



Duncan Ivison
Deputy Vice-Chancellor (Research)

18 October 2021

To: Department of Education, Skills and Employment (DESE) and members of its Higher Education Research Commercialisation IP Framework Working Group

**The Federal Government's/Research Commercialisation Taskforce proposed
framework for University IP, September 2021**

The University of Sydney welcomes the opportunity to provide feedback on the proposals set out in the *Higher Education Research Commercialisation IP Framework Consultation Paper* ('CP'), released 21 September 2021. We have contributed to the submissions made on our behalf by Universities Australia ('UA') and the Group of Eight ('Go8') and provide this feedback to complement them.

Support for the vision and our key concerns

We strongly endorse the vision that underpins the Government's proposals to establish an Australian Higher Education Research Commercial IP Framework ('Framework') (CP P.7). The emphasis the CP places on the importance to effective research commercialisation of building trust and social capital between stakeholders, as well as trust in the content of the proposed HERC IP Framework, is also fully supported (CP P.18-19). However, given the critical importance and significant complexity of the policy and legal issues involved, we are very concerned by the apparent rush to implement a Framework, which includes mandatory elements. We also note the absence of any detail in the CP about the formal governance structures and consultation arrangements that will be established to oversee the Framework's initial development, as well as its evaluation and refinement over next 5-10 years.

Our approach to industry collaboration and research commercialisation

We acknowledge that there is room for improvement in Australian universities' levels of collaboration with industry and their research commercialisation performance. We understand the concerns that are driving the Government's focus on improving levels of university/industry collaboration and research commercialisation and the University of Sydney is working hard to translate the ideas and inventions of our researchers for the benefit of Australia and the wider world.

We are always seeing to improve, but are proud of the deep and trusting partnerships we have developed over many years with partners such as Telstra, GE, Qantas, Rio Tinto, Thales and Microsoft. We are also proud of the many successful spin-offs from our research, including Elastagen, DetectED-X, Gelion Technologies, Kinaxis and Q-CTRL, and of our extensive partnerships with research institutes, hospitals, Cooperative Research Centres (CRCs), Rural Research and Development Corporations (RDCs) and numerous Commonwealth and state agencies, including the Department of Defence and CSIRO.

As the recent 2020 Knowledge Commercialisation Australasia (KCA) survey of research commercialisation outcomes attests, we are making good progress: we are; leading the country in university spin-out companies; doing the most licensing, options and assignment

deals; regularly having amongst the highest number of invention disclosures; and along with other Go8 universities, generating significant revenue from our work with for-profit and not-for-profit industry partners. We must stress, however, that metrics of research commercialisation tell only part of the industry collaboration story. They convey little, for example, about our sharing of staff with industry; the embedding of research students with industry partners; the co-location and shared resourcing of state-of-the-art facilities and research infrastructure with industry; or of our ongoing work and successes supporting our staff and students to commercialise their ideas through specialised entrepreneurship training, the provision of co-working space and various other strategies.

We note with interest that DESE and its working group appear to have limited their consideration of international best practices approaches in university IP management to European examples, such as the UK's Lambert Toolkit and Ireland's Model Transfer Agreements. Our current approach to IP management has been refined over decades of experience, informed by legal developments and leading practice in Australasia and Europe, but also by the university research commercialisation powerhouses of North America and Israel. For example, our two key relevant University policies ([Research Agreements Policy 2011](#) and [Intellectual Property Policy 2016](#)) are underpinned by core contracting principles that were developed and agreed with great care by Go8 universities, as well as informed by the North American based Association of University Technology Managers' (AUTM's) [Nine Points to Consider in Licensing University Technology](#).

Welcome aspects of the proposed Framework

Indigenous Knowledge (CP P.13). We welcome the stated intention to consider Indigenous Knowledge within the Framework scope, whilst observing that securing 'free, prior and informed consent', though important, is only one aspect of engaging respectfully and meaningfully with Indigenous communities. We are fully committed to a stronger and more accountable partnership with Aboriginal and Torres Strait Islander peoples and our broader community. Our *Intellectual Property Policy* recognises and respects Indigenous cultural rights, providing for appropriate benefit sharing in the event commercial development results from use of aspects of Indigenous spirituality or cultural property.

