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**SURAT PEKELILING PENTADBIRAN  
BILANGAN 7 TAHUN 2015**

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**GARIS PANDUAN HARTA INTELEK  
& PENGKOMERSILAN  
(INTELLECTUAL PROPERTY &  
COMMERCIALISATION GUIDELINES)  
UNIVERSITI TEKNIKAL MALAYSIA MELAKA  
(UTeM)**

Pejabat Pendaftar  
**15 Jun 2015**

Disalinkan kepada:

Naib Canselor  
Timbalan Naib Canselor (Akademik & Antarabangsa)  
Timbalan Naib Canselor (Penyelidikan & Inovasi)  
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Penolong Naib Canselor (Pembangunan & Pengurusan Fasiliti)  
Pegawai-Pegawai Kanan

## SURAT PEKELILING PENTADBIRAN BIL. 7/2015

### **GARIS PANDUAN HARTA INTELEK DAN PENGKOMERSILAN (INTELLECTUAL PROPERTY & COMMERCIALISATION GUIDELINES) UNIVERSITI TEKNIKAL MALAYSIA MELAKA (UTeM)**

#### **1.0 TUJUAN**

Surat Pekeliling Pentadbiran ini bertujuan untuk memaklumkan kepada semua staf Universiti Teknikal Malaysia Melaka (UTeM) mengenai keputusan pihak Universiti atas perakuan Mesyuarat Lembaga Pengarah Bil. 2/2015 yang bersidang pada 2 April 2015 berhubung Pengagihan Hasil Komersial Produk Inovasi Penyelidik UTeM mengikut Garis Panduan Harta Intelek & Pengkomersilan (*Intellectual Property & Commercialisation Guidelines*) UTeM Seajar Dengan *Intellectual Property Commercialisation Manual*, Kementerian Sains Teknologi Dan Inovasi Malaysia (MOSTI).

#### **2.0 LATAR BELAKANG**

2.1 Pihak Universiti melalui Pekeliling Pentadbiran Bilangan 20 Tahun 2010 telah bersetuju untuk menerima pakai Pekeliling Perkhidmatan Bilangan 30 Tahun 2009 "Dasar Pengkomersialan Harta Intelek Hasil Penyelidikan Dan Pembangunan (R&D) Yang Dibiayai Oleh Kerajaan" di UTeM. Pemakaian Pekeliling Perkhidmatan tersebut yang berkuat kuasa 1 Jun 2009 ini adalah selaras dengan hasrat Kerajaan untuk menyediakan kerangka persekitaran yang lebih baik bagi menggalakkan reka cipta, kerja-kerja kreatif dan pemindahan teknologi, mengeksploitasi hak intelek untuk tujuan komersial dan memberi ganjaran sewajarnya kepada mereka yang berkenaan.

2.2 Menyahut semangat seperti mana yang digariskan pada Pelan Strategik Pengajian Tinggi Negara bermatlamat untuk membangun dan memantapkan keupayaan penyelidikan dan inovasi di Institusi Pengajian Tinggi, maka Garis Panduan Harta Intelek & Pengkomersilan (*Intellectual Property & Commercialisation Guidelines*) UTeM telah diwujudkan pihak Universiti yang memperjelaskan polisi dan garis panduan berkaitan Harta Intelek penyelidik Universiti serta agihan pembayaran balik kepada penyelidik yang berkecualan.

### 3.0 MATLAMAT

3.1 Matlamat penggunaan manual ini adalah untuk :

3.1.1 Manual ini memberikan panduan berkenaan cara terbaik dalam melaksanakan perundingan, melindungi, mengurus dan mengkomersil hasil penyelidikan yang dibiayai oleh Kerajaan Malaysia dapat dilaksanakan secara berkesan; dan

3.1.2 Memperjelaskan penetapan jumlah atau peratusan agihan pembayaran balik kepada penyelidik.

### 4.0 GARIS PANDUAN

4.1 Walau bagaimanapun, buat masa ini Garis Panduan Harta Intelek & Pengkomersilan (*Intellectual Property & Commercialisation Guidelines*) UTeM disediakan dalam Bahasa Inggeris seperti di **Lampiran 1**.

4.2 Sebarang pertanyaan berkenaan Garis Panduan Harta Intelek & Pengkomersilan (*Intellectual Property & Commercialisation Guidelines*) UTeM ini boleh dirujuk dengan Pusat Pengkomersilan, Pejabat Timbalan Naib Canselor (Penyelidikan dan Inovasi), Universiti Teknikal Malaysia Melaka.

### 5.0 TARIKH KUAT KUASA

5.1 Surat Pekeliling Pentadbiran ini berkuat kuasa mulai 1 Jun 2009.

### 6.0 PEMAKAIAN

6.1 Surat Pekeliling Pentadbiran ini hendaklah dibaca bersama Pekeliling Pentadbiran Bilangan 20 Tahun 2010.

Sekian, terima kasih.

**“KOMPETENSI TERAS KEGEMILANGAN”**

Saya yang menurut perintah,



**DATUK HASAN BIN SIRUN**

Pendaftar

Universiti Teknikal Malaysia Melaka

/wnskb



## **INTELLECTUAL PROPERTY & COMMERCIALISATION GUIDELINES**

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## **1.0 INTRODUCTION**

Intellectual Property Commercialisation Policy for Research & Development Projects Funded by The Government of Malaysia was approved by the Cabinet on 6 March 2009 and came into effect on 1 June 2009 (appendix 1). The Administrative Circular Number 20/2010 (Appendix 2) paved the way for Universiti Teknikal Malaysia Melaka to adopt the policy. The policy was formulated to regulate the commercialisation of intellectual property generated from Research and Development (R&D) projects funded by the Government of Malaysia. These guidelines outline how the Intellectual Property Commercialisation Policy for Research & Development Projects funded by the Government of Malaysia can be effectively implemented taking into account the interests of the Government of Malaysia (GOM) and Universiti Teknikal Malaysia Melaka (UTeM), its staff and grant recipients. This document provides the guidelines and best practices on how to disclose, protect, manage and commercialise intellectual property generated from research and development project governed by this Policy. These guidelines are applicable to all parties bound by the Intellectual Property Commercialisation Policy and Research & Development Projects funded by the Government of Malaysia.

## **2.0 INTELLECTUAL PROPERTY**

### **2.1 Definition of Intellectual Property**

As defined by World Intellectual Property Organization (WIPO), intellectual property (IP) refers to the creation of minds, inventions, literary and artistic works, symbols, names, images, and designs used in commerce. Protection for IP depends on the domestic laws of a particular country. In Malaysia, the types of IP that are presently protected are invention, copyright, industrial design, plant variety, integrated circuit, trademark and service mark, geographical indication and confidential information. Some of the IP needs to be registered before they can be protected. Others are automatically protected upon creation.

The Malaysian Intellectual Property Corporation (MyIPO) is the authorized organization appointed by the Government of Malaysia to administer all activities related to IP registration in Malaysia.

### **2.2 Definition of Intellectual Property Rights**

Intellectual Property Rights are the rights associated with the various forms of intellectual property. While there may be differences in the specific rights, in general, the basic rights are the exclusive rights to commercialise the intellectual property. This includes the rights to make, sell import and use the intellectual property to the exclusion of others.

### **2.3 Securing Intellectual Property Protection in Malaysia**

UTeM should consider protecting the IP once such an IP has been identified. With the exception of copyright, unregistered trademarks and confidential information, formal steps must be taken to register an IP in order to receive protection. The methods used to secure the six main forms of IP are described below.

### **2.3.1 Patent**

A patent is a right granted to an owner of an invention by the government and thus excludes all others from making, using or selling the invention within the country for a 20-year-duration commencing from the date of the filing of the patent application. Patents protect inventions that meet the criteria of novelty, inventiveness and industrial applicability.

To obtain a patent, one has to file a patent application. The procedures are as follows:-

- a) Where the decision is to file a patent application, the Centre for Research and Innovation Management (CRIM) will take steps to draft the patent specification. The inventor can have the patent specification drafted in-house or outsourced. Where the decision to draft the patent specification is to be outsourced, CRIM will appoint a third party patent drafter to undertake the drafting work and will arrange a meeting between the third party patent drafter and the inventor. Once the patent specification has been drafted, the inventor needs to fill (appendix 3) the Intellectual Property Disclosure Form (UTeM/CRIM/RND016).
- b) The filing of the patent application at the Patent Office, MyIPO, can be undertaken by the applicant personally or through a registered Patent Agent.

### **2.3.2 Industrial Design**

Industrial design is concerned with the external appearance of finished industrial produced articles as they are seen by those who use them or who might wish to purchase them for their aesthetic appearance. For a design to be registrable, it must be new (novel) in Malaysia. In other words, if the same shape, configuration, pattern or ornament or something similar has already been produced and it is in the public domain, then the design cannot be regarded as novel.

The following are the procedures to register an industrial design:

- a) A design must be disclosed either through drawings or photographs. The drawings or photographs for this purpose are referred to as the "representations" and constitute an essential element in any application. The representations, therefore, comprise two essential elements; a series of view of the article and statement of novelty identifying the scope of monopoly.

- b) A design is registered as of the date on which the application for registration (date of filing) was made. Upon registration, a certificate of registration will be granted to the registered proprietor. Registration of a design takes effect on the date of registration shown on the Certificate of Registration, but the rights is deemed to accrue from the date of filing. The period of protection at the first instance is for a period of 5 years from the date of filing. By paying extension fees to MyIPO, protection can be kept in force for another two five-year terms, making the total length of protection 15 years from the date of filing.

### **2.3.3 Trademark and Service mark**

A trade or service mark is designed to indicate the origin of goods or services respectively. This enables the customer to distinguish the goods or services of one trade from another, thereby preventing confusion and deception. To be registrable as a trade/service mark under the Trade Marks Act 1976, the mark must be "distinctive". "Distinctive" means that the mark must be capable of distinguishing goods or services of the proprietor from goods or services of some other person.

The following are procedures to obtain a trade / service mark:

- a) The inventor must file the necessary forms together with the required filing fee as well as a sample of the trade mark.
- b) The inventor must also indicate on the form the class and type of goods or services for which he intends to apply the mark. The application can be submitted to MyIPO by the applicant himself or through a trade mark agent.
- c) A registered trade/service mark is valid for 10 years from the date of filing. It can be renewed for a further 10- year- period, subject to the condition that the mark is still used in trade and remains distinctive of the proprietor. The following "notice symbol" or "marking" may be placed adjacent to a trade mark:-

"SM" or "TM" for unregistered/pending trade/service mark

"®" for registered trade/service mark

### **2.3.4 Copyright**

The following subject matters are protected by copyrights: literary, musical and artistic works, films, sounds recordings, broadcasts and published editions. There is no requirement for filing/registration for a copyright protection. Automatic protection is granted if the necessary requirements are fulfilled. The requirements for protection are that the work is original and that it has been reduced to material form. However, a notice of copyright may be affixed to any copyrightable material, if desired. The following notice may be applied to the original work as shown below.

“© 2XXX Universiti Teknikal Malaysia Melaka All rights reserved”  
or  
“© 2XXX Universiti Teknikal Malaysia Melaka Hakcipta  
Terpelihara”

The normal duration of copyright protection for a literary, musical or artistic work is the life of the author plus 50 years. For films, sounds recordings, broadcast and published editions, the duration is 50 years from the date it was first published or made.

### **2.3.5 Trade Secret**

Know-how and other confidential information play an important role in the practical application of inventions or other aspects of commercial activities. They include information such as business secret or technical processes, concepts, details of invention recipes and formulations, list of customers, list of suppliers. Generally, this information can be protected provided they are confidential information, i.e. information which is generally not available or known to the public.

Before an action can be taken to prevent the use of such information, 3 conditions must be satisfied:

- a) The information must have the necessary quality of confidentiality i.e. information must not be in the public domain;
- b) It must be imparted in a situation importing an obligation of confidence i.e. the information has been transmitted in confidence; and
- c) There must be no unauthorised use of the information to the detriment of the owner of the information i.e. the receiver of the information has used it beyond the purpose other than for which the information was given.

A non-disclosure agreement should be signed by the person to whom the confidential information/trade secret is to be given before such information is revealed. These agreements should be properly documented and maintained by CRIM.

## **2.4 Securing Intellectual Property Protection Outside Malaysia**

CRIM is also responsible for facilitating the registration of any IP rights outside Malaysia. CRIM will conduct an evaluation on the invention as disclosed by the inventor in Intellectual Property Disclosure Form (UTeM/CRIM/RND016) (appendix 3). Some of the factors under consideration when deciding to secure patent rights overseas are cost, territory where protection is sought, distribution system for the product, size of market and presence of competitors.

