



UNIVERSITI  
MALAYSIA  
KELANTAN

# **INTELLECTUAL PROPERTY & COMMERCIALISATION POLICY**

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## 1.0 INTRODUCTION

It is the policy of the University to encourage its staff and/or students to create Intellectual Property and proactively identify commercially-valuable Intellectual Property, suitable protection and robust exploitation to the benefit of the Public, University and its departments, staff and students or, at its discretion, allow and encourage its staff and/or students to exploit such Intellectual Property on a private basis.

The University regards Intellectual Property as knowledge and its creative application and, includes a variety of legal rights (known as „Intellectual Property Rights“) which protects the applications of ~~ideas~~ and information that may be of commercial value. Intellectual Property most relevant to the University’s activities include patents, copyright, trade and service marks, industrial designs, layout designs of integrated circuits, geographical indications, confidential information, trade secret, and know-how. In practical terms, all materials generated by staff and/or students should be regarded as potentially being Intellectual Property and generating Intellectual Property Rights.

This policy is intended to provide guidance for the benefit of staff and/or students on the University’s position concerning the key principles of ownership, protection and exploitation of Intellectual Property. The University treats students and staff equally in relation to Intellectual Property. This policy applies to all full-time employees, to all enrolled students; it also applies to part-time employees (including where their contract of employment includes any non-teaching duties and/or final year or research student project supervision). It is specifically incorporated into all employees’ contracts of employment and any legal relationship between the University and its students. The University acknowledges and accepts that in the case of any inconsistency, it is bound by its legal responsibilities and obligations to staff contained within the general law that cannot be varied by these conditions.

## 2.0 VISION

To become the leading University in the nation’s innovation agenda.

## 3.0 MISSION

To enhance academic entrepreneurship as the means for UMK in driving the innovation based economy.

## 4.0 OBJECTIVES

The objectives of this Intellectual Property and Commercialisation Policy are:

- a) to establish a common framework to regulate the ownership and the management of Intellectual Property from the creation, protection, innovation, exploitation and technology transfer activities carried out by the staff and/or students of University Malaysia Kelantan;
- b) to promote and facilitate the protection of Intellectual Property in line with the National Intellectual Property Policy and Intellectual Property and Commercialisation Policy for Research and Development (R&D) Projects funded by the Government of Malaysia; and
- c) to promote and facilitate the exploitation and commercialisation of Intellectual Property generated from Research and Development undertaken by the University using Government grants, internal grants and from private grants.

## 5.0 DEFINITION

In this Policy, the following definitions shall apply:

**“Agency”** means Government Agency as defined below;

**“Assignment”** means the transfer of ownership of Intellectual Property;

**“Commercialisation”** means taking an idea to an outcome – whether a product, service, process or organisational system to market by way of licensing, Assignment, spin-off, or joint ventures;

**“Confidential Information”** means any Confidential Information or business/ scientific data including all oral and visual information or data recorded in writing or in any other medium or by any other means;

**“Copyright”** means Copyright under the Copyright Act 1987 as currently in force;

**“Derivative Intellectual Property”** means new Intellectual Property created by using the original Intellectual Property;

**“Design”** means a Design protected under the Industrial Designs Act 1996 as currently in force;

**“Employee”** means any Employee under a contract of service;

**“Expenses”** means all necessary and reasonable Expenses incurred in the Commercialisation stages of that Intellectual Property, including Patent and other Intellectual Property filing, registration and legal fees, Intellectual Property insurance premium, maintenance fees, marketing and licensing costs, administrative Expenses and fixed overhead costs and any other incidental Expenses incurred for commercialising of the Intellectual Property;

**“Fund”** means any Fund provided by the Government of Malaysia for research and development, acquisition, pre-commercialisation and Commercialisation of Intellectual Property;

**“Government”** means the Federal Government of Malaysia;

**“Government Agency”** means any entity, which is controlled directly or indirectly by the Federal Government of Malaysia and shall include Government Linked Company;

