

Higher Education Research Commercialisation IP Framework Consultation

Submission from the University of Canberra

October 2021

The University of Canberra is fully supportive of the aim of DESE to incentivise and increase partnerships between businesses and universities. Enabling stronger partnerships and collaborations between these two sectors is critical to ensuring that our industries and the Australian community in general, receive the full benefits of the ideas of most creative researchers and innovators in Australian universities. We consent to our submission being made publicly available.

As the consultation paper clearly outlines, the problem of translating and commercialising university IP is not a new one, and success in this area involves a range of barriers that need to be negotiated. We agree with the consultation paper that these barriers include: lack of funding, time and expertise on both sides, and a lack of understanding of each other's needs and objectives.

We welcome the development of IP commercialisation toolkits to help overcome some of these barriers as is proposed in this consultation paper. Useful tools would include standard agreements that could be used to assist in raising awareness in both industry and universities of the expectations of the other parties with regard to the commercialisation of IP developed by universities. The development and issuing of high-level advice on key processes such as invention identification and disclosure and IP commercialisation options is welcomed by the University. With regard to this we note and support the consultation document's statement that "The HERC IP Framework will provide process maps for key processes to act as guidance. Use of these process maps will not be mandatory".

However, we also note and are concerned that the consultation paper flags that the proposed HERC IP Framework will include the mandatory use of critical agreements and documents including research agreements, collaboration agreements, contract research and fee for service agreements all of which will progressively be rolled out. The consultation paper is clear that the use of such documents will increasingly be mandatory for universities engaged with research commercialisation activities for a wide range of agencies: initially the ARC or other DESE administered programs. The further roll out of the mandatory use of these agreements and documents is flagged for later possible adoption by other Australian Government departments, PFRAs and the 15 Rural Research and Development Corporations, and the NHMRC.

Although we note that the consultation paper states that "the HERC IP Framework will incorporate best practice from other countries" we understand that best practice from other countries is not to make the use of such standard agreements and documents mandatory but rather to provide guidance and tools to enable both industries and universities to engage in more fruitful collaborations involving the commercialisation of university-derived IP. We are of the view that making the use of such materials mandatory will not lead to better outcomes but will likely constrain the outcomes arising from the complex range of negotiations required to accommodate successfully the very individual circumstances surrounding commercialisation of any particular item of IP. Such

differences in circumstances of any such commercialisation of IP include differences in background IP of the parties, different contractual arrangements in place with other parties with regard to that background IP.

In our experience, even lower value contracts under \$100,000 involve considerable negotiation to successfully accommodate for parties the very individual circumstances surrounding commercialisation of that IP. The intention in the consultation paper that “The HERC IP Framework will require the use of standardised agreements with relatively little room for negotiation beyond clarifying commercial details. This would be mandated for lower value contracts under \$100,000” does not anticipate such complexity and we question the utility of that premise.

The consultation paper does foresee that “Flexibility could be introduced where standardised agreements would be considered as ‘deal breakers’ in the negotiation process by both parties, and they are valued at above \$100,000.” This condition of flexibility in the use of standardised agreements etc is puzzling as in reality, even if one party considered that the use of standardised agreements a deal breaker, then that unilateral position would essentially actually be a deal breaker. As such this condition of flexibility would likely act a further barrier to collaborations between industry and research for commercialisation of IP.

We are also concerned that the use of standardised agreements with relatively little room for negotiation beyond clarifying commercial details may also create a demarcation between publicly and privately funded research which adds to the complexity in the use of the standardised agreements. This seems like a large undertaking which may offer little practical benefit.

The consultation paper also indicates that by January 2023 all Higher Education Providers “must ensure IP Policies are consistent with the HERC IP Framework”. It is not at all clear what ‘ensuring IP Policies are consistent’ means from the consultation paper. Does this consistency mean that all university IP policies need to be essentially the same in relation to their treatment of IP that has commercialisation potential? Does this consistency only pertain to the use of university-derived IP for commercialisation purposes? Different universities have chosen to adopt different commercialisation strategies in their IP policies, and we would suggest that such diversity is warranted and indeed should be encouraged rather than homogenised as, given the wide variety of missions of our universities across the Australian landscape, is the probable outcome of this aspect of the HERC IP Framework.

In addition, we also consider that there are relevant areas apparently not covered specifically in the IP Framework that would likely also need further consideration. These include:

- 1) The moral rights of creators would need to be carefully considered and included in the IP Framework.
- 2) Student owned IP would also likely need to be considered and treated differently in the IP Framework.

In summary, the University of Canberra is fully supportive of the aim of DESE to incentivise and increase partnerships between businesses and universities. Whilst we would welcome the development of IP commercialisation tools as is proposed in this consultation paper, for guidance purposes, we are of the view that making the use of such materials mandatory will not lead to better commercialisation outcomes but will likely often impose additional constraints on such outcomes arising from the complex range of negotiations required to accommodate successfully the usually situation-specific individual circumstances surrounding commercialisation of any particular item of IP.