



**UMS**  
UNIVERSITI MALAYSIA SABAH

# **INTELLECTUAL PROPERTY POLICY**

Endorsed by *Lembaga Pengarah Universiti* (LPU) Ke-20- 13  
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## **1.0 INTRODUCTION**

### **1.1 General Statement**

- 1.1.1 The University fosters intellectual activities such as learning, teaching, scholarship and research, and adheres to the principle that knowledge and ideas should be made available for the benefit of the entire community. Therefore, this Intellectual Property Policy shall provide guidance for staff and students of the University with regards to IP management and exploitation.
- 1.1.2 The University recognizes and appreciates the efforts put to generate IP therefore acknowledges its value for protection and commercialization for the benefit of the inventor, the University and the entire community. Where this principle conflicts with commercial considerations, the University will seek to resolve the conflict to ensure publication without undue delay, having regard to the wishes of the inventor.
- 1.1.3 The University recognises the right of the inventor to participate in decisions regarding the optimization of IP created by them as he or she is entitled to an equitable share of any financial returns from such commercialization.
- 1.1.4 It is the policy of the University to seek IP protection if it is commercially viable. Therefore this IP Policy defines not only the ownership, distribution and commercialization rights associated with the IP, but will also define policies and procedure which govern and distribution of the technology in its tangible form for the common good of all.

### **1.2 Objectives**

The objectives of this policy are:

- 1.2.1 Promote the fundamental objective and purpose of the institution on teaching, research and furthering knowledge for its own sake;
- 1.2.2 Protect the university's integrity and interests while fostering free and creative expression and exchange of ideas;
- 1.2.3 Foster corporate identity and an *esprit de corps* within the institution;
- 1.2.4 Provide incentives for staff and students in developing and applying intellectual activity in the fields of industry, commerce, literature and the arts;
- 1.2.5 Provide staff and students with fair and reasonable recognition and remuneration by establishing a standard structure and procedure through which IP is managed and exploited and rights and obligations of all parties are determined;

- 1.2.6 Encourage and promote institutional growth, progress and success through ventures with private and public sectors;
- 1.2.7 Obtain appropriate return for facilities, resources and services by the university outside the mainstream activities of teaching and research;
- 1.2.8 Create a secure environment where intellectual property work can be protected in compliance with applicable laws and regulations in Malaysia.

### **1.3 Definitions**

In this policy, the following expressions shall have the following meaning:

**“Arbitrator”** means a person registered with the Arbitration Committee under the Malaysia Arbitration Act appointed to settle legal dispute.

**“Confidential information”** means any Intellectual Property information or data of a confidential nature, including all oral and visual information or data, all information or data recorded in writing or in any other medium or by any other method, and all in Intellectual Property, information and data which university is under obligation, whether contractual or otherwise, not to divulge.

**“Contributor”** means person who makes a material contribution to the creation or demonstration.

**“Course materials”** means materials used in the presentation of lectures, tutorials, seminars, workshops, field classes, laboratory classes and other teaching activities and include such material as lecture notes, examination questions overhead transparencies, slides, photographs, maps, diagrams, handbooks, promotional and advertising brochures, multimedia items and others.

**“Declaration”** means a statutory declaration made under Malaysia Copyright Act and Regulation 1987.

**“Facilities”** means specimen materials, equipment and laboratory.

**“IP”** is the acronym of Intellectual Property, which means any patentable invention, know-how, copyright of works, design layout of integrated circuits, tangible research property, rights relating to computer software, trademarks and other industrial or intellectual property rights, registrable, registered or otherwise.

**“IPC”** means Intellectual Property Committee who evaluates the technological and commercial potential of the innovation product, established under Clause 2.0 of this policy.

**"Inventor"** means a person/persons who actually contribute/s intellectually to the invention.

**"JSPIU"** means Department, School, Centre, Institute, and Unit of UMS.

**"Know-how"** means any method, technique, process, discovery, invention, innovation, un-patentable process, specification, recipe, formula, design plan, documentation, drawing, data and/ or other technical information.

