Research Commercialisation (HERC) IP Framework.

La Trobe supports the Government's intention to foster more local innovation, harness the potential of existing partnerships including in regional communities, and encourage greater collaboration with industry. Our joint efforts to overcome IP-related barriers, including difficulties in negotiating IP terms and agreements, will benefit universities, industry and the wider Australian society through more effective translation and commercialisation of Australian university research outputs.

This letter sets out La Trobe's view that an alternative approach to the IP Framework outlined in the consultation paper is required. Our preference is for all universities, publicly funded research organisations and key industry representative peak bodies to adopt an agreed set of IP principles for managing research commercialisation.

**Mandatory agreements will be counter-productive**

La Trobe is concerned that through this consultation process there has not yet been opportunity to review the specific proposed agreement terms. There is potential for a range of legal issues and variables with imposing them. More broadly, La Trobe does not support a blanket approach which mandates the use of standardised IP licence and agreement forms.

Large industry organisations are unlikely to agree to standardised terms when it comes to commercialisation activities. In La Trobe's experience, industry generally insists on using their own agreements. This reflects the complexities associated with commercialisation – each individual contract depends on the market, the nature of the IP and the intent of the commercialising party.

Universities engage with a vast range of businesses, large and small, domestically and internationally. Across Australia, universities are diverse in their operations, and are subject to differing jurisdictional, compliance and governance requirements. They also require freedom to negotiate according to their individual insurance, liability and risk requirements or face the risk of non-compliance with their own policies and strategies.

In addition to these operational settings, IP generated under university projects is frequently associated with individual or historic governing grant, funding and philanthropic agreements, collaborative or third-party agreements, or third-party licensing terms. These need to be carried through to subsequent contracting arrangements or this would cause the university and other parties to be in breach of contract or violate third party IP or other rights.

La Trobe believes adopting a mandatory approach would be counter-productive as it would discourage industry from collaborating and forming new partnerships with universities, while also creating other legal concerns. I also note overseas model agreements for university knowledge transfer, including the

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UK's Lambert IP Toolkit and Ireland's Knowledge Transfer, are not compulsory for companies and research institutions in their research commercialisation activities.

We see the best way forward as implementing a common model and principles, developed in conjunction with industry. With further consultation, to assist smaller organisations, this could be complemented by the provision of an optional set of standard agreements for smaller contracts (of less than \$100,000 in value).

### **La Trobe recommends adopting a principles-based approach to guide and inform negotiating IP terms and agreements**

We believe it would be helpful to have an agreed set of IP principles for all research organisations to sign up to that will help guide commercial negotiations and set expectations at the outset. Noting that many universities already have a set of IP principles, La Trobe suggests the following set of principles could serve as a starting point for further development and refinement.

Suggested IP Principles: *Preamble: We seek to increase collaboration and commercialisation by ensuring that IP is properly identified and managed to ensure that the IP can be effectively dealt with to achieve impactful outcomes. Therefore, in our dealings with collaborators and partners we will strive to achieve the following:*

- *Ensure that dealings and agreements with third parties appropriately preserve and protect IP and provide a sound governance framework for effective IP decision making.*
- *Ownership and control of IP should generally vest with the party best placed to manage the intellectual property across the full scope of the technology and its potential utilisation.*
- *IP co-ownership arrangements is to be avoided where that IP is expected to be commercialised.*
- *If co-ownership cannot be avoided, then the contract will include a governance framework regulating the exercise of all relevant components of the IP and addressing the allocation of IP costs.*
- *Where the IP is expected to generate commercial returns, the contributors to the generation of that IP expect a reasonable and proportionate return in exchange for access rights. This return may, as appropriate, seek to consider the research investment made, the intrinsic value of the intellectual property, the additional investment required to realise market returns and the risks in commercialisation.*
- *We expect to retain sufficient intellectual property access rights to enable the conduct of further research.*
- *We will generally expect to preserve the right to publish outcomes of our research however are prepared to discuss timing to ensure appropriate protection of the IP.*
- *Where intellectual property is generated through research undertaken by students, for example where doctoral student scholarships are funded by industry, IP arrangements must protect the capacity for the doctoral research to be completed and examined.*
- *We will take responsibility for ensuring that we have sufficient rights to use any background IP to be used or supplied for a research project and we note that we may be required to warrant that the background IP does not infringe any other party's rights. This includes considering if any other party has contributed to the creation of any background IP e.g., a former employer or another University, a collaborator, other supervisors, staff, students, or volunteers and taking steps to ensure appropriate access is granted.*
- *We commit to being principled, responsive, flexible, and creative in our dealings with external parties and our collaborators, including dealing with IP ownership.*

Note these principles are closely based on the CSIRO IP principles and are broadly aligned with the National Principles of IP Management for Publicly Funded Research, as developed by the NHMRC.

### **The IP Framework should be extended to apply to other publicly funded research agencies**

Universities undertake extensive collaboration with other research bodies including Cooperative Research Centres (CRCs), Rural Research Development Corporations (RRDCs), and publicly funded research agencies (PFRAs). La Trobe believes the same IP Framework and model should be uniform for all entities involved in commercialisation of university research. This reinforces our proposal to develop an agreed set of IP principles for all research organisations to help guide commercial negotiations, licensing and set expectations at the outset.

### **Greater collaboration with business and industry is needed to support a successful IP Framework**

La Trobe's submission to the University Research Commercialisation Consultation Paper in April 2021 sets out our view that a successful university commercialisation model must increase partnerships and incentivise both business and universities. Cross-sector collaboration will help Australia take full advantage of its world-leading research and better leverage businesses intricate community links and industry partnerships.

We would encourage the Government to undertake broader consultation and engagement on the design and implementation of a HERC IP Framework across government, with universities, and with industry. This will encourage the development of shared principles and is more likely to result in greater utilisation of the Framework. Careful consideration should also be given to other mechanisms to incentivise industry and increase engagement between business and universities to commercialise Australia's research output.

La Trobe shares the concerns expressed by Universities Australia and Innovative Research Universities in their submissions. A hastily introduced and mandatory Framework to manage IP agreements will likely have counter-productive impacts on Australia's commercialisation rates.

With this in sharp focus, it is in the interests of Government, universities, industry, and the wider community to work closely together to get the new settings right.

I look forward to discussing these matters with the Government soon. In the meantime, should further information be required by the working group in relation to La Trobe's submission on the HERC IP Framework, please do not hesitate to contact my office.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'John Dewar', written in a cursive style.

**Professor John Dewar AO**  
Vice Chancellor and President