In the case of patent filing, CRIM will consider the possibility of filing the national, regional (e.g. European patent, Euro-Asian patent etc) or a Patent Cooperation Treaty (PCT) application, whichever is more advantageous. For trade mark filing, due consideration shall be given to make a Community Trade Mark application to the

Office for the Harmonisation of the Internal Market (OHIM) or via the Madrid Protocol. Application for design protection can also be made to OHIM.

### **3.0 CENTRE FOR THE MANAGEMENT OF INTELLECTUAL PROPERTY AT UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

Under the Intellectual Property Commercialisation Policy for Research & Development Projects funded by The Government of Malaysia, the University has to set up an Innovation and Commercialisation Centre for the exploitation and management of IP. The Centre shall be responsible for the implementation of the Intellectual Property Commercialisation Policy and compliance with the guidelines. At UTeM, the Centre for Research and Innovation Management (CRIM) has been given the responsibility to manage all matters pertaining to Intellectual Property and Commercialisation of Inventions.

#### **3.1 ROLE OF THE CENTRE FOR RESEARCH AND INNOVATION MANAGEMENT ( CRIM)**

The role of CRIM shall include (but not limited to) the following:

- a) Evaluate and approve applications for intellectual property protection.
- b) Provide advice on continuation of protection for existing intellectual property.
- c) Evaluate and approve the commercialisation of intellectual property including the appropriate mode and term of commercialisation.
- d) Provide technical and commercial input on contract negotiation.
- e) Conduct due diligence on any intellectual property that is to be acquired.
- f) Conduct regular audit on intellectual property portfolio.
- g) Establish special ad-hoc committees to study specific issues relating to intellectual property where necessary.
- h) Monitor infringement activities for possible enforcement actions.
- i) Submit regular report to Senate

### **4.0 OWNERSHIP OF INTELLECTUAL PROPERTY**

#### **4.1 General Principle**

**Intellectual Property ownership shall vest as follows:**

##### **Scenario 1 (Ownership of Intellectual Property shall vest in the University)**

Where the funding comes from the Government of Malaysia and the University creates an intellectual property, the ownership of the intellectual property shall vest in the University.

#### *Illustration*

A Ministry funds a research institution or university (recipient) to conduct research. Any intellectual property created from the research shall vest in the University (recipient).

**Scenario 2 (Ownership of Intellectual Property shall vest in the University)**

Where the University commissions a third party to undertake research either through consultancy or commission agreement, and the third party creates an intellectual property, the ownership of the intellectual property shall vest in the University.

*Illustration*

Where the University outsource any work to a third party for their own use the ownership shall vest in the University.

**Scenario 3 (Ownership of Intellectual Property shall vest in the Recipient)**

Where the Government of Malaysia disburses funds to a Government Agency which in turn disburses the funds to the University (Recipient), the ownership of the intellectual property shall vest in the University (Recipient)

*Illustration*

When MOSTI disburses the funds to MDeC which in turn disburses the fund to the University (Recipient), the ownership of the intellectual property shall vest in the University (Recipient)

**Scenario 4 (Ownership of the Intellectual Property shall vest jointly in the third party and University)**

Where the Government of Malaysia disburses funds to a Government Agency which in turn disburses the funds to a third party which collaborates with the University and when intellectual property is created together, the ownership of the intellectual property shall vest jointly in the third party and the University.

*Illustration*

When MOSTI disburses the funds to MDeC which in turn disburses the fund to Company XYZ (Recipient) which collaborates with the University and when an intellectual property is created the ownership of the intellectual property shall vest jointly with the Company XYZ (Recipient) and the University.

**Scenario 5 (Ownership of the Intellectual Property shall vest jointly in the Recipients)**

Where the funding comes from the Government of Malaysia for a project involving several Recipients, the ownership of the intellectual property shall vest jointly in the Recipients

**4.2 Employee Inventions**

Where an employee of UTeM creates an intellectual property in the course of his employment, the ownership of the IP shall vest in the University.

Where an employee of UTeM, whose contract of employment does not require him to engage in any inventive activity, makes an invention in the field of activities of his

employer using data or means placed at his disposal by his employer, the ownership of the invention shall vest in the University.

#### **4.3 Derivative Intellectual Property**

All derivatives IP developed from the use of the acquired IP technology shall belong to the acquirer. The acquirer shall take all necessary steps to protect the derived intellectual property through registration or other means. See Para 5.4 of Intellectual Property Commercialisation Policy for Research and Development Projects funded by the Government of Malaysia (Appendix 1).

### **5.0 TECHNOLOGY ACQUISITION OR INTELLECTUAL PROPERTY ACQUISITION**

There may be a situation where it might be necessary to acquire technology from a third party to complement existing technology or to assist in research and development (R&D) activities. Such acquisition could be an outright acquisition or through obtaining appropriate licences for R&D activities as well as commercialisation of the output of R&D.

The acquisitions processes are conducted and monitored by the IP Technical Committee established by UTeM, and CRIM is the secretariat. The following processes are best practices which should be followed to avoid any possible problem in the future.

#### **5.1 Identify Required Intellectual Property**

In order to identify required Intellectual Property the IP Technical Committee:

- a) Explore possibilities and identify available technology;
- b) Weigh viability and suitability of technology for the purposes.

#### **5.2 Conduct due Diligence/Risk Management**

Before an intellectual property is acquired a due diligence must be conducted. The due diligences are as follows;

- a) Check on the ownership;
- b) Check on validity of IP and whether maintenance fees are needed;
- c) Check on the scope of technology covered by the Intellectual Property;
- d) Check on the remaining duration of protection and territories covered – valid patent registered in multiple nation will have a larger market and will be worth more;
- e) Check on any pending litigation against Intellectual Property owners, possibility of patent becoming invalid if challenged in court (did not meet statutory requirement); and
- f) Review patent valuation report.

#### **5.3 Valuation of Intellectual Property to be Acquired**

The IP Technical Committee will evaluate and identify a required IP based on the following factors (Refer to valuation methods under the section of commercialisation (Para 9.0):

- a) Available and potential technology
- b) Viability of technology
- c) Suitability of technology

#### **5.4 Negotiate the Terms**

Ensure that the terms negotiated will cover both research and development as well as commercialisation needs. Checklist for negotiating process refers to section on agreement (Para 6.1).

#### **5.5 Draft Agreement**

Please refer to the checklist in the section on agreement (Para 6.1).

#### **5.6 Registration Assignment/Licenses**

CRIM will check the relevant intellectual property legislation to determine the need to register any assignment or licences.

#### **5.7 Maintenance and Renewal**

CRIM will maintain a registration of all intellectual property managed by it and ensure that they are renewed accordingly.

### **6.0 AGREEMENTS AND MEMORANDUM OF UNDERSTANDING (MOU)**

As a general rule, the parties must enter into full agreement as this will have full legal effect. Although the use of MOU is quite widespread, it must be noted that the MOU **may** not be legally binding and may be detrimental to the parties concerned. Parties may enter into MOU to express their interest in certain future collaboration, until a formal contract is signed. It should be noted, pending on the terms of the MOU, courts may find such MOU to be legally binding contracts despite the declared intention of the parties. However, if a particular situation necessitates the use of MOU, the parties must ensure that the precautions and procedures stated in the checklist below are observed. All agreements and MOUs must be prepared by the UTeM Legal Affairs Office to minimize the risk of any potential legal problem.

#### **6.1 Checklist for MOU**

Before drafting an MOU agreement, the parties concerned should consider the following relevant and important issues:

- Subject matter – should be within the expertise and competence of the parties involved and reasonably capable of being accomplished.
- Scope of collaboration – should be clearly expressed and explained, including roles and obligation of both parties.
- Non-disclosure clause – should be inserted to protect the confidentiality of any proprietary information that the parties have disclosed to each other. Such non-disclosure should survive termination of the MOU and up to a period agreed upon by both parties.
- In no case should any cash or other consideration (for example, object and source codes, blueprint, ownership of intellectual property right, etc) be paid out or transferred until a legally binding contract has been entered into.

- Validity period – the recommended period is twelve (12) months and preferably not exceeding twenty four (24) months.
- Termination – the parties may include a term permitting either party to terminate the MOU upon giving a written notice of ninety (90) days to the other.
- Binding obligation – notwithstanding the possible non-binding nature of the MOU, parties should ensure that, at the very least, the clause as to the obligation of the confidentiality of any proprietary information disclosed should be observed, whatever the outcomes of the MOU.

## **6.2 Checklist for Negotiating**

Negotiating plays an important role in commercialisation; therefore, it is advisable for the party(s) to observe the following:

- Identification of contracting parties
- Subject matter – should be within the expertise and competence of the parties involved and reasonably capable of being accomplished.
- Scope of agreement – should be clearly expressed and explained, including roles and obligations of both parties.
- Non-disclosure clause – should be inserted to protect the confidentiality of any proprietary information that the parties have disclosed to each other. Such non-disclosure should survive termination of the agreement and up to a period agreed upon by both parties.
- Warranty period – (to be specified where applicable)
- List of the deliverables and milestones (where applicable)
- Intellectual property ownership (where applicable)
- Specific considerations for the transaction
- Types of licences (where applicable)
- Roles and obligations of licensors/licensees (where applicable)
- Financial provisions (where applicable)
- Duration and termination
- Applicable law
- Waiver clause
- Liquidated damages/penalty clause (where applicable)
- Where the research involves the use of any specimen belonging to the University, use of the specimen by other organisations shall be effected through the signing of a Material Transfer Agreement.

### **6.2.1 Term Sheet**

Based on the result of the negotiations, a terms sheet should be prepared to reflect all the terms agreed upon for submission to solicitors for drafting the relevant agreement.

## **6.3 Sample Documents**

These are the documents which can be used for concluding the agreement:

- a) Memorandum Of Understanding Outsourcing Agreement
- b) Collaboration Agreement
- c) Licensing Agreement

- d) Technology Acquisition Agreement
- e) Non-Disclosure Agreement – Material Transfer Agreement

#### **6.4 Negotiation Techniques**

Negotiation is a long process that requires adequate preparation and clear objectives and strategies. This includes mental as well as technical and commercial preparation. CRIM can usefully adopt the following checklist/strategies:

- a) Define desired outcome from the negotiation
- b) Research the motivating factors of the other party for closing the deal
- c) Prepare a list of non-compromisable ("must-have") items and a list of compromisable items that can be conceded.
- d) Allow the other party to achieve their desired ends while achieving own objectives – win – win situation
- e) Do not be pressured into arriving at a hasty decision – be willing to suspend negotiation and resume later
- f) Define the "walk-away" situation
- g) Carry out simulated negotiation prior to actual negotiation

### **7.0 DISCLOSURE OF INTELLECTUAL PROPERTY CREATION TO CRIM FOR FURTHER ACTION**

In order to disclose the invention to CRIM, the inventors shall abide by the following procedures:

#### **7.1 Procedures for Disclosure**

7.1.1 Inventor(s) are obliged to disclose in writing all newly created Intellectual Property (IP) to CRIM using the appropriate Intellectual Property Disclosure Form (UTeM/CRIM/RND016) (appendix 3). The disclosure should contain full technical or other details of the IP, relevant market information, prior art documents and names of all inventors who have contributed intellectually to the creation of the IP.

7.1.2 Two copies of the completed Disclosure Form shall be forwarded to CRIM. CRIM will then acknowledge the receipt of the Disclosure Form and a copy of the acknowledged Disclosure Form will be returned to the inventor.

#### **7.2 Action by CRIM**

Based on the matters disclosed in the Intellectual Property Disclosure Form, CRIM will determine the desirability of seeking IP registration, taking into account the commercial potential of the said IP and other relevant matters. The inventor shall cooperate with CRIM in all relevant matters to assist CRIM in making an evaluation.

7.2.1 CRIM must inform Senate the details of such an IP within 30 days from the date of receipt of the IP Disclosure Form.

7.2.2 Following the evaluation of the IP by IP Technical Committee, CRIM shall confirm, within 90 days from the date of receipt of the IP Disclosure Form, in writing to the Inventor whether CRIM will pursue the registration of the IP, subject to any obligation that may be owed to external parties.

### **7.3 Special Provision for Inventions/Other Registrable Intellectual Property**

- 7.3.1 In the case of an invention, where the patentability assessment shows that the invention is new, inventive, and industrial application, and has commercial potential, CRIM will seek to protect the invention. If there is an obligation owed to an external party under the terms of a funding or research agreement in respect of the invention, CRIM will contact the external party and proceed to seek protection of the invention in accordance with the terms of the agreement with such party.
- 7.3.2 The Inventor(s) shall maintain the confidentiality of the details of the Invention until the patent application is filed or until a decision is made by UTeM to allow public disclosure.
- 7.3.3 The Inventor(s) shall assist registration patent agents of registered IP consultants recommended by UTeM, to prepare, file or prosecute a patent application.
- 7.3.4 Where the Inventor(s) intends to promote the commercialisation of the invention with a potential commercialisation party prior to the filing of the patent application, a Non-Disclosure Agreement must be signed by such potential commercialisation party, before any information on the Invention is disclosed so as to ensure that the interest of UTeM is protected.
- 7.3.5 All inventor(s) must disclose to CRIM 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 CRIM in writing.