**"MCU"** means Management Committee of the University.

**"Mediator"** means a person who mediates to produce an agreement or reconciliation between two disputing parties.

**"Originator"** includes an author, creator or inventor.

**"PPI"** means Centre for Research and Innovation Management.

**"Resources"** means University administered fund, facilities and teaching staff.

**"Services"** means teaching, research and consultation.

**"Staff member"** means a person who is a member of the staff of the university, whether full time, part-time, contact, sessional or casual and includes both academic and non-academic staff.

**"Student"** means a registered student of UMS.

**"Thesis"** means dissertation on research project as evidence for his/her knowledge carried out by students in pursuance of their studies.

**"University"** means the University Malaysia Sabah or UMS whose address is at Jalan UMS, 88400, Kota Kinabalu, Sabah.

**"UMSLink"** means UMS Link Holdings Sdn. Bhd.

**"University administered fund"** means fund obtained from the University or fund obtained from sponsor through the University.

**"Visitor"** means visiting students, staff members or lecturers from other organizations or institutions of higher learning from within the country or overseas.

**"Working Committee"** means a committee set up at PPI level to screen and look after general requirements of IP protection application.

## **2.0 ADMINISTRATION AND IMPLEMENTATION**

The Vice-Chancellor is the custodian of this IP Policy of UMS and shall appoint the Intellectual Property Committee (IPC) to administer and implement the IP Policy of UMS.

### **2.1 Intellectual Property Committee (IPC)**

2.1.1 To ensure smooth implementation of the IP policy, an Intellectual Property Committee (IPC) shall be set up. A Secretariat shall also be set up and authorize to administer this policy and assist the panels.

2.1.2 The IPC shall be responsible for general supervision and administration of the University's IP policy.

2.1.3 The IPC will advise the management of the University regarding the management of IP, including the consideration on the applications for IP protection, the best form of protection; provide technical input on contract negotiation, management of infringement; investigate and assist in internal dispute settlement; and provide advisory to the University on all IP matters, maintenance and policing; to evaluate and make recommendations on technologies to be commercialized and the University to undertake the commercialization.

2.1.4 PPI shall be the secretariat for the IPC as identified in Clause 2.1.1.

2.1.5 IPC shall consist of the following:

- i. Deputy Vice-Chancellor (R&I) as the Chairperson;
- ii. Director of PPI;
- iii. Managing Director, UMSLink Holdings Sdn. Bhd.;
- iv. Dean/ Director of school/ institute that propose protection and commercialization;
- v. At least 3 senior academicians to be appointed as member of committee
- v. Representative of MyIPO Kota Kinabalu Branch;

2.1.6 Chairperson may appoint not more than two (2) ad-hoc members from any schools which in the opinion of the Chairman will assist on the presented issues or at least one (1) representative from the relevant industries.

### **2.2 Disclosure and Evaluation for IP Protection**

2.2.1 All invention and innovation must be put forward for IP protection and commercialization unless determined otherwise by IPC.

- 2.2.2 IPC must be provided with a relevant document prepared by the inventor through PPI and such document must provide information on the inventor, what was invented, circumstances leading to the invention, and facts concerning subsequent activities which may provide the basis for determination of the IP rights.
- 2.2.3 Work process of the IP protection process is set out in Appendix 1.
- 2.2.4 The University will not seek protection for inventions which are not commercially attractive, even if the invention is intellectually meritorious.
- 2.2.5 The University will seek patent protections on inventions in order to pursue commercial licensing.
- 2.2.6 It is important to understand at the outset that any publication which describes an invention even in minimal detail prior to filing for a patent may prevent patenting in foreign countries and may also prevent protection in Malaysia unless a patent is filed within one year from publication. The implications of publication upon patent rights should be discussed with IPC and a decision on patent filing reached promptly so that publication will not be delayed.
- 2.2.7 The use of trade and service marks to protect the University owned technology or to designate UMS as the origin of a product, event, activity, service, or the like, may be instituted only at the direction of the PPI. It is important to note that trademark protection carries with it certain obligations on the part of the holder of the mark. Therefore, request for use and registration of trade or service marks on behalf of the University must be referred to the PPI.
- 2.2.8 The University adheres to the principles that confidential information and trade secret must be protected. In order to maintain protection while a trade secret is in use, it is the policy of the University to bind individuals having access to the secret by a contractual agreement not to disclose the confidential information and trade secret.