**“Government owned Intellectual Property”** means all the Intellectual Property that belongs to the Federal Government of Malaysia;

**“Innovation”** means any idea or knowledge in whatever form which brings about changes in the form of product, service or process resulting in positive impact to the economy, business, public service delivery system, social well being or the environment;

**“ICD”** means for the purpose of this Policy, any centre or department in the University responsible for the exploitation and Commercialisation of any Intellectual Property owned by it;

**“Intellectual Property”** means any Intellectual Property protected by the laws of Malaysia, and includes patentable Invention, Know- how, Copyright of Works, Design, Layout Design of Integrated Circuits, trade secret and trademarks;

**“Intellectual Property Acquisition”** means the acquisition by way of Assignment, Licence (exclusive or non-exclusive or sole), or by any other legal means through funding (in whole, or in part) by the University;

**“Invention”** means an idea of an Inventor, which permits in practice the solution to a specific problem in the field of technology, and may be, or may relate to, a product or process;

**“Inventor”** means the person who is the actual creator of the Invention or who has made an intellectual contribution to the conception of the Invention, and where the context so requires, means the author or designer;

**“Know-how”** means any method, technique, process, discovery, invention, innovation, specification, recipe, formula, design, plan, documentation, drawing, data and/or other technical information;

**“Layout Design of Integrated Circuits”** means a work protected under the Layout Designs of Integrated Circuits Act 2000;

**“Lead Agency”** means the Agency entrusted;

**“Licence”** means the right to exploit any Intellectual Property rights granted by the owner, the licensor, to another person, the licensee, and includes a sub-licence;

**“Manual”** means the Intellectual Property Commercialisation Manual established to implement this Policy;

**“Ministry”** means any Ministry of the Government of Malaysia;

**“Net Proceeds”** means the gross proceeds (including all royalties, fees and other benefits) received from the Commercialisation of the Intellectual Property less Expense;

**“Patent”** means Patents protected under the Patents Act 1983, as currently in force;

**“Policy”** means the Intellectual Property Commercialisation Policy for Research & Development (R&D) University Malaysia Kelantan;

**“Recipient”** means any person(s) who receives Fund from the Relevant Body;

**“Registered Trademark”** means a Registered Trademark as defined in the Trade Marks Act 1976 as currently in force;

**“Technology Acquisition”** means Intellectual Property Acquisition as defined above;

**“University”** means University Malaysia Kelantan;

**“Unregistered Trademark”** means any trade signifier which is protected under the law of passing off, and

**“Works”** means literary Works, musical Works, artistic Works, films, sound recordings, broadcasts, derivative Works, and educational course materials and academic papers or any other Works protected under the Copyright Act 1987.

**“Commercialisation Costs”** All necessary and/or reasonable costs incurred during commercialisation of Intellectual Property, including but not limited to: (a) Intellectual Property registration and prosecution; (b) legal; (c) other professionals giving rise to Commercialisation revenue; (d) related travel and accommodation by UMK Employee(s) and/or others involved; (e) incurred taxes and (f) UMK overhead charges or management fee.

**“Commercialisation Revenue”** (a) royalty upon sale by a licensee; (b) royalty from sub-license fees

received from a licensee; (c) lump sum license fee; (d) proceeds of sale of the Intellectual Property; (e) signing fee; (f) milestone payments; (g) minimum annual payments; (h) reimbursement of Intellectual Property registration and prosecution; (i) dividends upon shares owned by UMK in a spin-off company to which it grants a license where researchers do not own any equity in the spin-off company; (j) proceeds of sale of shares owned by UMK in a spin-off company to which it grants a license where researchers do not own any equity in the spin-off company; and (k) damages from any infringement proceeding. The above list is not exhaustive, and does not include the overhead component of research funds paid pursuant to a research agreement.

## 6.0 INTELLECTUAL PROPERTY PROTECTION

The areas under Intellectual Property protection in Malaysia include patents, copyright, trade and service marks, industrial designs, layout designs of integrated circuits, geographical indications, new plant variety and confidential information.

