ITEK Venture Pty Ltd is pleased to be provided with the opportunity to respond to the Draft IP toolkit released by the Departments of Industry and Science.

ITEK is primarily a commercialisation company wholly owned by the University of South Australia which is expanding to incorporate an additional focus on enterprise wide business development and industry engagement.

ITEK’s primary objective is to deliver long term economic value and community benefit from research conducted at the University of South Australia. These benefits are many and varied, but focus on commercialising technology by applying knowledge to create and grow companies, products and services, establishing and developing collaboration opportunities with industry, building the University’s reputation and delivering a financial return.

Overtime, ITEK has built a strong capability and track record in commercialisation of IP developed from research at UniSA, spinout company formation and investment management. The University of South Australia through ITEK Ventures Pty Ltd, is supportive of creating stronger incentives for research-industry collaboration. Investment in resources such as the IP toolkit which seek to reduce costs and improve the outcomes of research collaboration are to be commended.

Draft Intellectual Property Toolkit

Specific comments on the questions posed on the draft IP Toolkit are provided as follows.

1. Does the draft IP Toolkit offer useful guidance and tools to simplify and improve discussions on IP in research collaborations?

   In general, the IP toolkit does offer useful information, guidance and tools to improve discussions on IP in research collaborations. In our opinion, SME’s would be benefit the most from the toolkit, having less exposure to both IP and contract management than research institutions, universities and commercialisation companies.
What is the most useful part and why?

The toolkit provides information and detailed explanations of what Intellectual Property is and what it is used for. The draft research collaboration agreement provides extensive guidance on the points that could be taken into consideration when developing an agreement. Both form a useful starting point for those who have not had any previous experience with intellectual property or legal agreements. It is our view that model research collaboration agreement is unlikely to be taken up by research institutions, whom already have standard templates that they work from, e.g. Group of 8.

a. What is the least useful part and why?

In our experience many people are not familiar with a term sheet and understand its purpose. It would be beneficial to explain in the Toolkit that a term sheet is used as the base for further discussion, is not a binding contract and does not need to be formalised. The sample Term Sheet provided in the Toolkit is misleading and could be confused with the research collaboration agreement.

2. Are there any gaps in the information provided?

The Toolkit would benefit from having a chart similar to that on page 11, describing the process/stages involved in negotiations and engagement. A chart which identifies the steps, would assist SME’s in making decisions on how to structure the relationship.

The Toolkit provides simple information around what is IP, but does not explain what to do with it or the benefits for different circumstances (e.g. ownership/licensing options). Providing information on the benefits that are associated with different types of IP arrangements and demonstrating these with practical examples will, in our opinion, add value to the IP Toolkit and provide assistance, particularly to SME’s, when making decisions in relation to the best type of IP arrangement that is best for their company. The inclusion of a decision making checklist, could be helpful here.

3. How could the draft IP Toolkit be improved for the target audiences of SMEs and researchers?

While there is a lot of information which is useful, both the toolkit and the model contract are too long and both would benefit from a simpler user friendly format. Features of a shortened document could be drop down features rather than lots of text, diagrams in replace of lengthy explanations and the design of the lay out could be improved.

The model research collaboration agreement includes many references to clauses which renders the document difficult to read, legalistic and long. In a research collaboration agreement, the agreement should only include essential clauses and some optional clauses, the Toolkit could explain include a minimal clause checklist to identify what is essential and what optional. Explanations as to why it must be included in the agreement is recommended.
Specifically, Clause 34, Dispute Resolution, offers too many options. Most contracts identify the representatives to work out any disputes, then mediation and if all else fails, go to court. In our experience, arbitration if not often used in contracts. Clause 18 - Moral Rights. As there is no obligation on any party to sign moral rights consent it is suggested that wording be amended to ‘each party uses their best endeavour to obtain moral rights consents’. This ensures, there is less risk of a breach in the agreement if a party absolutely refuses to sign.

4. Any other comments or suggestions for improvement?

In general, the design of the Toolkit could be simpler, shorter and greater explanation around the process and practical examples for application of IP rather than details about the definition of IP. Providing tools such a decision assistance checklist and a shorter research collaboration agreement template pared with a minimal clause checklist will assist those who are unfamiliar with the process to make informed decisions when going into negotiations.