### **3.0 INTELLECTUAL PROPERTY OWNERSHIP**

#### **3.1 Intellectual Property Ownership by the University**

- 3.1.1 Rights in IP made or created by staff members or students are owned by the University. This is if the IP was either developed in the course of or pursuant to University research.
- 3.1.2 University research shall include the following:

- i. With regards to staff members, all research conducted in the course of their employment with the University as part of their duties or in fulfillment of their contract of employment.
- ii. With regards to students, all research for which the students receive advisory, supervisory, technical and/or financial support from the University.
- iii. All research conducted pursuant to a research agreement between the University and an external party.

## **3.2 Ownership of Copyright**

3.2.1 The University will not assert its right to ownership of any IP in scholarly books, articles, course materials, or other scholarly works or subject matter generated (whether in written or any other form) by staff or students, other than if such IP is/are specifically commissioned by the University or if such production uses substantial resources of the University.

3.2.2 In this regard, the staff member shall grant to the University a non-exclusive right to use such course materials, works or subject matter generated by that staff member for the University's teaching purposes should the staff member leave the University.

3.2.3 The University shall have the absolute right to use, publish and reproduce such works in whatever form, electronic or otherwise, for its teaching, research and other academic purposes, if it so wishes.

### **3.2.4 Copyright of Student's Thesis, Dissertation and Term Paper**

- i. A student shall own the copyright of his/her thesis, dissertation or term paper subject to any commitment made earlier under any agreement with external parties. The student shall grant to the University royalty-free permission to reproduce, publish and publicly distribute copies of the said thesis, dissertation and term paper, in whatever form, electronic or otherwise.
- ii. If the thesis, dissertation or term paper contains information on an invention that may be patentable, the said thesis, dissertation or term paper may be required to be withheld in accordance with the procedures under Clause 4.
- iii. The University shall have the absolute right to use, publish and reproduce such works in whatever form, electronic or otherwise, for its teaching, research and other academic purposes, if it so wishes.



#### **4.0 STUDENT'S ACADEMIC THESIS, DISSERTATION OR TERM PAPER CONTAINING INFORMATION ON PATENTABLE INVENTIONS**

4.1 The following outlines the basic steps taken to withhold a Student's thesis, dissertation or term paper that contains information on a patentable invention:

4.1.1 Student's supervisor shall inform the Dean/Director of the Faculty/Centre/Institute concerned and also the IPC through its PPI.

4.1.2 The Dean/Director will thereafter inform the examiners that the thesis, dissertation or term paper is of a confidential nature and shall request that it not be freely circulated. The thesis, dissertation or term paper will be withheld from being placed and catalogued in the library.

4.1.3 Should the IPC decide to pursue commercialization and proceed with patent protection, the thesis, dissertation or term paper will be withheld until such time the patent application is filed. Once the PPI informs the inventor(s) that a patent has been filed, the supervisor shall inform the Dean that it can proceed to release the thesis in accordance with the University's normal procedures.

4.1.4 However, in the event that the IPC decide not to pursue commercialization and patenting protection, PPI will inform the inventor(s) of such decision. The Dean/Director can proceed to release the thesis, dissertation or term paper in accordance with the University's normal procedures.

#### **5.0 COMMERCIAL EXPLOITATION**

5.1 No authority is given to any inventor to negotiate commercial exploitation of IP matters with third party. Should inventor of IP take steps or seek to negotiate with a third party for the commercial exploitation of IP the matter then must be notified to the PPI. PPI then will notify to IPC. Failing to do so, the IPC is empowered to use its discretionary power to render the contract derived from, such negotiation null and void.