### **7.4 Application to Other Registrable Intellectual Property Rights**

Paragraph 7.6.1 and 7.6.2 shall apply equally (with the necessary changes being made) to all other registrable intellectual property rights.

### **7.5 IP Ownership Determination by CRIM**

CRIM would determine the party in whom the intellectual property should vest in accordance with these guidelines.

### **7.6 IP Ownership Transfer to Inventor**

- 7.6.1 Should CRIM not be interested in seeking patent protection or to commercialise an IP, it shall inform the inventor in writing. The inventor may then make a written request to CRIM for the intellectual property to be assigned to him. CRIM must immediately inform Senate of the Request. If Senate does not object within a period of 60 days from the date of receipt of that request, CRIM may proceed to process the application of the inventor (s).
- 7.6.2 CRIM will retain a non-exclusive, non-transferable, irrevocable, royalty-free, worldwide license on the IP for research and educational purposes. In the event

the inventor does not commercialise the intellectual property within (5) years without any reasonable grounds, CRIM may exercise commercialisation rights over the IP.

#### **7.7 Assistance from inventor in commercialisation by CRIM**

In the event that CRIM decides to commercialise the IP, the inventor(s) shall provide all reasonable assistance in furtherance of this goal, for example, by providing information promptly on request, attending meeting with potential licensees and providing technical advice regarding further development.

### **8.0 COMMERCIALISATION OF INTELLECTUAL PROPERTY**

Commercialisation is the process of taking an outcome of research and development project to the market. This can be done through assignment or by way of licensing to start-up companies or spin-off companies or through joint-ventures, or other suitable vehicle of commercialisation.

In the event that CRIM determines an IP as not belonging to UTeM, it must inform the inventor(s) in writing of its decision, after which the inventor may exploit it in any way, he or she chooses.

In all cases where an IP is to be jointly owned, the parties must ensure that any rights to commercialise the IP and share in the profits are pre-determined by a written contract among themselves.

#### **8.1 ROLE OF THE CENTRE FOR RESEARCH AND INNOVATION MANAGEMENT ( CRIM)**

CRIM shall be responsible for the commercialisation of any intellectual property that belongs to the University. Its powers and duties shall include but not be limited to one or more of the following:-

- a) Taking the appropriate measures to protect the intellectual property and UTeM;
- b) Obtaining an independent valuation of the IP;
- c) Identifying potential assignees/licensees;
- d) Assigning/licensing the rights to a third party(s), subject to Senate approval, ; and
- e) Determining an appropriate vehicle to exploit the IP.

#### **8.2 Choice Of Assignee/Licensee for Commercialisation**

In deciding to grant an assignment or licence for commercialisation, CRIM should give preference to Malaysian Enterprises.

#### **8.3 Pre-negotiation**

8.3.1 CRIM will ensure that Inventors and Commercialisation Party(s) disclose the particulars of any IP rights and other relevant information which would be relied upon during the negotiation. Before one party discloses any confidential information, a Non-Disclosure Agreement (NDA) must be executed by the other party.

8.3.2 In contract negotiation, CRIM may appoint the negotiating team from within or outside CRIM as deemed necessary. The negotiating team should have the following attributes:

- a) Adequate technical expertise and have sound 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 UTeM; and
  - c) Adequate commercial expertise.
- 8.3.3 CRIM will coordinate all activities related to intellectual property commercialisation, in particular, the following:
- a) Market research;
  - b) Identifying and selecting parties that have the business or technical expertise to effectively commercialise the invention;
  - c) Entering into discussion with potential assignees or licensees or joint-venture partners;
  - d) Developing business plans; and
  - e) Negotiating agreements.

## 8.4 Commercialisation Option

The following options are available to the University for Commercialization. The negotiating team should consider all options and weigh the advantages and disadvantages of each of the options before entering into any agreement.

### 8.4.1 Licensing

Licensing can be in the form of Exclusive Licence, Sole Licence, Non-Exclusive Licence and Cross Licence. All licensing arrangements can be contractually limited by geographical locations, duration, industry and fields of application or other restrictions.

- a) Exclusive License - UTeM grants all rights of exploitation of the IP to the licensee. This means UTeM relinquishes the rights to exploit the IP itself or to grant any additional, subsequent licences to another party. Where an exclusive license is contemplated, UTeM should retain the rights to use, conduct further research and development and utilize the IP for non-commercial purposes.
- b) Sole Licence – UTeM grants all rights of exploitation of the IP to the licensee, but retains its rights to exploit the IP itself.
- c) Non-Exclusive License – UTeM may grant the rights of exploitation of the IP to one or more persons/party, including the right to exploit the IP itself. In a none-Exclusive License, UTeM may grant the licensee sub-licensing rights.
- d) Cross-Licences – This option allows UTeM and other IP owners to contractually authorize each other to use their IP 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 licence fee or royalty if the right conveyed by the parties is not equal in value.

#### **8.4.2 Assignment**

UTeM transfers complete ownership to another party (assignee). The assignment involves an outright sale of IP rights to the assignee. However, partial assignments are allowed. For example, an assignment may be restricted by geographical locations.

#### **8.4.3 Start-up/Spin-off Company**

UTeM establishes a company for the purpose of commercialisation of the IP, where inventors and UTeM may own equity in the company together with any third party. The proportions of the equity shall be negotiated.

#### **8.4.4 Joint Venture Company**

UTeM establishes a company together with a third party for the purpose of commercialisation of the IP, where UTeM and the third party are shareholders of the said company.

### **8.5 On-going Obligation of Inventor**

- 8.5.1 In a situation where an on-going involvement by the inventor may be required for effective commercialisation and if there is a need for the inventor and/or UTeM to provide on-going technical assistance or be involved in further joint research and development activities, the extent, manner and duration of the Inventors and/or UTeM's obligation to provide such assistance must be specified in detail in the agreement.
- 8.5.2 Inventors are required to provide full information and assistance to CRIM in all phases of the patent application and/ or commercial exploitation of the intellectual property from time to time, including but not limited to, assessment of the IP, making amendments to the specification and claims of the patent application, and participating in any proceedings concerning IP and licence infringement.
- 8.5.3 UTeM may retain the ownership of the invention but grant a license to the inventor to exploit the IP, if it considers it advantageous to do so.

## **9.0 VALUATION OF INTELLECTUAL PROPERTY (IP)**

Before deciding on the desirability of commercialisation and the mode of commercialisation, the relevant intellectual property has to be valued by CRIM. The methods suggested are as follows:

### **9.1 Types of valuation:**

#### **9.1.1 Cost Approach**

The basic principle of the cost approach is a valuation based on the amount of cost required to reproduce or redevelop the same IP or the amount already spent on the development of the said IP. Key components such as labour hours and level of expertise, equipment and tool time as well as opportunity cost have to be taken into consideration. This approach can usefully be adopted when there is no similar IP for comparison and the technology is in the infancy stage.

#### **9.1.2 Market Approach**

This approach values IP by referring to prices obtained for comparable assets in recent market transaction and terms thereof. Key factors for this approach are existence of active markets, prices of comparable assets, access to price information at which assets are exchanged and other transactions that reflect market values. This approach can usefully be adopted in a situation where the technology is mature and there is already an active market for such technology.

#### **9.1.3 Cash Flow Approach**

The several variations of the cash flow approach are listed below:

- a) Relief from Royalty  
The value of the IP for this method is the capitalized value of the after-tax royalties that the company would be relieved of as a result of being the owner of the IP.
- b) Excess Profit  
The excess Profit method is a method of valuing the IP by calculating the projected new Net Tangible Asset (NTA) of the company as a result of the company possessing the new IP and deducting the prevailing NTA of the company prior to such acquisition. The difference will represent the potential value of the IP.
- c) Capitalization of Earnings  
This method involves applying a suitable multiple to a business' earnings for deriving capitalized value and later deducting it from the current value of financial and physical assets (NTA) to yield a total value for all the intangible assets. This method, however, is applicable only when the entity has the IP as its sole intangible asset.

- d) **Net Present Value of Incremental Cash Flows**  
This method values the IP by determining the present value of cash flows generated by the IP over its useful life.
- e) **Gross Profit Differentials**  
This method determines the value of the IP based on the difference between the gross profit before and after the acquisition of the IP.
- f) **Cost Saving Method**  
This method values the IP by calculating the net present value of the cost saving that the business expects to make as a result of owning the IP.

## 9.2 Other Types of Valuation Methods

Besides the above, the methods below can also be used in specific situation according to prevailing market conditions and trends.

### 9.2.1 **Brand Strength**

This approach normally applies to IP with established brand names. Brand strength is measured by mapping the brand against key performance factors such as market share, leadership, stability, globalization as well as scope of IP protection.

### 9.2.2 **Real Option**

Real options approach is typically preferred for valuing start-up companies, technology ventures and other highly risky assets. This approach is valuable when there is a big uncertainty about the future and the ability of the management to react correctly to future changes. By building proper exit strategies and decision capabilities, real option model is capable to capture the value of managerial flexibility.

### 9.2.3 **Time-Based and Flexibility Method**

This method determines the IP value using discounted cash flow factoring for the value of money, factoring for risks of cash flow and also based on Decision Tree Analysis methods.

## 10.0 WEALTH SHARING

UTeM and relevant party(s) are required to share the Nett Proceeds generated from the commercial exploitation of IP, in accordance with the *Intellectual Property Commercialisation Policy for Research and Development Projects funded by the Government of Malaysia*. Nett Proceed means the gross proceeds (including all royalties, fees and other benefits) received from the commercialisation of the intellectual property less expenses.

### 10.1 Distribution Guidelines

The Nett Proceeds shall be distributed upon the closing of the financial year in which the income is derived, according to the distribution guidelines (Table 1) below:

**Table 1: Distribution Guidelines**

	Nett Proceeds	Inventors	Recipients (University)
1	First RM 250,000.00	100%	0%
2	RM 250,001.00 to RM 1,000,000.00	80%	20%
3	RM 1,000,001.00 to RM 2,500,000.00	60%	40%
4	RM 2,500,001.00 and 5,000,000.00	50%	50%
5	RM 5,000,001.00 and above	40%	60%

#### **10.2 Distribution Guidelines for Joint-Inventors**

In a situation where two or more inventors develop an IP, disbursement of the net proceeds 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 the net proceeds. 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 by referral to CRIM. If CRIM fails to resolve the dispute it shall be referred to UTeM.

#### **10.3 Application of Distribution Guidelines to Derivative IP**

The above mentioned distribution formula is also applicable in respect of any income generated from the commercialisation of derivative IP unless the parties have otherwise agreed in writing among themselves.

#### **10.4 Application of Distribution Guidelines to Off-Set Programmes**

The distribution of net proceeds derived from the Intellectual Property of "off-set" programmes under Para 7.0 of the *Intellectual Property Commercialisation Policy for Research & Development Projects Funded by The Government of Malaysia* shall also be in accordance with Table 1 above.

### 10.5 Example of computation of distribution of Nett Proceed

Assuming the Nett Proceeds is RM 6,000,000.00, the distribution will be as follows:

Distribution Formula	Nett Proceeds	Inventor	Relevant Body (University)
First RM 250,000.00 (100 : 0)	First RM250,000.00	RM250,000.00	RM 0
RM 250,001.00 to RM 1,000,000.00 (80:20)	Next RM750,000.00	RM600.000.00	RM150.000.00
RM 250,001.00 to RM 1,000,000.00 (60:40)	Next RM1,500.000.00	RM900.000.00	RM600.000.00
RM 1,000,001.00 to RM 2,500,000.00 (50:50)	Next RM2,500.000.00		
RM 5,000,001.00 and above (40:60)	Next RM1,000.000.00	RM400.000.00	RM600.000.00
<b>TOTAL</b>	<b>RM 6,000,000.00</b>		

### 10.6 Wealth Sharing In the Case of Technology Acquisition

Under Para 5.5 of the *Intellectual Property Commercialisation Policy for Research & Development Projects Funded by the Government of Malaysia* (appendix 1), in the event the end product has been commercialized, the research institution or the private entity shall pay royalty to the University in accordance with the acquisition funding agreement. In the absence of terms specifying the royalty, the institution or the private entity shall pay the University and equitable royalty as decided by both parties.

## 11.0 GOVERNMENT RIGHTS (MARCH-IN)

Where the government decides to exercise its march-in right under Para 14.0 of the *Intellectual Property Commercialisation Policy for Research & Development Projects Funded by the Government of Malaysia* (appendix 1), it shall notify the recipient of its intention to do so, specifying the ground(s) for exercising its rights.