Right to publish (CP P.18). We welcome the recognition of the importance of the right to publish as a fundamental principle of academic endeavour, including for higher degree by research students. Our Research Agreements Policy seeks to protect the right to publish, but it also recognises the legitimate commercial interests of industry partners to protect research outputs and preserve confidentiality. Though frequently a subject of extensive negotiation, in our experience, this issue can be successfully navigated through the use of carefully constructed publication clauses which, so far as is practicable, consider and balance such competing interests. In addition to protecting the right to publish, the Framework should include appropriate open access rights for resulting publications and data as a standard term in the relevant Framework agreements.

Warranties and liabilities (CP P.17). We fully support and welcome the statements regarding appropriate treatment of liability and risk. It is not uncommon for universities to encounter firm resistance when communicating these principles to industry and we welcome DESE's strong endorsement of these positions.

Background and foreground IP (CP P.17). We broadly support the CP's statements on Significant Background IP (and ownership of non-severable improvements to the same), as well as ownership and use of Foreground IP. However, we believe it is unrealistic to attempt to reduce the complex commercial considerations that inform an appropriate determination of IP ownership and usage rights to mandated criteria, such as the level of industry funding. Whether such outcomes are truly appropriate will depend on the specific circumstances of each situation.

Key areas of concern and suggestions

As noted above, we have three key concerns with the proposals set out in the CP.

First, the extremely short timeframes before key elements of the Framework will commence. Second, the planned mandatory application of parts of the Framework. And third, the absence of transparent and formal governance structures to oversee the Framework's initial development as well as its long-term refinement through ongoing evaluation and consultation with all key stakeholders.

Conducting and commercialising university research can be complex. Our research increasingly involves multiple parties based in different jurisdictions and answerable to different laws. It occurs in an ever-changing and increasingly global operating environment, which is governed by multiple and intersecting regulatory and contractual requirements. To facilitate research and its commercialisation, we have developed many template agreements covering a broad range of activities and encompassing engagements with other universities, research institutes, government and industry partners. This suite of agreements has been prepared with the benefit of expert external legal support and has been continually refined over many years of engagement with collaborators, clients and partners. Our partners have made clear that they appreciate our flexibility in developing a range of different template agreements in consultation with them.

We have participated in numerous invaluable efforts to establish standard terms of engagement with government agencies, other universities and industry for common research activities. Three examples include:

- A comprehensive suite of template agreements covering a wide range of research arrangements with the Department of Defence, developed by the Defence Science and Technology Group (DST) and most Australian universities (and Defence industry) under DST's innovative [partnership program](#).
- Standard Multi-Institutional Agreements (MIAs) between universities and participating industry partners (where involved) to collaborate on NHMRC and ARC funded projects, developed and maintained through the *Australasian Research Management Society (ARMS)*.
- Significant improvements to standardise key clauses in research agreements across multiple Commonwealth agencies from 2009-12 following the Cutler Review of the National Innovation System. This work was progressed by an informal cross-university and multi-agency working group of legal counsel, informed by [a Go8 submission to the Cutler Review](#).

The common lesson from our involvement in these successful collaborations is that effective template agreements (documents capable of being widely embraced and freely used without the need for regular amendment or mandating) are only achieved through considered and genuinely consultative processes, which are informed by the best legal advice, expert drafting, and which allow sufficient time for genuine input and engagement with all stakeholders.

We note that the CP states that the UK's Lambert IP Toolkit will guide the development of DESE's proposed Framework. However, the original Lambert Toolkit, released in 2004, was the product of lengthy consultation during and following the Lambert Review. Since then, the Toolkit, which we note is not mandatory for universities, but rather acts as a guide, has been updated regularly and is currently under review again. We further note that the 2013 review of the Toolkit found that while awareness about it amongst universities and industry was high, only three per cent of the parties were using its template agreements unmodified. A key reason for this was that industry partners preferred to bring their own agreement terms to the negotiations, something which is common in our experience in Australia as well.



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There is no reason why the Government's proposed Framework would not be widely embraced and add significant value for all stakeholders if it addresses industry and university requirements and gives effect to the overall goal of translating the outputs of university research for public benefit. This can be achieved if DESE takes more time to carefully develop and test the key elements of the Framework in phases, in genuine collaboration with the sector and industry over the next 5-10 years.

We trust this feedback is helpful and look forward to working with DESE, industry and other stakeholders to carefully develop and implement a research commercialisation IP framework that adds significant value to the operation and impact of Australia's research and innovation system.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. M. Ivison'.

Professor Duncan Ivison
Deputy Vice-Chancellor (Research)