### 6.1 Patents

The University will seek patent protection for inventions which are commercially attractive and or intellectually meritorious or to comply with the terms of sponsored research agreement. Notice of "Patent Pending" or "Granted Patent No." will be affixed on all inventions patented by the University.

### 6.2 Copyright

Copyright protection is sought in order to recognise authorship and protect the integrity of the work. It is also essential in order for the University to license copyrightable materials to commercial book publishers. Notice of copyright must be affixed to the copyrightable material.

### 6.3 Trade Marks and Service Marks

A trademark or a service mark may be used to protect those names and symbols associated with the University's activities, events and related technology developments. Prior to registration for trademark protection, the symbol "TM" for a trademark or "SM" for a service mark will give adequate notice of a claim of ownership. The symbol ® or for a trademark may only be used after registration has taken place.

### 6.4 Industrial Designs

The University will seek industrial design protection for new designs either in two or three dimensions wherever appropriate, especially if the design has a potential for commercial outcome. Notice of "Design Registration Pending" or "Registered Design No." will be affixed on all industrial designs registered by the University.

### 6.5 Layout-designs of Integrated Circuit

The University will seek protection for any layout-designs which are original have been fixed in a material form or incorporated into an integrated circuit and the creator of the layout-design is a qualified person as defined by the act.

### 6.6 Geographical Indications

The University will seek protection of geographical indications regardless whether or not the geographical indication is registered elsewhere and which can be used on natural or agricultural product or any product of handicraft or industry.

### 6.7 New Plant Variety

The University will seek protection for any new varieties of plants which satisfy the sets of criteria as contained in the Plant Varieties Act 2004.

### 6.8 Confidential Information

The University adheres to the principles that trade secret must be protected. In order to maintain protection while a trade secret is in use, it is the policy of the University to bind individuals having

access to the secret by a contractual agreement.

## **7.0 ICD**

The University shall operate through ICD to assist staff and/or students in Entrepreneurship and Commercialisation of the R&D output. The primary mission of the ICD is to promote and facilitate the transfer of useful technologies to the commercial sector so that the public can directly benefit from the ingenuity and creativity of our outstanding researchers. Providing access to new and improved technologies, Intellectual Property, devices, drugs, services, etc., all contribute to improving the quality of people's lives. ICD strives to find the most efficient ways to take a concept developed by our inventors and turn it into a product useful in everyday life. Once application for a patent has been made, ICD will be responsible for the development and negotiation of licensing agreements in order that the invention is managed in a way, which serves the public interest. The other activities of such a above centre will include the following:

- a) processing and safeguarding patent and copyright agreements;
- b) determination of the patentability or copyrightability (including receiving patent disclosures, undertaking patent search and completing applications for patents and copyright);
- c) evaluating the commercial potential of the invention;
- d) obtaining appropriate patent protection;
- e) locating suitable commercial development partners; and
- f) negotiating and managing licenses.

## **8.0 OWNERSHIP OF INTELLECTUAL PROPERTY AND INVENTIONS**

- 8.1** All Intellectual Property Rights (except in respect of the 'scholarly works' of staff which includes books, contribution to books, articles and conference papers, and shall be construed in the light of the common understanding of the phrase in higher education as outlined below) created by staff and/or students of the University in the course of their employment and/or programme of studies will belong, in the first instance, to the University.
- 8.2** The University will claim ownership and rights of Intellectual Property where work is done by non-employees, such as consultants, visitors, industrial personnel, fellows, independent contractors, etc pursuant to their being commissioned by the University to do such work; and the University has procured a written agreement from non- employees assigning his rights to the University.
- 8.3** The copyright in any work or design compiled, edited or otherwise brought into existence by a member of staff as a "scholarly work" produced in furtherance of his/her professional career shall belong to the relevant member of staff.
- 8.4** All Intellectual Property, including patents, trade and service marks, industrial designs and copyright shall be filed in the name of the University. The University, as the Intellectual Property rights owner, will be responsible for taking all necessary action in enforcing the intellectual property rights including commencing legal action for any infringement of the intellectual property.
- 8.5** The University and originator shall cooperate and assist to facilitate in the registration of the Intellectual Property. The University reserves the right to decide in which countries it will seek Intellectual Property protection.
- 8.6** Course materials developed and taught by staff members of the University belong to the University. Any course materials that are videotaped or recorded using any other media are the University's property and may not be distributed without permission. Blanket permission is provided for use of such materials for teaching, lecturing or training purposes of the University.