## 12.0 DISPUTE RESOLUTION

In the event of any dispute the parties should follow the procedures below:

### **12.1 Notification of Dispute**

In the event of a dispute, controversy, claim or difference of whatever nature, not involving UTeM, the affected parties should notify UTeM.

In the event the dispute involves UTeM which cannot be resolved by UTeM itself, then the matter should be referred to the Steering Committee established by the Board of Directors of UTeM.

### **12.2 Procedures to be followed by the Steering Committee**

12.2.1 The Steering Committee shall require each party to forward a written submission of its arguments supporting its claim.

12.2.2 The Steering Committee will assess the merits of the arguments and determine whether there is a need to hold a hearing

12.2.3 If it decides that there is no need to hold a hearing, it shall make a decision and the parties will be informed accordingly

12.2.4 If it decides that there is a need to hold a hearing, it shall set a date for the hearing and notify both parties of it.

12.2.5 Both parties have the right to attend the hearing. Each party is entitled to bring along a person (not being a solicitor) to assist them.

12.2.6 After both sides have been given a fair hearing, the Steering Committee will make a decision which will be conveyed to the parties.

12.2.7 The decision of the Steering Committee shall be final.

### **12.3 Cost of Dispute Resolution**

The cost of such dispute resolution, if any, shall be borne equally by all parties to the dispute.

*APPENDIX 1*

**INTELLECTUAL PROPERTY COMMERCIALISATION POLICY FOR  
RESEARCH AND DEVELOPMENT PROJECTS FUNDED BY THE  
GOVERNMENT OF MALAYSIA**



**INTELLECTUAL PROPERTY  
COMMERCIALISATION POLICY FOR  
RESEARCH & DEVELOPMENT (R&D) PROJECTS  
FUNDED BY THE GOVERNMENT OF MALAYSIA**

MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION  
MALAYSIA (MOSTI)  
JUNE 2009

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## 1.0 INTRODUCTION

The aim of the Government of Malaysia is to encourage an environment where research and innovation will flourish. Innovation is of key importance in spurring economic growth in a developing country like Malaysia. The Government of Malaysia adheres to the principle that knowledge and ideas should be harnessed for wealth creation and societal well being. The traditional resource based economy is fast being replaced by knowledge based economy. Thus, Intellectual Property will become a key factor in driving this knowledge based economy into the future.

Under these circumstances, it is crucial that researchers in the respective industries continuously create new innovations. To encourage and facilitate such innovations, the Government of Malaysia has put in place various funding schemes for the necessary research and development to be conducted. For this purpose, it is also imperative to provide a conducive environment, a secure mechanism and platform within which such innovations can be protected and exploited to the benefit of both the Fund provider and the Recipient.

- a) Currently there is no national policy governing the ownership and Commercialisation of Intellectual Property of Government funded projects. Thus, there is a need to formulate a single policy which would encompass as widely as possible the various situations for the common application by the Government, Government Agency and Research Institution; (collectively referred to as Relevant Body) providing funding for research, development and Commercialisation purposes. This

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## INTELLECTUAL PROPERTY COMMERCIALISATION POLICY

Intellectual Property Commercialisation Policy seeks to address these problems.

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## 2.0 OBJECTIVES

The objectives of the Policy are:

- a) to establish a common framework to regulate the ownership and management of Intellectual Property from the creation, protection, innovation, exploitation and technology transfer activities carried out by the Relevant Body;
- b) to promote and facilitate the protection of Intellectual Property in line with the National Intellectual Property Policy; and
- c) to promote and facilitate the exploitation and commercialisation of Intellectual Property generated from projects funded by the Government of Malaysia.

## 3.0 DEFINITIONS

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 and Commercialisation Centre"** means for the purpose of this Policy, any centre or department of a Ministry, Government Agency or Research Institution 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 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 Relevant Body;

**"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 Expenses;

**"Off-Set Programme"** means a programme agreed upon as part of a procurement agreement between the Government of Malaysia and a foreign entity under which the foreign entity agrees to provide, *inter alia*, training, technical assistance, technology transfer, equipment, infrastructure development or research and development programme to Malaysia;

**"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) Projects funded by the Government of Malaysia;

**"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;

**"Relevant Body"** means the collective reference to the Ministry, Government Agency and Research Institution;

**"Research Institution"** means Public funded Universities and Institutions of Higher Learning, Government Institutions and Government Agency, including Non-Governmental Organisations, private universities, and companies which are funded by the Government to conduct specific research;

**"Technology Acquisition"** means Intellectual Property Acquisition as defined above;

**"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.

#### 4.0 OWNERSHIP OF INTELLECTUAL PROPERTY

4.1. Intellectual Property ownership shall vest as follows:

**Scenario 1 (Ownership of Intellectual Property shall vest in the Recipient)**

Where the funding comes from the Government of Malaysia disbursing the Fund to a Recipient, and the Recipient creates Intellectual Property, the ownership of the Intellectual Property shall vest in the Recipient.

**Scenario 2 (Ownership of the Intellectual Property shall vest in the Relevant Body)**

Where the Relevant Body commissions a third party to undertake research either through consultancy or commission agreement, and the third party creates the Intellectual Property, the ownership of the Intellectual Property shall vest in the Relevant Body.

**Scenario 3 (Ownership of the Intellectual Property shall vest in the Recipient (individual or third party))**

Where the Government of Malaysia disburses Fund to a Government Agency which in turn disburses the Fund to the Recipient (individual or third party), the ownership of the Intellectual Property shall vest in the Recipient (individual or third party).

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**Scenario 4 (Ownership of the Intellectual Property shall vest jointly in the third party and Research Institution)**

Where the Government of Malaysia disburses Fund to a Government Agency which in turn disburses the Fund to a third party which collaborates with a Research Institution and when Intellectual Property is created together, the ownership of the Intellectual Property shall vest jointly in the third party and Research Institution.

**Scenario 5 (Ownership of the Intellectual Property shall vest jointly in the Recipient)**

Where the funding comes from the Government of Malaysia disbursing the Fund to a project involving several Recipient, the ownership of the Intellectual Property shall vest jointly in the Recipients.

**Scenario 6 (Ownership of the Intellectual Property shall vest jointly in the Research Institution and the third party)**

Where the Government of Malaysia disburses Fund to a Research Institution which under the funding agreement has to collaborate with a third party, and when Intellectual Property is created together, the ownership of the Intellectual Property shall vest jointly in the Research Institution and the third party.

**Scenario 7 (Ownership of the Intellectual Property shall vest jointly in the Government of Malaysia and the third party)**

Where the funding comes in the form of a joint funding between Government of Malaysia with a third party, and Intellectual Property is created, the ownership of the Intellectual Property shall vest jointly in the Government of Malaysia and the third party.

**4.2. Employee Invention**

Where an Employee of a Relevant Body creates Intellectual Property, the ownership shall vest as follows:

4.2.1. Where an Employee of a Relevant Body creates Intellectual Property in the course of his employment, the ownership of the Intellectual Property shall vest in the Relevant Body;

4.2.2. Where an Employee of a Relevant Body, whose contract of employment does not require him to engage in any inventive activity, makes, in the field of activities of his employer, an Invention using data or means placed at his disposal by his employer, the ownership of the Invention shall vest in the employer; and

4.2.3. The Relevant Body will not assert any rights or claim of ownership of any Intellectual Property in relation to scholarly books, articles, audiovisual lectures or other such scholarly work or subject

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matter generated by researchers or academic staff except where such Works have been specifically commissioned by the Relevant Body.

4.3. The Relevant Body reserves the right to decide the countries in which it will seek Intellectual Property protection.

4.4. The Relevant Body shall be responsible to maintain, and to bear maintenance and other costs associated with obtaining or maintaining such protection. However, the decision whether to apply for, and to maintain, such protection shall be at the sole discretion of Relevant Body concerned.

#### 5.0 TECHNOLOGY ACQUISITION AND INTELLECTUAL PROPERTY ACQUISITION

5.1. 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.

5.2. 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.

- 5.3. Intellectual Property that is acquired under this section by the Recipient by funding that is provided in whole or in part by the Relevant Body shall become the property of the Recipient.
- 5.4. All Derivative Intellectual Property developed from the use of the acquired technology or Intellectual Property shall belong to the acquirer. The acquirer shall take all necessary steps to protect the derived Intellectual Property through registration or other means.
- 5.5. In the event the end product has been commercialised, the Recipient shall pay royalty to the Relevant Body in accordance with the acquisition funding agreement. In the absence of terms specifying the royalty, the Recipient shall pay the Relevant Body an equitable royalty.
- 5.6. Notwithstanding anything contained in this Policy, where there is a national emergency or where there is a public interest, in particular, national security, nutrition, health or the development of other vital sectors of the national economy as determined by the Government of Malaysia so requires; or where a judicial or relevant authority has determined that the manner of the exploitation by the owner of the Intellectual Property or his licensee is anti-competitive, the Government of Malaysia may decide that, even without the agreement of the owner of the Intellectual Property, the Government of Malaysia may exploit the Intellectual Property royalty free.

- 6.2.2.1. 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;
- 6.2.3. Notwithstanding para 6.2.2 above, sole ownership may be granted to the third party on a case to case basis provided the following criteria are met:
  - 6.2.3.1. The project is focused mainly on product development or improvements to the third party's existing products or services and where only the third party's existing Intellectual Property is involved;
  - 6.2.3.2. The Relevant Body must benefit from the project by acquiring relevant industry experience through the exposure provided by working with the third party; and
  - 6.2.3.3. The third party must bear the full project costs, including costs of manpower, equipment and facilities.

## 6.0 RESEARCH COLLABORATIONS WITH EXTERNAL PARTIES

- 6.1. It is envisaged that the Relevant Body will collaborate with the industry. Such collaboration is encouraged as interaction with industries ensures that research at the Relevant Body remains important and it also provides exposure to researchers. The industry will also benefit as it obtains access to the Relevant Body's expertise, facilities and resources.

### Ownership of Intellectual Property

- 6.2. Ownership of Intellectual Property created in the course of such collaboration shall be determined as follows:
  - 6.2.1. The default position for all such research collaborations shall be that the Relevant Body 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 Relevant Body;
  - 6.2.2. Notwithstanding para 6.2.1 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 Relevant Body, the Relevant Body may, by contract, agree that the resulting Intellectual Property will be jointly owned:

## 7.0 OFF-SET PROGRAMME

- 7.1. In negotiating a contract for procurement, the Ministry concerned shall at all times act in the best interests of Malaysia and ensure that any agreement entered into between Malaysia and a foreign entity shall contain provisions for the meaningful transfer of technology, training, human capital development, technical assistance, infrastructure development or research and development programmes for the benefit of Malaysia.
- 7.2. The ownership of any Intellectual Property and other interests arising out of such Off-Set Programme(s) shall depend on the terms negotiated, but every effort should be made to secure ownership and maximum benefits to Malaysia.

## 8.0 EXPLOITATION OF INTELLECTUAL PROPERTY

- 8.1. Where an Inventor or creator creates Intellectual Property he shall notify the Innovation and Commercialisation Centre in writing.
- 8.2. The Innovation and Commercialisation Centre shall determine the party in whom the Intellectual Property should vest in accordance with this Policy.
- 8.3. If the Innovation and Commercialisation Centre determines that the Intellectual Property ownership belongs to the Relevant Body, 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 and the Relevant Body;
  - 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.
- 8.4. In the event the Innovation and Commercialisation Centre 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.
- 8.5. Should the Innovation and Commercialisation Centre not be interested in seeking Patent protection or to commercialise the Intellectual Property, it shall inform the Inventor in writing. The Inventor may then make a written request to the Innovation and Commercialisation Centre for the Intellectual Property to be assigned to him. The Innovation and Commercialisation

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Centre shall write to the funding Agency to obtain leave. If leave is granted, the Innovation and Commercialisation Centre 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 five years without any reasonable grounds, the Innovation and Commercialisation Centre may exercise any Commercialisation rights in relation to the Intellectual Property.

- 8.6. The Innovation and Commercialisation Centre 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.
- 8.7. In the event the Innovation and Commercialisation Centre determines that the Intellectual Property does not belong to a Relevant Body, it shall inform the Inventor in writing of its decision, whereupon the Inventor shall be free to exploit it in any way he chooses.
- 8.8. 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.

