



# **STRATEGY FOR THE IDENTIFICATION AND COMMERCIALISATION OF INTELLECTUAL PROPERTY**

## **1. INTRODUCTION**

Intellectual property (IP) is a collective term for immaterial property protected by law. It refers to registered or capable of registration inventions, discoveries, materials, technologies, products, data, algorithms, software, know-how, patents, databases, copyright, trademarks, design rights, expertise, trade secrets, copyright, and plant breeders rights which have come about through the mental efforts, insights, imagination, expertise and creativity of employees and students of the University and which are recognized and protected by law.

The commercialization of IP can be divided into two distinct processes i.e. the stimulation and identification of IP and the commercialisation of disclosed IP. As these processes demand two separate approaches, the stimulation or identification of IP lies in the Research Office (RO) and the commercialisation of IP in the Commercialisation Office (CO). In this capacity, the RO has an inward-looking not-for-profit business approach whereas the CO has an outward-looking business approach. However, it is important for the RO and RO to work closely together as one process feeds into the other. The CO reports directly to the Deputy Vice Chancellor of Finance, whereas the RO reports to the Deputy Vice Chancellor of Research, Innovation and Advancement (see Section 6 of the IP Commercialisation Policy).

## **2. IDENTIFICATION OF IP**

### **2.1 Responsibilities of the Research Office**

The task of identifying IP in the University is the responsibility of the RO. The responsibilities and role of IP identification and management will be vested with the IP Officer. The duties of the IP Officer will include the following:

- Create opportunities for commercial research and involvement with industry;
- Promote awareness and encourage IP creation through news letters, novel shows to faculties and departments;
- “Fish and chase” IP disclosure in the departments by attending Faculty Research Committee meetings;
- Identify IP;
- Ensure proper management of IP Management;
- Oversee efforts to maximize the use of IP for competitive advantage;
- Create a trust relationship with the researchers;
- Maintain ties with investigators to promote awareness of research developments;
- Facilitate the preparation and filing of patent applications;
- Maintain complete records of patent portfolio;
- Monitor and seek reimbursement of patent expenses (liaison with the Innovation Fund) and
- Protect, supervise and support a patent after the transfer to a partner.

## **2.2 Recognition for creating IP**

IP derived in the University environment, may be identified by using surveys, annual reports and disclosures by staff and students.

The inventor will receive R5 000.00 for every provisional patent registered.

Revenue sharing in the event that the IP is commercialized is described in the IP Policy document.

## **3 INVENTION DISCLOSURE**

IP disclosure will be through an “Intellectual Property Disclosure Form” (see Annexure 1). Early disclosure will ensure maximal utilisation of new intellectual property. Disclosure drastically reduces the possibilities of patenting, model registration and protection of copyright. After revelation of intellectual property, the RO will hand over to CO.

The researchers must keep a complete and accurate logbook, applying a correct system of laboratory management, in order to declare the uniqueness and date of invention. Public revelation of such research should be held back until a decision has been made by the University, in partnership with the developer, about the possible patenting or registration of the invention.

The University will do everything in its power to ensure that the period of non-disclosure is as short as possible. To ensure that staff will disclose and hold back public disclosure, the policy should include that if disclosure is held back due to patenting, model registration or copy right the staff member will deem to have published the research for performance measurement or promotion.

The purpose of the disclosure document is to:

- Assure that key information relating to inventions is consistently and accurately recorded;
- Provide a basis for determining patentability and IP rights;
- Provide a process for confirming the existence of rights to inventions by external parties.

## **4 COMMERCIALIZATION OF IP**

### **4.1 Responsibilities of the Commercial Office**

The CO reports to the DVC Finance.

The overall role of the CO is to define commercialization strategies and objectives. The evaluation of the commercial possibilities of the IP will be determined by the CO.

The responsibilities include:

- Project Management
- Evaluation and assessment of complex technical proposals
- Market research
- Due diligence
- Searching for new partners and projects (i.e. business development)
- Management of relationships with industrial partners and researchers
- Administration and financial management
- Negotiate license agreements
- Administer executed license agreements and issued patents
- Assist in the creation of start-up companies (if applicable)
- Maintain industry contacts and awareness of potential commercial applications
- Evaluate new technologies for patentability and commercial potential
- Develop and manage business relationships with third-party companies/organizations
- “Chase” Technology Transfer and diffusion
- Transfer to Business Opportunities (Incubation, IP, licensing..)
- Promote creation of 3<sup>rd</sup> stream income through commercial activities, IP licensing, etc.
- Negotiate, and manage business deals
- Identify incubation opportunities and support

The CO will explore the possibilities, in partnership with the inventor, regarding proposals for the exploitation of intellectual property or a business concept to the benefit of the University and the inventor.

