



## COVERSHEET

<b>Minister</b>	Hon Dr Shane Reti	<b>Portfolio</b>	Science, Innovation and Technology
<b>Title of Cabinet paper</b>	Science System Advisory Group Report A pathway to the future: New Zealand's science and innovation system	<b>Date to be published</b>	13 November 2025

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
22 August 2025	A national Intellectual Property management policy for universities and Public Research Organisations	Office of the Minister for Science, Innovation and Technology
17 September 2025	A National IP Management Policy for Universities and PROs ECO-25-MIN-0147 Minute	Cabinet Office

### Information redacted

### YES /NO

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Some information has been withheld for the reasons of Confidential advice to Government and Free and frank opinions.

## **In Confidence**

Office of the Minister of Science, Innovation and Technology  
Cabinet Economic Policy Committee

## **A national Intellectual Property management policy for universities and Public Research Organisations**

### **Proposal**

- 1 This paper seeks agreement to a national Intellectual Property (IP) management policy for universities and Public Research Organisations (PROs) that allows researchers to benefit directly from their intellectual property. Through this I am seeking to drive greater commercial outcomes from New Zealand's research efforts.

### **Relation to government priorities**

- 2 This proposal is part of a broader set of reforms to our science, innovation and technology (SI&T) system, set out in the Innovation, Technology and Science pillar of our Going for Growth economic plan and announced by the Prime Minister in January. They will contribute to our goals of:
  - 2.1 lifting economic growth
  - 2.2 positioning New Zealand for the future, and
  - 2.3 improving the lives of everyday New Zealanders.

### **Executive Summary**

- 3 Our SI&T reforms are about delivering value and opportunity, driving new ideas to market, and enabling New Zealand to compete and win on the global stage. We want to see more of our great ideas being turned into great Kiwi companies.
- 4 Currently, research organisations are the key decision-makers in whether and how research is commercialised, as they own the IP created by their researchers and hence exert a high degree of control over the commercialisation process. Often these organisations have sought to maximise their own benefits in a way that has had a negative impact on the inventors and their incentive to engage in commercialisation.
- 5 I propose a national IP management policy that puts researchers in the driver's seat, essentially giving them the first right to commercialise the IP they create, positioning them to negotiate a better deal for the support they may receive from the research organisation. The incentives this creates will, alongside the other SI&T reforms, help to increase innovation and lift economic growth.
- 6 The IP management policy (set out in Appendix 1) ensures that inventors in universities have the option to commercialise without the university if they wish. If they agree to the university's participation, then it sets boundaries on the share of benefits (particularly equity) that a university can take in return for the commercialisation services and advice it provides.
- 7 The IP management policy provides a different set of rules for PROs and some specific university institutes on the basis that their operating model depends on having

control over the IP that they create. These organisations will retain ownership of the IP and have the first option to commercialise but must involve the researchers in the commercialisation process and give them an option to commercialise if the organisation does not.

8 The IP management policy will be accompanied by a set of guidelines to support the negotiation process between researchers, research organisations, and third parties. The purpose of the guidelines is to provide researchers with a clear understanding of the terms they can expect to receive in normal circumstances and help research organisations to implement best practice. These guidelines will be developed in consultation with sector stakeholders, based on best practice in New Zealand and internationally.

9 As a first step, the IP management policy will be a condition of most research and commercialisation funding provided from within the SI&T portfolio issued from 1 July 2026.

10 Confidential advice to Government  
[Redacted]

However, I am not proposing to make it a condition of other government sources of research funding, such as those implemented through the various primary industries portfolios, which typically have their own IP policies.

11 I will also investigate options for ensuring researchers have access to the support needed to help them turn their IP into an investable proposition. Confidential advice to Government  
[Redacted]

### Background

12 In December 2024, Cabinet agreed to introduce a national IP management policy for research generated from universities and PROs [CAB-24-0504.02 refers]. It agreed the policy for universities would be based on the model used at Waterloo University in Canada, which vests ownership of IP with the researchers who create it.