5.2 If the IPC accept the proposal for commercialization, PPI must inform UMSSLink of such decision. In making decision under this clause, the IPC will take into account;

- i. The nature of the IP Rights and the extent of patent or other protection desirable;
- ii. Whether the securing of IP Rights or other protection will assist in the development and subsequent commercial exploitation of an invention;

- iii. Whether it would be desirable for the University to maintain an interest in the quality and technical efficiency of production through licensing of IP Rights; and
  - iv. The probable commercial returns to the University.
- 5.3 If the IPC reject the application for commercialization, the inventor may appeal to the MCU. If the MCU affirms the decision made by the IPC, MCU may propose to assign the IP rights to the inventor fully or partially so that the inventor may exploit the IP for commercialization by himself.
- 5.4 If the IPC is advised or believes that the confidentiality of certain information must be maintained in order for IP to be protected or successfully exploited, the IPC must;
- i. Consult in confidence with the originator and any other relevant parties; and
  - ii. Determine a time when publication of the information may take place.

## **6.0 COMMERCIALIZATION INCOME**

- 6.1 Income from the commercialisation of University's IP will be categorised as follows:
- i. Sale value of IP paid by the third party, in the form of licence fee, outright sales price, transfer fee and the like.
  - ii. Net sale value of IP after charging exploitation costs as defined in Appendix 2.
  - iii. Royalty value of commercialised IP paid by the third party to The University based on the value of gross sale or other quantum set and agreed by parties involved.

## **7.0 DISTRIBUTION OF COMMERCIALIZATION INCOME**

- 7.1 In the event where the University derives commercialization income in the form of net sale value from the commercial exploitation of IP, the proceeds shall be distributed among the inventors, University, JSPIU, and UMSLink according to the provisions set out in the schedule below:

Net Revenue of Commercialisation	inventor	University	JSPIU	UMSLink
RM100,000 and below	70%	5%	5%	20%
RM101,000 – M200,000	65%	8%	5%	22%
RM201,000 – M300,000	60%	10%	5%	25%
RM301,000 – M600,000	55%	12%	6%	27%
Above RM600,000	45%	15%	10%	30%

- 7.2 Should there be instances where UMSSLink does not assist the university on commercialization effort, the portion reserve for UMSSLink shall be transferred to university.
- 7.3 In the event where the University derives commercialization income in the form of royalty, the value of royalty earned by the University should be distributed between the inventor and the University in the ratio of 70% : 30%.

## **8.0 INCENTIVE FOR INVENTION**

The University, in recognition of creative idea generation and innovative research, shall provide incentive schemes for the inventor if the invention proven to have commercial value upon valuation by IPC. Payment of such incentive shall be one off amount as below:

- |    |                              |   |    |          |
|----|------------------------------|---|----|----------|
| a) | Upon Disclosure of Invention | : | RM | 200.00   |
| b) | Upon Filing of Patent        | : | RM | 2,000.00 |
| c) | Upon Grant of Patent         | : | RM | 8,000.00 |

## **9.0 STAFF AND VISITOR OBLIGATIONS**

- 9.1 It is the policy of the University that individuals through their employment by the University or by participating in a sponsored research project, or using University administered funds or facilities, thereby accept the principles of ownership of IP as stated under this policy. In furthering such undertaking, all participants are required to sign a Non-Disclosure/ Confidential Agreements. The manager of the Laboratory/ Department concerned shall be responsible for ensuring that all visitors comply with this requirement. The Human Resource Department of the university shall ensure that all employees on acceptance to their posts sign a Non-Disclosure/ Confidential Agreement. Academic services department shall ensure that all students sign the Non-Disclosure/ Confidential Agreement.
- 9.2 On termination of their employment individuals must surrender all proprietary information to the University and shall be prohibited from using, disclosing and transferring the proprietary information and know-how gained during their term of employment to third parties, without the written consent from the University.
- 9.3 The provision under Sections 9.1 and 9.2 shall apply to student mutates mutandis.