The ongoing investigation, in partnership with the developer, will not exceed a period of nine months and will determine the outcome, stated in writing, whether or not the University will continue with the exploitation of the invention.

If the University makes a decision not to share in the commercial exploitation, the relevant inventor(s) may exploit it themselves (should ownership vest in them), or apply for authorisation to proceed with the exploitation (should ownership vest in the University). The CO is available to lend support in both cases, at a market-related charge.

The following services are offered by the CO relating to the utilisation of inventions, designs, business concepts and other intellectual property originated by staff members or students of the University:

- A technological investigation to establish the originality or uniqueness of the invention;
- An estimation of the invention’s commercial potential;
- An investigation of the commercial and licensing possibilities of the invention;
- The undertaking of preliminary patenting of an invention;
- Development of an initial market analysis, business plan and investigation of exploitation routes (determine whether to do it through licensing, trade of rights, or the establishment of spin-off companies);
- An investigation of sources of financing, the development of partnerships and finding consumers; and
- Market inventions to potential licensees.

If the University, in consultation with the developer, needs to make use of third parties to provide the services, the costs involved will be paid by the University. Should the University have no share in the said proceeds, the relevant staff member or student, assisted by the University, will be responsible for such costs should the University have no share in the said proceeds.

If the University should make the judgement not to share in the commercial exploitation of the intellectual property, or fails to inform the relevant staff member or student of a decision within nine months, the developer has the freedom to apply to the University in order to gain permission to continue with personal commercial exploitation of the invention.

## **5. COMMERCIAL APPROACHES**

There are several ways of commercializing IP. The CO will advice on the best possible route to commercialization.

### **5.1 Registration and Patenting of IP**

The CO makes the decision to register an invention or not, should the ownership of the invention vest in the University as its own discretion. No staff member or student may continue with registration of an invention which originated in the standard course and scope of their employment or studies, on their own or via a patent attorney, without consent of the University.

The University will give written notification to the relevant staff member or student, should it renounce its rights to the patent according to the procedures stated in the UJ Policy on Intellectual Property, after which the person in question may exploit the invention for personal account. The University takes certain elements into consideration before deciding whether or not to obtain a patent or model registration or trade marking.

### **5.2 Types of Patent Fillings**

- Various types of patent filings that should be uniquely identified and tracked:
- Provisional
- Parent
- PCT
- Foreign
- Continuation
- Continuation-in-part
- Divisional

### **5.3 License Agreements**

- Option
- Exclusive
- Non-exclusive
- Co-exclusive

### **5.4 Spin-offs**

The CO will investigate the possibility of establishing spin-off companies after the voluntary disclosure of the invention, business plan, or idea to the head of the specific academic departments, the RO or the CO. The CO will subsequently determine a procedure to follow in partnership with the inventor, which includes services and support such as:

- Recognising a suitable entrepreneur;
- Educating the entrepreneur in business values;

- Assisting in the compiling of a business plan that is approvable by the board of directors of UJ Intellectual Property Holding Company (UJIPHC)
- Uncovering strategic partners;
- Providing start-up capital on a credit basis;
- Providing incubation space and access to available facilities (based on an academically-beneficial lease basis);
- Providing mentors with relevant business background;
- Providing legal and financial services;
- Providing the use of the University's financial system (cost centres); and
- Providing the use of the University's human resource functions.

The University may deliver such services and support to the new enterprise in exchange for equity payment for the services provided. The CO will submit a complete business plan for approval to the board of directors of UJIPHC, after which the spin-off venture will become a full subsidiary (or associate) of the enterprise. The CO and UJIPHC are under no obligation to become involved in the enterprise.

The main role of the CO is to perform as incubator within the University and it will not essentially invest in a venture although the possibility cannot be excluded. Investments are made on a business basis in terms of the decision of the UJIPHC board of directors. An innovation fund of R1.5m should be made available to the CO for students from the designated groups to assist in commercialising intellectual property disclosed.

## 6. MEASUREMENTS FOR COMMERCIALIZATION OFFICE SUCCESS

- Increase in number of patents, licences, etc
- Number of incubated companies, number of innovations, number of community projects, etc
- Industry partnerships (projects),
- Involvement in Technology Transfer initiatives,
- Number of collaborative agreements concluded
- Number of successful implemented industrial agreements, research contracts and projects / Value for money

## 7. IP AND COMMERCIALISATION STRUCTURE

The structure is simple and optimal roles of the RO and CO are clearly defined.