## **8.7** Inventions Made Outside the Creator's Field and Without University Support

8.7.1 If an invention is made or developed without any University support in a field other than the field or discipline in which the creator was engaged by the University to teach, do research, or to perform other duties, the rights to the invention will be assigned to the creator. Under these conditions, the creator is, nevertheless, required to make full disclosure of the invention; the ownership of the Intellectual Property shall vest in the Inventor.

## **8.8** Inventions in the Field in Which the Creator is Engaged or Made with University Support

8.8.1 If, after a full disclosure of an invention and reviewed in accordance with this policy and the invention is determined to have been made or developed in the field or discipline in which the creator was engaged by the University to teach, do research, or to perform other duties, or the invention is determined to have been made with University support, and it shall be the property of the University.

## **8.9** The University will claim ownership of Intellectual Property created by enrolled students in pursuit of their studies where:

8.9.1 generation of the Intellectual Property has involved substantial use of the University's resources and/or services beyond that which is ordinarily provided to students; or

8.9.2 generation of the Intellectual Property has resulted from use of pre-existing Intellectual Property owned by the University; or

8.9.3 the new Intellectual Property forms part of Intellectual Property generated by a team of staff and students of which the student is directly or indirectly a member; or

8.9.4 the Intellectual Property has been generated as a result of specific project funding provided by or obtained by the University; and

8.9.5 in the event an Intellectual Property is created by a student during his tenure as a student in the University, the supervisor may be named as the co-inventor if Intellectual Property is been registered if the University deems fit.

## **8.10** Where the University makes a claim to the ownership of intellectual property generated by student under Clause 8.8, the University will ensure that the student is treated in accordance with the provisions of this Policy.

## **8.11** The University may elect to waive the University's rights to the invention, thus allowing the creator to protect the invention creation as he or she may wish. If outside funds supported the work leading to the invention, this waiver is subject to any provisions in sponsoring agreements. In addition, the waiver shall not affect the right of the University to royalty-free use of the invention. In general, the University may not waive its rights to inventions of creators who are full-time employees or appointees of the University.

## **8.12** Equipment purchased under a company-funded research contract or donated by the collaborating company has tended to remain the property of the university on completion of the contract. It is therefore recommended that there should be a clause in all contracts defining the ownership of equipment during the project completion.

## **9.0 RESEARCH COLLABORATIONS WITH EXTERNAL PARTIES**

- 9.1** It is envisaged that the University will collaborate with the industry. Such collaboration is encouraged as interaction with industries ensures that research at the University remains important and it also provides exposure to researchers. The industry will also benefit as it obtains access to the University expertise, facilities and resources.
- 9.2** The default position for all such research collaborations shall be that the University shall solely own the Intellectual Property. The third party will have a first right to negotiate either a non-exclusive or exclusive Licence based on commercial terms with the University;
- 9.3** Notwithstanding para 9.2 above, in a situation where a third party has made substantial contributions to a collaborative effort that resulted in the creation of Intellectual Property, for example, by providing funding and by engaging in a scientific or technical collaboration with the University, the University may, by contract, agree that the resulting Intellectual Property will be jointly owned, and all such collaboration agreements shall also contain terms pre-determining the rights of the parties to commercialise any Intellectual Property that may be subsequently jointly owned by them.