## **10.0 DISPUTE RESOLUTION**

- 10.1 The resolution of disagreements and disputes should be dealt with under the Grievance Resolution Policies and Procedures for staff and students at the University.
- 10.2 Subject to Clause 10.1, where a staff member or student is unable to reach agreement with the university with respect to the exploitation of IP, they may refer their grievance to the Vice-Chancellor or to an Officer appointed by the Vice-Chancellor for that purpose. That officer will attempt to resolve the dispute by mediation within a period of one month. In the event of continuing grievance, the matter shall be determined by an independent expert mediator nominated by the Vice-Chancellor.
- 10.3 Subject to Clause 10.2, if such a dispute cannot be resolved through the assistance of a mediator, the Vice-Chancellor shall appoint an arbitrator to adjudicate and decide the grievances matter. The decision of the arbitrator shall be final.

## **11.0 CONFIDENTIALITY OF DISPUTES**

All matters associated with the resolution of disagreements disputes under the Grievance Resolution Policies and Procedures for staff and students at the University will be held confidential.

## **12.0 USE BY NON-OWNER**

- 12.1 Where the University is the owner of the IP created by an originator, the University agrees to grant the inventor a non-exclusive license to use the IP for teaching research or professional purposes.
- 12.2 Where an inventor has been assigned the rights to IP owned by the University, the University retains a non-exclusive and irrevocable license to use the IP for teaching, research or professional purposes. If the University obtains any financial return from such use, it will be distributed according to the provisions under Clause 7.1.
- 12.3 Any license granted pursuant to this Clause will be subject to conditions as follows:
  - i. The licensor will not disclose the IP or confidential information related to the IP or its supporting know-how without the prior written consent of the owner;

- ii. The licensee will not do anything that could jeopardise the rights of the licensor including actions that could jeopardise the protection or enforcement of the licensor's rights and commercial exploitation;
- iii. The licensee will not compete with the licensor in the commercialization of the IP; and
- iv. The licensee shall not assign, license or sub-license or otherwise create rights or obligations for the IP without the prior written consent of the licensor.