13 The Science System Advisory Group’s (SSAG) second report recommended that technology transfer offices (TTOs) adopt the University of Auckland / UniServices model, which shares substantial characteristics with the ‘Waterloo model’ and a comparable potential end point.

### Current IP policies and practices are a handbrake on commercialisation

14 While our universities and Crown Research Institutes (CRIs) have produced great research, this has not always been effectively commercialised, due to lack of support and proprietary behaviour from some research organisations which have not been focused on exploiting opportunities for commercialisation. This means New Zealand is missing out on innovative new products and services that could grow our economy.

15 Currently there is a wide range of IP policies across research organisations. Research organisations such as PROs own the IP created by their researchers and have the right

to commercialise it, with wide discretion over whether and the extent to which they involve the inventors in the commercialisation. Universities vary between unclear IP policies, negotiated, 1/3:1/3:1/3 shares, and inventor-led approaches.

- 16 In some cases, research organisations have sought to maximise their own short-term benefits to offset the cost of providing commercialisation support, rather than seeking to maximise the long-term benefits to New Zealand. They may seek too much equity in spinout companies, leaving little incentive for researchers to participate in the startup company and undermining the ability to attract further venture capital.
- 17 Research organisations are moving toward more researcher- and investor-friendly models. However, we need to accelerate this shift and realign the incentives in the system to accelerate commercialisation of publicly funded research.

### **A national IP management policy will incentivise commercialisation**

*University inventors will have the first option to commercialise the IP they create*

- 18 I propose a national IP management policy that prioritises the right of university inventors to commercialise the IP generated from their research. Like the Waterloo model, this approach will give university inventors complete control over the commercialisation of their research. It will motivate them to orient their work to commercial applications and seek out commercial opportunities, increasing commercial interest in New Zealand research.
- 19 However, inventors may not be adequately equipped to protect their IP and may not recognise the contribution of all researchers. The resulting disputes can slow the commercialisation process. Researchers are also often unfamiliar with the steps necessary to prepare an invention for private sector investment. A drawback of the pure Waterloo model is that it does not provide a way around these issues.
- 20 To address these issues, I propose that a university has a 90-day period after the researchers disclose an invention to review that invention and agree with inventors on a commercialisation approach. This allows time for the university's TTO to make the case to inventors for why they should engage the university's support, as well as to describe to inventors the consequences of proceeding without the university's support, including the costs they will incur if they continue to use the university resources. It will also allow the university to educate inventors on the path to commercialisation and the rules against transfers of the IP that are not in New Zealand's interests (e.g., dual-use technologies).
- 21 The end result after 90 days is the same as the Waterloo model with IP in the hands of the inventors. This small 90-day variation takes into account the mature and extensive entrepreneurial ecosphere at Waterloo that New Zealand currently lacks, and potential employment contract risks in New Zealand. In addition, a similar model at UniServices Auckland has seen it become the number one research organisation for spinouts across Australia and New Zealand Confidential advice to Government.
- 22 If the inventors agree to the university's participation, the university will have responsibility for protecting and managing the IP on behalf of the inventors until the spinout company reaches a stage in its development where it is appropriate for it to take over ownership of the IP. This will help ensure that the IP is properly protected and the contributions of all inventors are recognised.

- 23 The university – through its TTO – will also support the inventors to prepare the IP for private sector investment, such as advice on protecting the IP, market validation, connectivity to networks and investors. The equity share in the spinout the university can take in exchange for the standard amount of services and advice will be limited to 5-10 percent. However, if the university provides additional support beyond that which is standard, such as direct financial investment in the startup or financial support for external costs, then it will be entitled to negotiate an additional equity share.
- 24 There will be no obligation on the inventors to engage the university in commercialisation or to share the benefits from commercialisation with the university. If, after the 90-day period, the inventors decide to commercialise without the university, they will be free to do so, and the university must transfer the IP to them at that time without receiving any compensation for the IP.
- 25 In this case the commercialising inventors are responsible for protecting and managing the IP, negotiating commercial rates with universities for future use of facilities and staff, as well as agreeing with any non-commercialising inventors on the use of the IP.
- 26 If the inventors decide that they do not wish to lead the commercialisation, it will be up to the university to decide whether to commercialise the IP. If it does so it must agree with the inventors on sharing the benefits of commercialisation.
- 27 The university will retain a non-exclusive right to use the IP for non-commercial (i.e., research and teaching) purposes.