## **10.0 EXPLOITATION OF INTELLECTUAL PROPERTY**

- 10.1** Where an Inventor or creator creates Intellectual Property he/she shall notify the Intellectual Property and Commercialisation Division (ICD) in writing before publishing the finding or invention in the form of article, research paper or any other form, which will jeopardise the patent application.
- 10.2** The ICD shall determine the party in whom the Intellectual Property should vest in accordance with this Policy.
- 10.3** If ICD determines that the Intellectual Property ownership belongs to the University, it shall be responsible for any Commercialisation of the Intellectual Property, including, but not limited to, one or more of the following:
- a) taking the appropriate measures to protect the Intellectual Property;
  - b) obtaining an independent valuation of the Intellectual Property;
  - c) identifying potential licensee(s);
  - d) assigning the rights to a third party(s); and
  - e) determining an appropriate vehicle to exploit the Intellectual Property.
- 10.4** In the event the ICD decides to commercialise the Intellectual Property, the Inventor(s) shall provide all reasonable assistance in furtherance of this goal, for example, by providing information promptly on request, attending meetings with potential licensee(s) and providing technical advice regarding further development.
- 10.5** Should the ICD not be interested in seeking Intellectual Property protection or to commercialise the Intellectual Property, it shall inform the Inventor in writing within 60 days. The Inventor may then make a written request to the ICD for the Intellectual Property to be assigned to him. The ICD shall write to the funding Agency (if any) to obtain leave. If leave is granted, the ICD will retain a non-exclusive, non-transferable, irrevocable, royalty-free, worldwide Licence on the Intellectual Property for research and educational purposes. In the event the Inventor does not commercialise the Intellectual Property within the first four years without any reasonable grounds, the Innovation and Commercialisation Centre may exercise any Commercialisation rights in relation to the Intellectual Property.
- 10.6** The ICD may retain the ownership of the Invention but grant a Licence to the Inventor to exploit the Intellectual Property, if it considers it advantageous to do so.

- 10.7** In all cases where the Intellectual Property is to be jointly owned, the parties shall ensure that any rights to commercialise the Intellectual Property and share in the profits is pre-determined by written contract among themselves.
- 10.8** Where originators of Intellectual Property take steps or seek to negotiate with a third party for the commercial exploitation of Intellectual Property, the matter must be notified and permission must be sought from the University. Failing to do this, the University is empowered to use its discretionary power to render the contract derived from such negotiation null and void.

## **11.0 DISCLOSURE AND EVALUATION OF INVENTION**

- 11.1** The Inventors shall disclose and notify all newly created Inventions to ICD before they disclose their invention to any third party(s) either by way of publication or through showcase. Consent from the Head of Global Entrepreneurship, Research & Innovation Centre and Intellectual Property Management Committee shall be required before the invention can be disclosed to any third party(s).
- 11.2** Inventor(s) shall cooperate with the ICD in all matters, including providing full technical details of the Invention, relevant market information (if any), prior art documents and names of all Inventors who have contributed intellectually to the creation of the Invention.
- 11.3** Notification of all newly created Inventions shall be made in writing to the ICD.
- 11.4** Upon receipt of the notice, the ICD will evaluate the commercial potential and conduct a patentability assessment on the Invention using specialists in the relevant technology areas.
- 11.5** The ICD shall, within 30 days from the date of receipt of the notice, inform the Relevant Body (if it is a public grant) the details of such Invention.
- 11.6** Following the evaluation of the Invention, the ICD shall, within three (3) months from the date of receipt of the notice, confirm in writing to the Inventor whether the ICD will pursue the patenting of the Invention subject to any obligation that may be owed to external parties.
- 11.7** Where the patentability assessment shows that the Invention is new, inventive, and of industrial application, and has commercial potential, the ICD will seek to protect the Invention.
- 11.8** If there is an obligation owed to an external party under the terms of a funding or research agreement in respect of the Invention, the ICD will contact the external party and proceed with the management of the Invention in accordance with the terms of the agreement with the third party.
- 11.9** The Inventor shall maintain the confidentiality of the details of the Invention until the Patent application is filed or until a decision is made by the ICD to allow disclosure.
- 11.10** The Inventor shall assist registered Patent agents or registered Intellectual Property consultants recommended by the University, to prepare, file and prosecute a Patent application.
- 11.11** Where the Inventor promotes the Invention to a potential licensee or a party before the filing of the Patent application, a non-disclosure agreement must be signed with such potential licensee or party, before any information on the Invention is disclosed so as to ensure that the interest of the University is protected.
- 11.12** All Inventors shall disclose to the ICD the identity of any party interested in the commercial exploitation of the Invention in sufficient detail and as soon as practicable after the relevant facts have come to their knowledge. All inventors are required to disclose any conflict of interest to the ICD.