## 9.0 DISCLOSURE AND EVALUATION OF INVENTION

- 9.1. Inventor(s) is obliged to disclose and notify all newly created Inventions to Innovation and Commercialisation Centre and to cooperate with the Innovation and Commercialisation Centre 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.
- 9.2. Notification of all newly created Inventions shall be made in writing to the relevant Innovation and Commercialisation Centre.
- 9.3. Upon receipt of the notice, the Innovation and Commercialisation Centre will evaluate the commercial potential and conduct a patentability assessment on the Invention using specialists in the relevant technology areas.
- 9.4. The Innovation and Commercialisation Centre shall, within 30 days from the date of receipt of the notice, inform the Relevant Body the details of such Invention.
- 9.5. Following the evaluation of the Invention, the Innovation and Commercialisation Centre shall, within six (6) months from the date of receipt of the notice, confirm in writing to the Inventor whether the Innovation and Commercialisation Centre will pursue the patenting of the Invention subject to any obligation that may be owed to external parties.

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- 9.6. Where the patentability assessment shows that the Invention is new, inventive, and of industrial application, and has commercial potential, the Innovation and Commercialisation Centre will seek to protect the Invention.
- 9.7. 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 Innovation and Commercialisation Centre 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.
- 9.8. 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 Innovation and Commercialisation Centre to allow disclosure.
- 9.9. The Inventor shall assist registered Patent agents or registered Intellectual Property consultants recommended by the Relevant Body, to prepare, file and prosecute a Patent application.
- 9.10. Where the Inventor promotes the Invention for Commercialisation to a potential Commercialisation party before the filing of the Patent application, a non-disclosure agreement must be signed with such potential Commercialisation party, before any information on the Invention is disclosed so as to ensure that the interest of the Relevant Body is protected.

- 9.11. All Inventors shall disclose to the Innovation and Commercialisation Centre 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 Innovation and Commercialisation Centre.

## 10.0 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.

### Pre-Negotiation

- 10.1. Recipient, 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.
- 10.2. In contract negotiation, the Recipient may appoint the negotiating team from the Innovation and Commercialisation Centre, external experts, and internal resources, as deemed

necessary. The negotiating team representing the Recipient 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.
- 10.3. The party representing the Recipient 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.

## Commercialisation Options

- 10.4. The negotiating team should consider all options and weigh the advantages and disadvantages of each of the following options before entering into any agreement.

### Licensing

- 10.5. Licensing can be in the form of exclusive Licence, non-exclusive Licence, sole Licence and cross Licence, subject to para 10.9. All licensing arrangements can be contractually limited by geographical locations, time, industry and fields of application.

**Exclusive Licence** - the Recipient 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. Recipient should retain the rights to use, conduct further research and development and exploit the Intellectual Property for non-commercial use.

**Non-Exclusive Licence** - the Recipient 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 Recipient may grant the licensee sub-licensing rights.

**Sole Licence** - the Recipient transfers all rights of exploitation of the Intellectual Property to the licensee but retains his rights to exploit the Intellectual Property himself.

**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.

- 10.6. **Assignment** - The Recipient transfers complete ownership to another party (assignee). Assignment involves an outright sale of Intellectual Property rights to the assignee. However, partial Assignments are allowed, subject to para 10.5. For example, an Assignment may be restricted by geographical locations.
- 10.7. **Spin-Off Company** - The Recipient 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.
- 10.8. **Joint Venture Company** - The Recipient 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.

**Special Condition**

- 10.9. Notwithstanding any other provision of this Policy, no Recipient shall grant to any person the exclusive right to use or sell any Invention in Malaysia unless such person agrees that any products embodying the Invention or produced through the use of the Invention will be manufactured substantially in Malaysia. However, in individual cases, the requirement for such an agreement may be waived by the Relevant Body under whose funding agreement the Invention was made where the Recipient, or assignee shows that:
- reasonable but unsuccessful efforts have been made to grant licence on similar terms to potential licensee(s) who would be likely to manufacture substantially in Malaysia; or
  - under the circumstances, domestic manufacture is not commercially feasible.

**On-going Obligation of an Inventor**

- 10.10. In a situation where on-going involvement by the Inventor may be required and if there is a need for the Inventor and/ or Recipient to provide on-going technical assistance or to be involved in further joint research and development activities, the extent, manner and duration of the Inventor(s) and/ or Recipient's obligation to provide such assistance must be specified in detail in the agreement.

- 10.11. The Inventor(s) shall provide all information and render all assistance to the Recipient in all phases of the Patent application and/ or commercial exploitation of the Intellectual Property as the Recipient may from time to time require, including, but not limited to, assessment of the Intellectual Property, making amendments to the specification and claims of the Patent application, and participating in any proceedings concerning Intellectual Property and Licence infringement.

**11.0 WEALTH SHARING GUIDELINES**

- 11.1. It is the intention of the Government of Malaysia to encourage and reward innovation and creative activity within Malaysia. Therefore Recipient 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.
- 11.2. 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.
- 11.3. Where the Recipient/ Relevant Body derive any financial return from the commercial exploitation of the Intellectual Property, such net revenues shall be divided between the Recipient and the Inventor(s). In arriving at the figure that is available for

sharing between the Recipient and the Inventor(s), the Recipient shall deduct all reasonable Expenses.

- 11.4. Upon deduction of these reasonable Expenses, the Recipient 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:

	Disburseable Amount	Inventors	Recipients
1.	First RM250,000.00	100%	0%
2.	Next RM250,001.00 to RM1,000,000.00	80%	20%
3.	Next RM1,000,001.00 to RM2,500,000.00	60%	40%
4.	Next RM2,500,001.00 to RM5,000,000.00	50%	50%
5.	RM5,000,001.00 and above	40%	60%

**Table 1: Distribution Guidelines**

- 11.5. 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.

- 11.6. 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.
- 11.7. Where an Employee creates an Invention in situations covered by para 4.2 above and revenue derived from such Invention, the Inventor(s) shall be entitled to be paid in accordance with Table 1.
- 11.8. In the event Intellectual Property is derived from any Off-Set Programme, the ownership of the said Intellectual Property and its derivatives shall belong to the designated Off-Set Programme Recipient. The distribution of revenue derived from the Intellectual Property of the Off-Set Programme shall be in accordance with Table 1 above.

**12.0 INCENTIVES FOR INVENTION**

12.1. The Government, in recognition of creative idea generation and innovative research, shall provide incentive schemes for Inventor(s). Payment of such incentive shall be on a one off basis as below:

- a) Upon Disclosure of Invention : RM500.00
- b) Upon Filing of Patent : RM5,000.00
- c) Upon Grant of Patent : RM10,000.00

12.2. The Recipient, in any application for Fund, shall make appropriate provisions for the above incentives.

12.3. The Recipient in the case of Research Institution shall establish an Intellectual Property evaluation committee for assessing the merit of the Intellectual Property disclosure.

12.4. Where the Recipient is an individual, the evaluation of the Intellectual Property disclosure and the disbursement of the incentives shall be carried out by the Fund provider.

12.5. In a circumstance where there are one or more Inventors, the incentives will be distributed in accordance to the express written agreement of the Inventors or based on the Inventors named in the Invention disclosure form.

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**13.0 GOVERNMENT AND RELATED AGENCY OWNED INTELLECTUAL PROPERTY**

The Ministry of Science, Technology and Innovation shall be the focal point of all Government owned Intellectual Property. The Minister of Science, Technology and Innovation shall be authorised to make regulations specifying the terms and conditions upon which any Government-owned Invention may be commercialised.

13.1. For Domestic and Foreign Protection of Government owned Intellectual Property, Ministry of Science, Technology and Innovation being the focal point of all Government owned Intellectual Property shall:

- a) apply for, obtain, and maintain Patent or other forms of protection in Malaysia and in foreign countries on Invention(s) in which the Government owns a right, title, or interest;
- b) grant possible Licence(s), including non-exclusive, sole or exclusive Licence(s), in respect of Government owned Intellectual Property. Such Licence(s) may be granted royalty-free or for royalties or other consideration, and on such terms and conditions as it deems fit;
- c) undertake all other suitable and necessary steps to protect and administer rights to Government owned Intellectual Property including rights to royalties; and

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- d) where the circumstances so require, transfer custody and administration, in whole or in part, of the right, title, or interest in any Government owned Intellectual Property to another Government Agency.

13.2. For the purpose of assuring the effective management of Government owned Intellectual Property, Ministry of Science, Technology and Innovation shall be authorised to:

- a) assist Government efforts to promote the licensing and utilisation of Government owned Intellectual Property;
- b) assist the Government in seeking protection and maintaining Intellectual Property rights in foreign countries, including the payment of fees and costs connected therewith; and
- c) consult with and advise the Government as to areas of research and development with potential for Commercialisation.

13.3. In the event a Relevant Body does not have the expertise or it is otherwise not viable to set up the Innovation and Commercialisation Centre any Intellectual Property created or owned by the Relevant Body shall be entrusted to and managed by Ministry of Science, Technology and Innovation.

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13.4. Ministry of Science, Technology and Innovation may grant a Licence in respect of a Government owned Intellectual Property only if:

13.4.1. Granting the Licence is reasonable and necessary to:

- a) raise the investment capital needed to commercialise the Intellectual Property;
- b) promote the utilization of the Intellectual Property by the public; and
- c) spur the economy;

13.4.2. The applicant makes a commitment to commercialise the Intellectual Property within a reasonable time, which time may be extended by Ministry of Science, Technology and Innovation upon the applicant's request if deemed necessary; and

13.4.3. In the case of an Intellectual Property protected outside Malaysia, the interests of the Government in foreign commerce will be enhanced.

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**14.0 GOVERNMENT RIGHTS (MARCH-IN RIGHTS)**

With respect to an Invention in which a Recipient has acquired title as a result of Government funding, the Government shall have the right to require the Recipient, an assignee or exclusive licensee of the said Invention to grant a royalty free, a non-exclusive, sole or exclusive Licence to a responsible third party who has submitted an application to obtain such rights, upon terms that are reasonable under the circumstances. The exercise of rights set out in this para shall be governed by procedures set out below. The rights set out in this para shall only be exercised if the Recipient, assignee or exclusive licensee refuses such a request. The Government shall have the right to grant such a Licence itself, if the Government determines that such:

- 14.1. action is necessary because the Recipient has not taken, or are not expected to take effective steps to achieve Commercialisation of the subject Invention in any field of use within a reasonable time;
- 14.2. action is necessary to alleviate public health or safety needs which are not reasonably satisfied by the Recipient, assignee, or their licensee(s); and
- 14.3. because the agreement required by para 10.5 has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject Invention in Malaysia is in breach of its agreement obtained pursuant to para 10.5.

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**17.0 MORAL RIGHTS AND ETHICAL ISSUES**

The Recipient recognises the moral rights of the author(s) or Inventor(s) of Intellectual Property. They shall take reasonable steps to ensure that the author(s) or Inventor(s) is acknowledged as the author(s) or Inventor(s) of the Intellectual Property. They shall also take reasonable steps to ensure that any alteration or modification of a work does not harm the reputation or honour of the author(s) or Inventor(s). All Employees of the Recipient shall ensure that in the creation, development and generation of any Intellectual Property, all reasonable care is taken to ensure that there is no breach of any ethics or the moral rights of the author(s) or Inventor(s) of Intellectual Property.

**18.0 IMPLEMENTATION OF POLICY**

The implementation of this Policy shall be in accordance with the Intellectual Property Commercialisation Manual.

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**15.0 FRAUDULENT ACQUISITION OF FUND AND INTELLECTUAL PROPERTY RIGHTS**

Where it is subsequently discovered and proven that the Recipient had obtained the funding through misrepresentation, falsification of documents or other fraudulent means, the ownership of the Intellectual Property, if any, vested in the Recipient shall revert to the Fund provider.

**16.0 DISPUTE RESOLUTION**

- 16.1. In the event of a dispute, controversy, claim or difference of whatever nature arising out of the implementation or operation of this Policy, among the Inventors themselves, or between the Inventor(s) and the Recipient, or Inventor(s) and/ or Recipient and the Innovation and Commercialisation Centre, the Innovation and Commercialisation Centre shall try to resolve the dispute, claim or difference, failing which it shall refer the matter to the Intellectual Property Commercialisation Steering Committee of the Ministry of Science, Technology and Innovation for resolution.
- 16.2. The Intellectual Property Commercialisation Steering Committee shall adopt the procedures stated in the Commercialisation Manual.
- 16.3. The costs of such dispute resolution, if any, shall be borne equally by all parties to the dispute.