### **13.0 AGREEMENT WITH THIRD PARTIES**

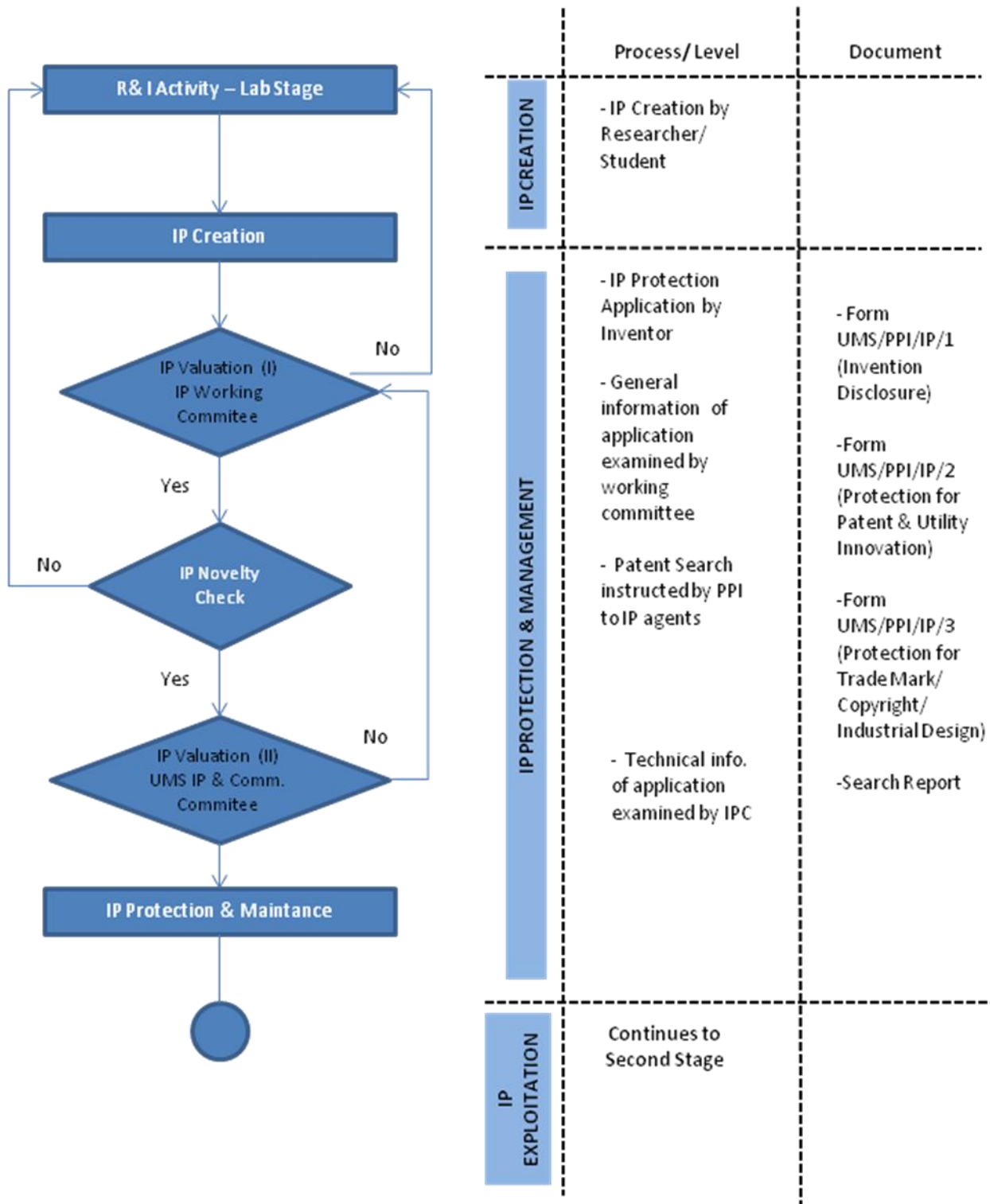
13.1 Any third party subject to approval by the University may enter an agreement with the University that controls the ownership and exploitation of IP. In negotiating such an agreement, the University must, as far as practicable, ensure that the terms of the agreement are consistent with the principles set out in this IP policy.

13.2 The staff and students of University whether directly or indirectly, shall not make available to any third party who is not a member of the University, any of the University facilities, materials or other resources for the purpose of creating IP except with the prior written approval from the University.