## 12.0 COMMERCIALISATION

Commercialisation means taking an idea to an outcome in a form of a product, service, process or organisational system to market by way of licensing, Assignment, spin-off, or joint ventures. However before Commercialisation can take place, party(s) should be engaged in pre- negotiation. For the purpose of commercialising the Intellectual Property or any intangible property the University shall establish a Special Purpose Vehicle to carry out the business transaction. The Special Purpose Vehicle will be fully owned by the University headed by the Vice Chancellor of the University.

### Pre-Negotiation

- 12.1** Inventor(s) and Commercialisation party(s) are required to disclose the particulars of any Intellectual Property rights and other relevant information which would be relied upon during the negotiation. Before disclosing any Confidential Information, a Non- Disclosure Agreement (NDA) must be executed.
- 12.2** The head of the ICD may appoint the negotiating team internally and external experts, as deemed necessary. The negotiating team representing the University should have the following attributes:
- a) technical expertise and firm understanding of the technology that is at issue;
  - b) good understanding of relevant laws, regulations, Government policies and of any policies or requirements adopted by the Recipient; and
  - c) sufficient commercial expertise.
- 12.3** The party representing the University shall be responsible for all activities relating to Intellectual Property Commercialisation, such as the following:
- a) researching the market;
  - b) identifying parties that have the business or technical expertise to effectively commercialise the Invention;
  - c) enter into discussions with interested parties and potential licensee(s);
  - d) develop a business plan; and
  - e) negotiate agreements.

## 13.0 METHODS OF COMMERCIALISATION OF INTELLECTUAL PROPERTY

- 13.1** Licensing can be in the form of exclusive Licence, non- exclusive Licence, sole Licence and cross Licence. All licensing arrangements can be contractually limited by geographical locations, time, industry and fields of application. The negotiating team should consider all options and weigh the advantages and disadvantages of each of the following options before entering into any agreement.
- 13.1.1** Exclusive Licence - the University transfers all rights of exploitation of the Intellectual Property to the licensee. This means the Recipient relinquishes the rights to exploit the Intellectual Property himself or to grant any additional, subsequent Licence(s) to another party. University should retain the rights to use, conduct further research and development and exploit the Intellectual Property for non- commercial use.
- 13.1.2** Non-Exclusive Licence - the University may grant the rights of exploitation of the Intellectual Property to one or more party(s), including the right to exploit the Intellectual Property himself. In a non-exclusive Licence, the University may grant the licensee sub-licensing rights, subject to licensing agreement and must be signed by both parties.
- 13.1.3** Sole Licence - the University transfers all rights of exploitation of the Intellectual Property to the licensee but retains his rights to exploit the Intellectual Property

himself.