*APPENDIX 2*

PEKELILING PENTADBIRAN BILANGAN 20 TAHUN 2010



**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

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**PEKELILING PENTADBIRAN BILANGAN 20  
TAHUN 2010**

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**DASAR PENGKORMESIALAN HARTA INTELEK  
DAN PEMBANGUNAN (R&D) YANG DIBIYAI  
OLEH KERAJAAN**

Pejabat Pendaftaran  
**30 Mac 2010**

Disalinkan kepada:

Naib Canselor  
Timbalan Naib Canselor (Akademik dan Antarabangsa)  
Timbalan Naib Canselor (Penyelidikan dan Inovasi)  
Pegawai-Pegawai Kanan

# **UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

UTeM.02/10.12/2 Jld.2 (55)

30 MAC 2010

## **PEKELILING PENTADBIRAN BIL. 19/2010**

### **DASAR PENGKORMESIALAN HARTA INTELEK DAN PEMBANGUNAN (R&D) YANG DIBIYAI OLEH KERAJAAN**

#### **1.0 TUJUAN**

Pekeliling ini bertujuan memaklumkan kepada semua staf Universiti Teknikal Malaysia Melaka mengenai keputusan pihak Universiti atas kelulusan Mesyuarat Lembaga Pengarah Universiti Bil. 1 /2010 yang bersidang pada 23 Februari 2010 berhubung Dasar Pengkormesialan Harta Intelek dan Pembangunan (R&D) Yang Dibiayai Oleh Kerajaan.

#### **2.0 LATAR BELAKANG**

2.1 Kerajaan telah mengeluarkan Pekeliling Perkhidmatan Bilangan 5 Tahun 1999 mengenai Garis Panduan Bagi Pengurusan Harta Intelek Yang Dimiliki Oleh Kerajaan Dan Agihan Sagu Hati Hasil Penyelidikan Yang Dikomersialkan Kepada Pegawai Awam yang berkuatkuasa mulai 1 Julai 1999.

2.2. Selaras dengan hasrat Kerajaan untuk menyediakan kerangka dan persekitaran yang lebih baik untuk menggalakkan rekacipta, kerja-kerja kreatif dan pemindahan teknologi, mengeksplotasi hak intelek untuk tujuan komersial dan memberi ganjaran sewajarnya kepada mereka yang berkenaan, Kerajaan telah bersetuju supaya suatu dasar yang lebih komprehensif dan terpakai kepada semua Kementerian, Jabatan, agensi serta institusi penyelidikan diwujudkan bagi menggantikan garis panduan yang telah dinyatakan dalam Pekeliling Perkhidmatan Bilangan 5 Tahun 1999.

### **3.0 DASAR BARU**

3.1 Kerajaan melalui Kementerian Sains Teknologi dan Inovasi (MOSTI) telah mengeluarkan **Dasar Pengkomersialan Harta Intelek Hasil Penyelidikan Dan Pembangunan (R&D) Yang Dibiayai Oleh Kerajaan** berkuat kuasa mulai **1 Jun 2009**.

3.2. Dasar ini adalah terpakai kepada semua Kementerian, Jabatan, agensi, institusi penyelidikan dan pegawai awam yang terlibat dalam pengkomersialan harta intelek hasil penyelidikan dan pembangunan (R&D) yang dibiayai oleh Kerajaan.

### **4.0 PEMBATALAN**

Dengan berkuat kuasanya dasar ini, Pekeliling Perkhidmatan Bilangan 5 Tahun 1999 mengenai Garis Panduan Bagi Pengurusan Harta Intelek Yang Dimiliki Oleh Kerajaan Dan Agihan Sagu Hati Hasil Penyelidikan Yang Dikomersialkan Kepada Pegawai Awam adalah dibatalkan.

### **5.0 TARIKH KUAT KUASA**

Pekeliling Perkhidmatan ini berkuat kuasa mulai **1 Jun 2009**.

Sekian, harap maklum.

**“KOMPETENSI TERAS KEGEMILANGAN”**

Saya yang menurut perintah



**HASAN BIN SIRUN**

Pendaftar

/ukp

## APPENDIX 3

### IP FORMS

For CRIM Office Use Only:



**CENTRE FOR RESEARCH AND INNOVATION MANAGEMENT  
UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

### IP APPLICATION FORM

#### 1. Particulars of Principal Inventor

- (i) **Name of Principal Inventor:**
- (ii) **Designation :**
- (iii) **Faculty/Centre :**
- (iv) **Nationality :**
- (v) **Telephone No. :**
- (vi) **Fax No. :**
- (vii) **Email :**

#### 2. Title Of Invention

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#### 3. Type of Invention. Please tick (✓) more than one (if necessary) to best describe your invention.

New Use	<input type="checkbox"/>	An Improvement	<input type="checkbox"/>	A Device	<input type="checkbox"/>
A Process / Method	<input type="checkbox"/>	A Product	<input type="checkbox"/>	A Mark	<input type="checkbox"/>
A Design	<input type="checkbox"/>	Others	<input type="checkbox"/>		

#### 4. List of co-inventors / faculty (UTeM staff)

i.

ii.

iii.

#### 5. External Collaboration. Please tick (✓) as appropriate

Has any of this work been carried out elsewhere?

Yes ☐

No ☐

If 'yes' please tick (✓) in the appropriate box:

☐

Academic Institutions : \_\_\_\_\_

☐

Previous Employment: \_\_\_\_\_

☐

Industrial Collaborator: \_\_\_\_\_

☐

Others: \_\_\_\_\_

Name and particulars of external collaborator(s):

Name :

Designation:

Address :

Contact no.:

#### 6. Prior Art Search

a) Visit these websites of database and state the keyword used for searching:

	Databases	Keyword
1	Patent Cooperation Treaty Application (PCT) <a href="http://www.wipo.int/pctdb/en/search-adv.jsp">http://www.wipo.int/pctdb/en/search-adv.jsp</a>	
2	United States Patent and Trademark Office (USPTO) <a href="http://www.uspto.gov/patft/index.html">http://www.uspto.gov/patft/index.html</a>	
3	European Patent Office (EPO) <a href="http://ep.espacenet.com/">http://ep.espacenet.com/</a>	
4	Intellectual Property Office of Singapore <a href="http://www.surfip.gov.sg/">http://www.surfip.gov.sg/</a>	
5	Pat Snap Technologies <a href="http://www.patsnap.com/">http://www.patsnap.com/</a>	

b) Based on the above Prior Search, select 2 patents / IP reference numbers and TITLE of related earlier work

i) \_\_\_\_\_

ii) \_\_\_\_\_

c) List the similarities (if any) and differences of the disclosed invention with the closest known technology (excluding trademark application).

Similarities

i) \_\_\_\_\_

ii) \_\_\_\_\_

iii) \_\_\_\_\_

Differences

i) \_\_\_\_\_

ii) \_\_\_\_\_

iii) \_\_\_\_\_

**7. CLAIMS of the invention.**

Please state clearly the CLAIMS for patenting the Invention.

## 8. DECLARATION

I declare that the information which I have provided in this form is, to the best of my knowledge and belief, correct and that the contributors named are all the original creators of this invention/design. I also agree to cooperate in seeking patent or other legal protection in the name of University/Institution and in the commercialization of this invention/design. I also confirm that I have notified the University/Institution of any conflict of interest which may exist in relation to the invention.

---

Signature

(Name of Principal Inventor and Stamp)

Date

### **Note:**

The information which is provided on this form will be used by the University IP Technical Committee to access the ownership of the intellectual property rights, potential third party claims to those rights and obligations to external sponsors. Incorrect or incomplete details could lead to litigation, the reduction or loss of commercialization revenues, or the invalidation of patent applications.

More details and a full write-up of the Invention must be submitted to CRIM not later than 2 weeks after the approval of this application.



## **UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

### **STATUTORY DECLARATION FOR COPYRIGHT**

#### **COPYRIGHT ACT 1987**

IN THE MATTER of Section 42 of the  
Copyright Act 1987 (Act 332)

And

IN THE MATTER of the copyright in the  
Work (as hereinafter as "Exhibit 2", in the name of

.....

#### **STATUTORY DECLARATION**

I, \_\_\_\_\_ (Nric No: \_\_\_\_\_) a Malaysian citizen of legal adult age with an address at \_\_\_\_\_ Malaysia, do hereby solemnly and sincerely declare that the following contents of this notice are true:

1. I am an employee of **Universiti Teknikal Malaysia Melaka** a higher institute of learning with an address at **Hang Tuah Jaya, 76100 Durian Tunggal, Melaka**, (hereinafter referred to as "**the University**").
2. In my aforesaid capacity, I have been duly authorized by the University to make this Statutory Declaration on their behalf. The facts herein contained are unless to the contrary, is stated from my personal knowledge or taken from the records of the University to which I have free and unrestricted access. The facts deposited to herein are true to the best of my knowledge, information and belief.

3. The University is the owner of the copyright of  
" \_\_\_\_\_ " (hereinafter referred to as "the Work").  
Please refer to Exhibit 2.

4. The employee of the University who is the author of the work is as follows:-

i. Name : \_\_\_\_\_

NIRC No. : \_\_\_\_\_

ii. Name : \_\_\_\_\_

NIRC No. : \_\_\_\_\_

The personal details of the employee (hereinafter referred to as 'the Authors' and information of the Work is attached herewith and marked as "Exhibit 1".

5. The Author involved in the development of the Work is as listed in the document annexed as "Exhibit 1", herein and have been involved in the development of the Work for a period commencing from \_\_\_\_ date \_\_\_\_ month \_\_\_\_ year.

The Work comprises One (1) document entitled as follows:

- i. "Exhibit 2"

I hereby declare the following:

- ii. On \_\_\_\_ date \_\_\_\_ month \_\_\_\_ year, copyright subsisted in the Work and continue to subsist:
- iii. The Author has expended sufficient effort to make the work original in character:
- iv. The Work has been reduced to a material form; and
- v. Pursuant to section 7 of the Copyright Act 1987, the work is eligible for copyright protection.

6. I have further been advised and verily believe that:

- i. The Author has been at all material times an employee of the University and developed the work in the course of his employment at the University; and

- ii. The University is the qualified person within the meaning of section 10 of the Copyright Act 1987
- iii. The Copyright in the Work belongs to the University.

7. Therefore, on behalf of the University, I do hereby assert the ownership of the copyright in the work.

8. The Work was first published in Malaysia on \_\_\_\_ date \_\_\_\_ month \_\_\_\_ year.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of Section 42 of the Copyright Act 1987 and Statutory Declaration Act 1960.

SUBSCRIBED and SOLEMNLY DECLARED )  
 )

By Name \_\_\_\_\_)

NIRC No. \_\_\_\_\_)

at \_\_\_\_\_)

\_\_\_\_\_)

\_\_\_\_\_)

On this day of \_\_\_\_ date \_\_\_\_ month \_\_\_\_ year )

Before

\_\_\_\_\_  
 Commissioner of Oaths

Affixed Seal and Date

**EXHIBIT 1**

1.     Name                         :  
\_\_\_\_\_  
  
NIRC No.                         :  
\_\_\_\_\_  
  
Permanent Address   :  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
Nationality                         :  
\_\_\_\_\_  
  
\_\_\_\_\_
  
2.     Name                         :  
\_\_\_\_\_  
  
NIRC No.                         :  
\_\_\_\_\_  
  
Permanent Address   :  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
Nationality                         :  
\_\_\_\_\_  
  
\_\_\_\_\_
  
3.     Name                         :  
\_\_\_\_\_  
  
NIRC No.                         :  
\_\_\_\_\_  
  
Permanent Address   :  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

Nationality :

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4. Name :

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NIRC No. :

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Permanent Address :

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---

Nationality :

---

5. Name :

---

NIRC No. :

---

Permanent Address :

---

---

Nationality :

---

**EXHIBIT 2**

Title of the Work

“ \_\_\_\_\_ ”

*APPENDIX 4*  
**AGREEMENT TEMPLATE**

**THIS AGREEMENT** is made on the day and year as stated in **Section 1** of the **Schedule A** hereto.

**BETWEEN**

- (1) the party whose name and description is as stated in **Section 2** of the **Schedule A** hereto (hereinafter referred to as “**UTeM**”) of the one part;

**AND**

- (2) The party whose name and description is as stated in **Section 3** of the **Schedule A** hereto (hereinafter referred to as “**XXX**”) of the other part.

**UTeM** and **XXX** shall be collectively referred to as the “Parties” and individually as the “Party”.

**WHEREAS:-**

- A. **UTeM**, is a body established pursuant to the provisions of the Universities and University Colleges Act 1971 and runs a public institution of higher learning known as Universiti Teknikal Malaysia Melaka with its mailing address at Hang Tuah Jaya, 76100 Durian Tunggal, Melaka.
- B. **XXX**, a company established pursuant to the provisions of the Companies Act 1965 is a company which involves in servicing of electronic equipments as well as designing and fabricating electronic products.

- C. **UTeM** and **XXX** wish to fully implement the collaboration in respect of research of fuel saver device as well as further collaborations and interactions to be effective and successful on the terms and conditions of this Agreement.

**IT IS HEREBY AGREED** as follows:-

**1. DEFINITIONS**

- 1.1 As used in this Agreement, the following terms, whether used in the singular or plural, shall have the following meaning:-

**Agreement** means this collaboration agreement with corresponding attachment.

**Background Knowledge** means shall include any information used or provided by either Party which has been in existence prior to and/or developed independently after the Agreement has been made effective and available for the performance of the Project. The Background Knowledge shall remain the separate property of the Party making such background information available for the Project.