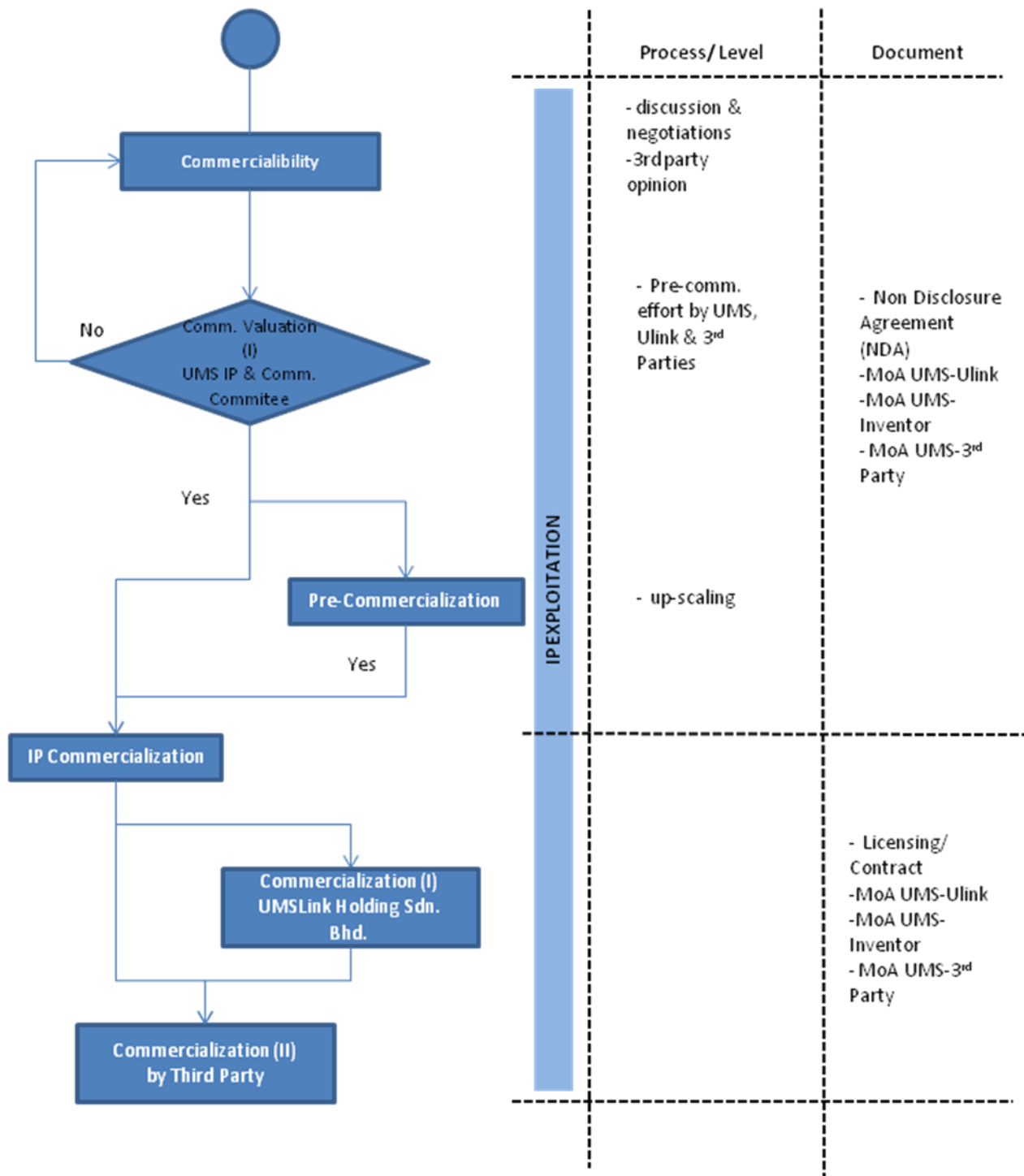
### **14.0 WAIVER**

Waiver of any provisions of this policy may be granted by the Vice-Chancellor on a case-by-case basis.

## FIRST STAGE: CREATION & PROTECTION



## SECOND STAGE: EXPLOITATION



**Exploitation cost should include the following element of costs:**

**1. Research Costs**

All operational and development cost incurred in the course of generating IP, including variable and fixed costs those deemed to be necessarily incurred and reasonably justified.

**2. Administration Costs**

All expenses directly connected with the generation of IP except the following administrative costs:

- 2.1 Fixed salary of the university employees
- 2.2 Rental of building, cost of computers, cost of plant and equipment etc.

**3. IP Protection Costs**

IP protection costs shall include the following cost:

- 3.1 IP registration costs
- 3.2 IP prosecution costs
- 3.3 Litigation costs
- 3.4 IP maintenance costs

**4. Commercialization Costs**

IP commercialization costs should include the following costs

- 4.1 IP legal cost
- 4.2 Financial cost for business and finance modelling
- 4.3 Valuer's expenses
- 4.4 Management fee of UMSSLink Sdn. Bhd.
- 4.5 Other consultation fee (eg. expert opinion and negotiation services)
- 4.6 Travel and accommodation costs during commercialization activities
- 4.7 Other financial cost in relation to commercialization activities (eg. taxation and interest)

**5. Other Costs**

Other expenses that might not fall under any of the above category should be properly deducted to arrive at the 'net sale value of IP'. The IPC is to determine whether or not particular expenses should be included under this provision.