- 13.1.4 Cross-Licence - This option allows two or more Intellectual Property owners to contractually authorise each other to use their Intellectual Property for commercial and non-commercial purposes. In a cross - licensing arrangement, the consideration for the rights conferred by one party is a reciprocal grant of rights by the other. Cross-licensing terms may include the payment of a licensee fee or royalty if the rights conveyed by the parties are not equal in value.
- 13.1.5 Assignment - The University transfers complete ownership to another party (assignee). Assignment involves an outright sale of Intellectual Property rights to the assignee. However, partial Assignments are allowed, for example, an Assignment may be restricted by geographical locations.
- 13.1.6 Spin-Off Company - The University establishes a company for the purpose of Commercialisation of the Intellectual Property, where Inventor(s) and Recipient may own equity in the company together with any third party, in proportions to be negotiated.
- 13.1.7 Start up Company - The University establishes a company for the purpose of Commercialisation of the non Intellectual Property, where Inventor(s) and Recipient may own equity in the company together with any third party, in proportions to be negotiated.
- 13.1.8 Joint Venture Company - The University establishes an entity together with a third party for the purpose of Commercialisation of the Intellectual Property, where the Recipient and the third party are shareholders of the said company.
- 13.1.9 Any other legal means which the University deem fit and appropriate.
- 13.1.10 In the event that the Inventor(s) of the IP take steps or seek to finalise with a third party for the commercial collaboration and exploitation of the IP, the matter must be notified in writing, to the University. Failing to do this, the University is empowered to use its discretionary power to render the contract derived from such negotiation null and void.
- 13.1.11 Once the University, is notified that the Originator is seeking to exploit the IP commercially, the University shall then decide whether or not the University wishes to become involved in the process of the commercial exploitation. In making the decision, the University shall at its own discretion, consult in confidence with the Inventor(s) and any other relevant parties.

#### **14.0 TECHNOLOGY ACQUISITION AND INTELLECTUAL PROPERTY ACQUISITION**

- 14.1 Technology or Intellectual Property Acquisition is the process of acquiring Intellectual Property rights for purpose of using or exploiting a particular technology or Intellectual Property. It shall also include the process of technology transfer under which a foreign expertise is engaged to develop a particular technology locally.
- 14.2 The Technology or Intellectual Property may be acquired through outright purchase or by licensing (exclusive or non- exclusive or sole), or any other legal means.
- 14.3 Intellectual Property that is acquired under this section by the University by funding that is provided in whole or in part by the University shall become the property of the University.
- 14.4 All Derivative Intellectual Property developed from the use of the acquired technology or

Intellectual Property shall belong to the University. The University shall take all necessary steps to protect the derived Intellectual Property through registration or other means.

## 15.0 WEALTH SHARING GUIDELINES

- 15.1** It is the intention of the University to encourage and reward innovation and creative activity. Therefore University is required to encourage and motivate researchers, Employee(s) and others associated with funded research and development projects and to administer Intellectual Property rights in a manner that is equitable to all parties involved and for the public benefit.
- 15.2** It shall be the Policy of the Relevant Body to encourage and reward innovation and creative activity through sharing of revenues and other income generated from commercial exploitation of Intellectual Property rights.
- 15.3** Where the University derive any financial return from the commercial exploitation of the Intellectual Property through its Special Purpose Vehicle using internal grant, such net revenues shall be divided between the University, School and the inventor(s). In arriving at the figure that is available for sharing between the University, School and the inventor(s), the University shall deduct all reasonable Expenses.
- 15.4** Upon deduction of these reasonable Expenses, the University shall distribute the disburseable amount on the closing of the financial year in which the income revenue is derived according to the Policy in Table 1 below:

No.	Disburseable Amount	Inventor	University
1	First RM100,000.00	90%	10%
2	From RM100,001.00 to RM1,000,000	80%	20%
3	From RM1,000,001 to RM2,500,000	60%	40%
4	From RM2,500,501 and above	50%	50%