**Commencement Date** means the commencement date of this Agreement as stated in **Section 4** of the **Schedule A** hereto.

**Foreground Knowledge** means all knowledge generated during the collaboration about the Project regardless of whether this knowledge was created by **UTeM** or **XXX**.

## **Intellectual Property Rights**

means the rights associated with:

(a) inventions; product; manner, method or process of manufacture; method or principle of construction; computer program; database; algorithm; integrated circuit; circuit layout or semiconductor chip layout or design; plan, drawing or design; or scientific, technical or engineering information or document;

(b) Improvement, modification or development of any of the foregoing;

(c) patent, application for a patent, right to apply for a patent or similar rights for or in respect of any Intellectual Property referred to in (a) or (b);

(d) trade secret, know-how, confidential information or right of secrecy or confidentiality in respect of any information or document or other Intellectual Property referred in (a) or (b);

(e) Copyright or other rights in any integrated circuit, circuit layout or semiconductor chip layout or design referred in (a) or (b);

(f) Eligible layout or other rights in any integrated circuit, circuit layout or semiconductor chip layout or design referred in (a) or (b);

(g) registered and unregistered trademark, registered design, application for registration of a

design, right to apply for registration of a design or similar rights for or in respect of any work referred in (a) or (b);

(h) any intellectual property in addition to the above which falls within the definition of “Intellectual Property rights” contained in Article 2 of the World Intellectual Property Organisation Convention of July 1967; and

(i) Any other rights arising from intellectual activities in the scientific, literary or artistic fields whether vested before or after the date of this Agreement and whether existing in Malaysia or otherwise.

**Invention**

means a new product that differs from what is known at the time the product was invented. In this Agreement, the word ‘Invention’ shall also cover products that may qualify for protection under the intellectual property laws of Malaysia.

**Project**

means the Project that forms the subject of this Agreement between **UTeM** and **XXX**, as described in **Attachment 1** of this Agreement.

**Field of Application**

means the field defined by **XXX** and **UTeM** in **Attachment 1** to this Agreement as the field in which **XXX** intends to make commercial use of the Foreground Knowledge generated by the Project.

**Equipment**

means all materials, data, both technical and non-technical, including appliances, machinery, material samples, test animals, reagents, etc.

**Workspace**

means facilities to conduct research e.g. factory floor laboratory, bench, workstation, etc.

**2. PURPOSE OF THIS AGREEMENT**

- 2.1 The purpose of this Agreement is to set out legal relationship between **XXX** and **UTeM** in relation to the collaboration on the completion of the Project.
- 2.2 **UTeM** and **XXX** have an interest in expanding their knowledge through research, and wish to utilise the Foreground Knowledge resulting from the research in the Field of Application defined in **Attachment 1** of this Agreement.

**3. COSTS AND EXPENSES OF THE PROJECT**

- 3.1 Both Parties shall bear all the travelling expenses and other expenses related thereto during the term of this Agreement.
- 3.2 **XXX** shall bear all the costs in relation to industrial expenses during the term of this Agreement.

#### **4. INTELLECTUAL PROPERTY RIGHTS**

- 4.1 The Parties have agreed that the Intellectual Property Rights of the Invention shall be solely owned by **XXX** and in consideration, **XXX** shall pay Ringgit Malaysia XXXXX (RMX00,000.00) only to **UTeM** as the inventor of the Invention.
- 4.2 During the term of the Project, the Parties shall grant each other free access to the use of their Background Knowledge and Foreground Knowledge to the extent it is necessary for the completion of the Project. This access right shall only apply to work related to the Project and shall not be used for commercial purposes or transferred to a third party.
- 4.3 All expenses for obtaining and maintaining a patent on the developed intellectual property rights shall be borne by **XXX**.

#### **5. EQUIPMENT**

- 5.1 Equipment made available by one Party to another Party for use in the Project, shall remain the property of the former Party and shall only be used by the latter Party in connection with the Project. The right of use shall lapse after expiry of the Agreement, and the Equipment shall be returned to the Party who made the Equipment available.
- 5.2 The Workspace shall be the responsibility of **XXX** for use in the Project, and shall only be used in connection with the Project.

#### **6. CONFIDENTIALITY**

- 6.1 Background Knowledge received by one Party from the other Party in connection with the Project shall only be used for the completion of the Project and shall not without the written consent of the other Party be passed on to individuals not taking part in the Project.
- 6.2 A Party's obligation to treat Background Knowledge as confidential, cf. Clause 6.1, shall apply to all individuals who through employment or other association with the Party gain access to the other Party's Background Knowledge.

6.3 A Party's duty of confidentiality as set out in Clauses 6.1 and 6.2 shall not apply to knowledge that:

- *at the time of acquisition was or later became publicly available and not as a result of a breach of the duty of confidentiality;*
- *was received without any restrictions regarding confidentiality from a third party that was entitled to pass on the knowledge in question;*
- *must be passed on to outside parties in accordance with an obligation stipulated by law, legal decision or other binding public document;*
- *A Party has developed independently of any participation in the Project.*

6.4 In the event of a dispute about the duty of confidentiality, the Party who wishes to invoke one of the provisions in Clause 6.3 shall have the burden of proof.

6.5 The duty of confidentiality shall also apply after four (4) years of completion of the Project.

## **7. PUBLICATION**

7.1 If **UTeM** wishes to publish the Foreground Knowledge, **UTeM** shall notify **XXX** at least thirty (30) days prior to the intended date of publication and forward the text and any additional material to be published.

7.2 Publication of knowledge shall always take place with due respect for the duty of confidentiality set out in Clause 6 of this Agreement.

## **8. DURATION AND EXPIRY**

This Agreement is for a period as stated in **Section 5** of the **Schedule A** and shall take effect on the Commencement Date. This Agreement shall, however, lapse automatically if the Project is interrupted, regardless of the reason for the interruption. The Parties shall have no claim against each other in that regard. Notwithstanding the afore-mentioned, the Parties are bound by the duty of Non-Disclosure as provided for in Clause 6 herein.

## **9. NATURE OF AGREEMENT**

No provision of this Agreement is deemed to constitute a partnership or joint venture between the Parties and no Party has any authority to bind, or is deemed to be the agent of, the other Party in any way.

## **10. AMENDMENT**

It is hereby expressly agreed and declared by the Parties hereto that notwithstanding any of the provisions of this Agreement to the contrary, the provisions and terms of this Agreement may at any time and from time to time be varied or amended by mutual consent of the Parties hereto by means of mutual exchange of letters or such other means as the Parties may agree upon from time to time and thereupon such amendments and variations shall be deemed to have been amended or varied accordingly and shall be read and construed as if such amendments and variations have been incorporated in and had formed part of this Agreement at the time of execution hereof.

## 11. NOTICES

Notices under this Agreement shall be in writing and be delivered by hand, by registered mail or by facsimile to the Parties at the following address : -

### **For UTeM**

Authorised Representative :

Address :

Telephone :

Facsimile :

### **For XXX**

Authorised Representative :

Address :

Telephone :

Facsimile :

## **12. ENTIRE AGREEMENT**

This Agreement supersedes all prior agreements and understandings as to the subject matter hereof notwithstanding any oral representations or statements to the contrary and constitutes the entire agreement of the Parties concerning the subject matter and may not be changed, modified or amended except by written agreement signed by duly authorized representatives of all Parties.

## **13. GOVERNING LAW**

This Agreement shall be governed and construed in accordance with the laws of Malaysia without any specific reference to its conflict of law.

## **14. FORCE MAJEURE**

- 14.1 No party shall be liable for any failure to perform its obligations under this Agreement if the failure results from events beyond the reasonable control of either Party (**"Force Majeure"**). For the purpose of this Agreement, such events shall include, but not necessarily be limited to, strikes, lock-outs or other labour disputes, civil disturbances, actions or inactions of government authorities or suppliers, epidemics, wars, embargoes, acts of god or other catastrophes.
- 14.2 The respective obligations of any Party hereunder shall be suspended during the time and to the extent that such Party is prevented from complying therewith by a Force Majeure event provided that such Party shall have given written notice thereof, specifying the nature and details of such event and the probable extent of the delay to the other Parties.
- 14.3 In case of a Force Majeure event the time for performance required by any Party under this Agreement shall be extended for any period during which the performance is prevented by the event. However, the effected Party may terminate its participation in this Agreement by notice if such an event, which prevents performance, continues for more than sixty (60) days.

## 15. TERMINATION

- 15.1 Notwithstanding anything contained in this Agreement, any Party for any reason whatsoever or is unable to fulfil the obligations under this Agreement may terminate this Agreement by giving at least one (1) month notice in writing to the other Party and the Parties shall consult each other to agree on a reasonable work for the notice period leading up to termination date.
- 15.2 If either Party commits any breach of this Agreement, the other Party may request in writing that the breach be remedied within thirty (30) days. If the Party committing the breach does not remedy within the above mentioned period, then the other Party may terminate this Agreement immediately without further notice.
- 15.3 **UTeM** may immediately terminate this Agreement by giving at least one (1) month notice in writing to **XXX** in the following circumstances:
- (a) the making or filing of any application to liquidate or wind up or bankruptcy has been instituted against **XXX** (other than for the purpose of reconstruction or amalgamation) under any law or government regulation relating to bankruptcy or insolvency whether by a third party or by **XXX**; or
  - (b) The making by **XXX** of an assignment or attempted assignment for the benefit of its creditors without written consent of **UTeM**.
- 15.4 **XXX** may immediately terminate this Agreement by giving at least one (1) month notice in writing to **UTeM** if **UTeM** being a statutory body shall be declared un-operational by any laws in force and there is no similar body established by the Government to replace **UTeM**.
- 15.5 Any termination of this Agreement pursuant to Clauses 15.2 or 15.3 shall be without prejudice to the rights of the aggrieved Party to seek and obtain damages for any breach of this Agreement from the Party terminating this Agreement.
- 15.6 Termination shall not affect any right which either Party has accrued up to and on the termination date.

**16. COSTS AND EXPENSES**

Each Party shall bear their own solicitor's fee and other expenses incurred in relation to this Agreement except the stamp duty which shall be borne by **UTeM**.

**17. SEVERABILITY**

Any of the terms, conditions, stipulations, provisions, covenants or undertakings contained herein which are illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal void or unenforceable any other terms, conditions, stipulations, provisions, covenants or undertakings contained herein

**18. ESSENCE OF TIME**

Any time, date or period mentioned in any provision of this Agreement may be extended by mutual agreement between the Parties concerned but as regards any time, date or period, time is of the essence.

**19. ASSIGNMENT**

Without prejudice to the other provisions of this Agreement, no Party may assign, attempt to assign or novate any rights and obligations or the benefits of this Agreement unless it has obtained prior written consent of the other.

## **20. REPRESENTATIONS AND WARRANTIES**

Each Party warrants to and represents with the other Party that:

- (a) it has full legal right authority and power to enter into and bind itself by this Agreement and to exercise its rights and perform its obligations hereunder and that all appropriate and necessary action has been taken to authorise the execution of this Agreement, the exercise of its rights and the performance of all its obligations hereunder and the execution thereof do not exceed the power and authority of the officers executing the same;
- (b) this Agreement constitutes legal, valid and binding obligations of the Party in accordance with its terms; and
- (c) its compliance with terms of this Agreement does not and will not conflict with or result in the breach or constitute a default under any of the terms conditions and provisions of the Party's constituent documents, regulation or laws to which the Party is subject to.

*[ The remaining of this page is intentionally left blank ]*

**IN WITNESS WHEREOF**, the parties hereto have set their respective hands on the day and year first written above.

*Signed for and on behalf of*  
**UTeM**

.....  
Name:  
Title:

In the presence of :

.....  
Name:  
NRIC/Passport No. :

*Signed for and on behalf of*  
**XXX**

.....  
Name:  
NRIC/Passport No.:

In the presence of :

.....  
Name:  
NRIC/Passport No.:

## SCHEDULE A

[ Shall be read and construed as an integral part of this Agreement ]

<b><u>Section 1</u></b>	Year and Date of this Agreement	
<b><u>Section 2</u></b>	UTeM	<b>UNIVERSITI TEKNIKAL MALAYSIA MELAKA</b>  Hang Tuah Jaya 76100 Durian Tunggal Melaka.
<b><u>Section 3</u></b>	XXX	<b>XXX</b>
<b><u>Section 4</u></b>	Commencement Date	
<b><u>Section 5</u></b>	Duration of this Agreement	<b>XXXXXX years.</b>

# ***ATTACHMENT 1***

## *APPENDIX 5*

### IP DISCLOSURE PROCESS

#### **1.0 GUIDELINES ON IP DISCLOSURE**

##### **1.1 OBJECTIVE**

To provide guidelines for disclosing an IP by inventors/originators/authors/designers for IP protection purposes.