- 15.5** Where the University derive any financial return from the commercial exploitation of the Intellectual Property through its Special Purpose Vehicle using federal grant, such net revenues shall be divided between the University, and the inventor(s) as listed in the Intellectual Property Commercialisation Policy for Research and Development (R&D) projects Funded by The Government of Malaysia.
- 15.6** In a situation where two or more Inventors develop an Intellectual Property, disbursement of the net revenue shall be according to a written agreement between the respective Inventors. In the absence of such a written agreement, each co-inventor shall be entitled to an equal portion of that net revenue. In the event there is a change in the composition of the team of Inventors the terms of such written agreement shall be re-negotiated among the old and new members of the team. In the absence of such agreement, the matter shall be resolved in accordance with para 16.0.
- 15.7** This Policy shall also apply in respect of any revenue generated from the Commercialisation of Derivative Intellectual Property unless the parties have otherwise agreed in writing among themselves.
- 15.8** In the event the University decided to go for Joint Venture or Setting up of a spin off company, the inventors may upon the written approval from the Global Entrepreneurship, Research & Innovation Centre and Intellectual Property Management Committee take some equity in the entity. The quantum of equity will be the sole discretion of the Vice Chancellor.

## **16.0 MORAL RIGHT**

- 16.1** The University shall take reasonable steps to respect the right of the originator to be acknowledged as the author of a work and to endeavour to ensure that others respect that right, unless the originator wishes not to be acknowledged or chooses not to attribute the work at the time of creation. The University shall also take reasonable steps to respect the right of integrity of authorship in respect of works produced at the University. The University is not obliged to take further action if the moral right of originators is not exercised.
- 16.2** The University will use its best endeavours to assist authors in asserting their moral rights in cases where clear breaches of accepted academic conventions occur.

## **17.0 NOTIFICATION OF INFRINGEMENT**

- 17.1** Individuals bound by this Policy must alert the University immediately on suspecting or becoming aware of an infringement of IP rights. This can be as follows:-
- a) infringement of IP rights owned by the University; or
  - b) the University's infringement of IP rights owned by a third party.

## **18.0 STAFF AND VISITORS OBLIGATIONS**

- 18.1** It is the policy of the University that individuals through their employment by the University or by participating in a sponsored research project, or using University administered funds or facilities, thereby accept the principles of ownership of IP as stated under this Policy.
- 18.2** In furthering such undertaking, all participants will sign Non-Disclosure/Confidential Agreements. The Manager of the Laboratory/Department concerned shall be responsible for ensuring that all visitors comply with this requirement where relevant.
- 18.3** The Registrar shall ensure that all students sign the Non- Disclosure/Confidential agreement where relevant.
- 18.4** Individuals must surrender all proprietary information to the University and shall be prohibited from using, disclosing and transferring the proprietary information and know-how gained during their term of employment to third parties, including during secondment, sabbatical or furthering their studies and termination of their employment without the written consent from the University.
- 18.5** The provisions shall apply to students.

## **19.0 ADMINISTRATION AND IMPLEMENTATION**

- 19.1** The Vice Chancellor who is the custodian of this Policy will create a mechanism to administer and implement the Policy through the Global Entrepreneurship, Research & Innovation Centre and Intellectual Property Management Committee which will be detailed in the Intellectual Property Policy Commercialisation Manual.
- 19.2** The Policy will be implemented through an "Intellectual Property Commercialisation Manual". The Manual provides details on Intellectual Property Management, Intellectual Property Protection, Intellectual Property commercialisation, distribution and disbursement of financial returns and secretariat support.
- 19.3** In recognition of the changes in the national and international scenario, UMK has the right to review and amend this Policy as it deems appropriate to ensure that this Policy remains relevant and current.

## **20.0 DISPUTE RESOLUTION**

**20.1** If a dispute arises as to implementation of this Policy, or as to any matter on which the implementation of this Policy, the Vice Chancellor may appoint an independent mediator internally or externally to assist the parties in resolving their dispute and make recommendation to the Vice Chancellor on a solution.

## **21.0 WAIVER**

**21.1** Waiver of the provisions of this Policy may be granted by the Vice Chancellor on a case-by- case basis. The provisions for granting or refusing a waiver is as provided for in the Manual.

## **22.0 BREACH**

**22.1** Any breach of the provisions of this Policy will result in appropriate action being taken by the University against the violator.