##### **1.2 HOW to disclose an IP**

In order to protect the rights of all members of staff and students involved it is important for the University to fully determine the facts relating to the invention design or production of copyrightable material. This IP Disclosure Form is intended to record the invention and should be lodged with the CRIM as soon as possible.

The information provided in this form will be treated as confidential and will be used for the sole purpose of assessing and seeking protection of the disclosed invention.

1. Inventors/Originators/Authors/Designers must use the IP Disclosure form below when disclosing an IP. More than one disclosure per submission is allowed.  
Inventors/Originators/Authors/Designers are to submit a completed IP Disclosure form together with all supporting documents to CRIM.
2. CRIM will check and verify the IP Disclosure form. All incomplete forms will not be processed and will be returned to the inventors/originators/authors/designers for their action.
3. Inventors/Originators/Authors/Designers will be notified of the next step /recommendation / result, retain form for safekeeping.

#### **2.0 IP DISCLOSURE FORM FILING GUIDELINES**

This section should enable the inventors to have a clear understanding of some of the questions asked. This allows the inventors to give correct and precise answers.

##### **Q1 Contributors**

An inventor/originator is a person who has made an intellectual contribution to the step(s) or processes involved in the creation of an invention/design. Staff and students working under supervision and not making positive intellectual/creative contribution to the invention/design are unlikely to be inventors/originators. If more than four people are involved, please photocopy the page and attach it.

##### **Q2 Title of the Invention/Design/Representation of trademark**

Give title of the invention/design to declare in the form. For trademark, give the representation of trademark.

##### **Q3 State the invention. Please choose more than one (if necessary) to best describe your invention.**

Choose the best description of the invention whether it is a device or product. Also whether the invention is a new use for or an improvement to, an existing product?

##### **Q4 Full Description of invention/Representation of the Design (excluding trademark) Provide drawings and other materials that help illustrate the description, if any.**

Should a patent application be filed to protect this invention, you will need to distinguish the patent specification between what you have invented and what is currently known (Prior Art). It will also have to describe how your invention may be reproduced. It is therefore important that in the description of your invention, you can give a summary of the Prior Art (including references where appropriate) and describe not just what you have invented but also what it is that is novel.

Sample format of a patent specification:

#### **Patent Specification – Description**

The invention should be clearly and completely described; sufficient enough to enable a person having ordinary skill in the art to carry out the invention. The description should preferably be described using the following sequence of headings:

(i) “Title”

The title must clearly and concisely indicate the subject matter to which the invention relates.

(ii) “Technical Field”

This is a general broad statement describing the art or technology to which the invention relates.

(iii) “Background Art”

This should include a summary of any background art known to the originator, which may be useful for understanding the invention.

(iv) “Disclosure of Invention”

This normally includes a statement of the essential and optional features of the invention and any advantages of the invention over the known art.

(v) “Specific Example (s)” including a “Description of the Drawings” (if any)

This should include a description of the best mode contemplated by the applicant for carrying out the invention, using examples where appropriate and referring to the drawings, if any.

(vi) “Industrial Applicability”

This should indicate explicitly, when it is not obvious from the description or nature of the invention, the way in which an invention is industrially applicable. In most case industrial applicability will be obvious from the disclosure of the invention and the specific examples. However, in some cases,

E.g. where the invention is a new chemical compound, its industrial application may not be obvious.

**Q5 Prior Art/Prior Design/Trademark Search**

- a) A patent search is part of your search for prior art. Prior art is any body of knowledge that relates to your invention. Prior art would include previous patents, trade journal articles, publications (including data books and catalogues), public discussions, trade shows, or public use or sales anywhere in the world. If an invention has been described in prior art, a patent on that invention is not valid. It is important for the inventors/originators to conduct their own preliminary searching of patent and academic literature before submitting an invention, if possible.
- b) A comparison should be made between the disclosed invention and present/existing technology in the market. The present/existing technology refers to the technology that is in the same category as the invention. Similarities mean any parts of the invention which is similar to present/existing technology. Differences/uniqueness means any part of the invention which has some newness or uniqueness.

**Q6 Past Disclosure/Publication**

If the invention has been made available to the public more than 12 months before registration is applied for, either by publication or disclosure, it may prevent the registrability of the invention. Any disclosure of the invention should be avoided except under obligations of confidentiality.

**Q7 Intended Disclosure/Publication**

Include details of any submission in respect of a research or any other institutions; submissions to journals; conference paper etc; making samples and prototypes of the design for trade fairs or exhibitions or any other disclosure should be listed. If any of there has been accepted for publication or exhibition, please indicate the date that the publication or the exhibition is to occur. In respect of written publication, online articles may be published prior to the official publication date. However, please verify this if possible, and give the earliest possible date the article is to be published or the sample/prototype exhibited and made available to the public.

## *APPENDIX 6*

### GUIDELINES ON PROPER TRADEMARK USE

#### **2.0 GUIDELINES ON PROPER TRADEMARK USE**

The proper use of trademarks is important and must be handled with care. This is because trademark rights are based upon **use**. Improper use will not only serve to distinguish the University's trademarks from the products or services of others but may also damage acquired rights to the extent of destroying the trademark.

Hence, proper use preserves a trademark's ability to identify the origin of products or services, and minimizes the likelihood that a trademark will become generic. It also strengthens trademark registrations, and overcomes defences raised in trademark litigation.

Observance of a few simple guidelines for using the University's trademark will help avoid misunderstanding and mistake in the minds of the trade and general public as well as prevent the violation of University's trademark rights.

The following guidelines are:-

##### **2.1 Give notice of Trademark Rights**

A "notice symbol" or "marking" that signifies to others that the term or symbol being used is a trademark or service mark (registered or unregistered) should be placed adjacent to the mark. A notice is important because it informs others of the University's trademark rights and discourages them from adopting the same or similar trademark for their products or services. Further failure to apply one of these notices, may hinder the prosecution of a trademark infringement action, by allowing the wrongdoer to claim "innocent infringement" as a defence.

Thus, proper marking helps to reserve the trademark for the University and prevents confusion that could result if competitors use similar trademarks. These symbols are often put in superscript (smaller, raised) form.

A notice of rights in an unregistered mark consists of one of the following notations, usually appearing above, and to the right of the mark in which the rights are asserted:

- a) (TM) for an unregistered trade mark; and
- b) (SM) or (TM) for an unregistered service mark.

If the trademark is registered, identify it as being registered. There are various ways which this can be done.

- a) Using word "registered trademark" adjacent to said mark.
- b) Using an asterisk referring to a footnote stating "registered trademark"
- c) Using the symbol "®" adjacent to the trademark.

**NOTE:** Never identify a trademark as registered when it is not. Not only is this an offence under the Trade Marks Act, 1976 it is also a false trade description, use of which could lead to prosecution under the Trade Description Act 1972.

## **2.2 Use Trademark as an Adjective**

Trademarks are adjectives. Do not use them as nouns or verbs. They should also not be pluralized, or used in the possessive form. Non-adjectival uses of trademarks, over time, can result the same to become generic.

## **2.3 Use Trademark Distinctively**

Trademarks should be used in ways that distinguish them from the surrounding text. For instance, trademarks should be CAPITALIZED, underlined, depicted in **boldface** type, *italicized* or placed in "quotation marks", whenever they appear in printed or electronic media. This is to create a distinct commercial impression in the minds of others regarding the University's trademark and the products, services and the business it represents.

## **2.4 Place Trademark to Goods and Services**

In order for trademark rights to be created and maintained, a trademark must be placed to a specific product, or used in the provision of a particular service. Trademarks are "placed" by applying them directly to products, tags or labels attached to the products. Service marks are "placed" by using them in signs and other advertisements offering the services, and on letterheads and invoices through which the services are provided.

## **2.5 License**

Authorized third-party uses of a trademark should be licensed and all licensing agreement should be written carefully, signed, and enforced. The agreement must set standards concerning the licensee's use of the mark, and the quality of products or services with which the mark will be used. The list of product or services that is allowed to use trademark and the terms of use should be stated clearly in the approval or license given to a third party. Where collection of royalties is waived, you should request the authorized third party to acknowledge the owner of the trademark and to notify such use with "Use of trademark with permission".

Any use of trademark that does not comply with the University's licensing and approval requirements or the "trademark use standards" shall be considered unauthorized use and is a violation of the Trademark Act 1976.

The University reserves the right to take appropriate legal action when confronted with unauthorized use of its trademark.

## *APPENDIX 7*

### PROTECTION OF COPYRIGHT WORK

#### **1.0 GUIDEILINES ON COPYRIGHT PROTECTON**

##### **1.1 OBJECTIVE**

To provide guidelines on how to obtain protection of a copyright work.

##### **1.2 PURPOSE**

1. There is no system of registration for copyright protection in Malaysia. Copyright provision is given automatically to the author/owner without the need for formal registration.
2. Copyright protection in Malaysia is government by the Copyright Act 1987
3. A work that is eligible is protected automatically upon fulfilment of the following conditions:
  - a) sufficient effort has been expected to make the work original in character
  - b) the work has been written down, recorded or reduced to a material form and
  - c) the author is a qualified person or the work is made in Malaysia or the work is first published in Malaysia.
4. However, not every work by originators/inventors is protected as copyright unless all the criteria in the Copyright Act are satisfactorily met.
5. The following notice is to be applied by originators/inventors on University owned works to protect the copyright:
  - a) "©2XXX, UNIVERSITI TEKNIKAL MALAYSIA MELAKA All rights reserved" or
  - b) "© 2XXX, UNIVERSITI TEKNIKAL MALAYSIA MELAKA. Hakcipta Terpelihara"
6. The date in the notice should be the year in which the work is first published.
7. For added protection/proof, originators/inventors/authors/designers can protect their work by preparing a Statutory Declaration (SD)

##### **1.3 HOW**

1. Statutory Declaration for Copyright.
2. Originators/Inventors/Authors/Designers that need to have an additional measure to protect their copyrighted work are able to formalize it through an SD with a Commissioner for Oaths. This serves the purpose of ownership claim.
3. The form consists of two parts.
  - a) Part I is the main part of the Statutory Declaration form
  - b) Part II is an Exhibit, which consists of Title of Work, Personal Details of the Author and Other Details of Work together with the attachment of relevant documents.
4. Originators/Inventors/Authors/Designers are to prepare the Statutory Declaration and to provide copy of each related document and send them to ICC for approval.
5. The Head of ICC, who is authorized by the University to make the Statutory Declaration on their behalf, will sign the Statutory Declaration in front of the Commissioner of Oath.

Originators/Inventors/Authors/Designers will keep the original signed Statutory Declaration and the duplicate copy will be retained at CRIM for safekeeping.

## *APPENDIX 8*

### PUBLICATIONS

#### **1.0 GUIDELINES ON PUBLICATION PROTECTION**

##### **1.1 OBJECTIVE**

To provide guidelines on publication of research findings.

##### **1.2 HOW**

1. The author(s) should first discuss the proposed paper or presentation with his/her superior, before any significant work on the preparation of a manuscript or an outline (in the case of a presentation where a manuscript is not required) is done. Matters such as patent protection, relationship to licensing or business interests should be reviewed and any problem in these areas resolved.
2. The author(s) can then proceed with the preparation of his/her manuscript or outline which should be submitted by his/her superior to CRIM at least six weeks prior to the deadline set by the publishing agency or technical meeting. A publication request form to CRIM should accompany the manuscript.
3. CRIM may further wish to have any proposed paper or presentation reviewed by the Legal Department, particularly if the purposed disclosure is in an area where contracts or agreements exist with third parties, where governmental regulatory agencies may be involved, or where litigation is in progress or is likely in the future.

##### **1.3 COPYRIGHT NOTICE**

All papers or presentations should carry the copyright notice and the year of first publication. A final copy of the paper or presentation must be sent to CRIM for record and keeping.

## *APPENDIX 9*

### LIST OF ACTS, REGULATIONS AND CONVENTIONS

#### 1. **List of Acts**

Patent Act 1983  
Trademark Act 1976  
Copyright Act 1987  
Industrial Design Act 1996  
Layout Design of Integrated Circuit 2000  
Trade Description Act 1972  
IP Corporation of Malaysia Act 2002

*(Source: <http://www.mipc.gov.my>)*

#### 2. **List of Regulation**

- 2.1 Patent Regulations 1986
- 2.2 Trademark Act (Regulation 1997)
- 2.3 Industrial Design Regulations 1999
- 2.4 Copyright (Licensing) Regulations 2000

#### 3. **List of Regulation**

- 3.1 Paris Convention
- 3.2 Berne Convention

*(Source: <http://www.wipo.int/portal/index.html.en>)*