*PROs will retain the first option to commercialise but must ensure the inventors are involved in the process*

- 28 I believe that a different set of rules are required for PROs for the following reasons:
- 28.1 Commercialising research for the benefit of New Zealand is central to a PRO's mandate.
- 28.2 PRO management exert more control over the research projects that their employees undertake, typically selecting which projects can apply for funding and managing the direction of the research itself.
- 28.3 A PRO has an intrinsic interest in the IP and how it is commercialised because it affects other industry-facing activities.
- 28.4 There would be substantial lost income to the crown if IP was to solely revert to inventors **Commercial Information** .
- 29 I propose that PROs be allowed to retain the ownership and control of IP developed within their organisation. However, to increase the incentives on PRO researchers to develop commercialisable IP, the PROs will be required to consult the inventors of any IP on the choice of commercialisation strategy (e.g., whether to license, found a spinout company, etc.) and – if the PRO decides on a spinout – on whether the inventors wish to be part of the spinout. Moreover, if the PRO decides not to commercialise the invention it must give the researchers that invented it an option to commercialise.

- 30 I have mechanisms other than the IP management policy to influence the way that PROs commercialise their IP. Confidential advice to Government
- 31 As some university research institutes and potentially other research organisations operate in a similar way to the PROs, I recommend that Cabinet give me the discretion to determine the set of rules that apply to certain research organisations (or research institutes within a university) and to individual research projects in specific cases (e.g. for joint research projects involving research organisations covered by both sets of rules).
- 32 I will prescribe a set of criteria that organisations must satisfy if they wish to be covered by this different set of rules. The criteria will capture those situations where applying the normal rules would significantly interfere with the incentives to generate and commercialise other IP. I anticipate that the Robinson and Ferrier Research Institutes, which were originally part of Industrial Research Limited (the CRI that preceded Callaghan Innovation), might satisfy these criteria.
- 33 Appendix 1 sets out a more detailed statement of the policy and Appendix 2 illustrates the rules that will apply to universities.

**Guidelines on terms of engagement will facilitate better treatment of researchers**

- 34 While a clear set of rules for management of IP will realign incentives, researchers may not have sufficient experience or information to negotiate appropriate terms when engaging with a TTO or another party for commercialisation support. This could see them accept less-than-favourable terms that impact the likelihood of future investment and commercial success.
- 35 I will commission the development of a set of national guidelines on the terms of engagement between researchers, research organisations, and third parties. These guidelines will be developed in consultation with the sector, informed by best practice in New Zealand and internationally. This will show researchers what a good deal looks like and better enable them to negotiate. It will also help diffuse best practice across the research organisations.
- 36 The IP management policy will require that research organisations follow the guidelines in negotiating with inventors. However, they will have flexibility to adjust for the unique circumstances if this is well-justified and communicated between the parties involved.

**Access to high quality commercialisation support remains essential**

- 37 Studying the Waterloo model and other successful commercialisation ecosystems has highlighted that the approach to IP generated in research organisations sits within a wider system of incentives and support to encourage commercialisation. The other elements of this system include:
- 37.1 a research organisation’s overall mandate to engage in commercialisation
  - 37.2 the availability of and funding for commercialisation support
  - 37.3 the access to financial capital for bringing inventions to market

- 37.4 incentives to do research likely to generate commercialisable IP and to actively partner with industry, and
- 37.5 initiatives to develop entrepreneurship and commercialisation capability among staff and students.
- 38 Currently, research organisations largely determine the level of support they provide, aided by government programmes like the Commercialisation Partner Network (CPN) and Pre-Seed Accelerator Fund (PSAF), and some expect their TTOs to generate returns from the IP they commercialise. This means that limiting the share of the benefits universities can receive from commercialising IP could have the unintended consequence of discouraging them from providing commercialisation support.
- 39 I am exploring ways to ensure that researchers have access to high quality commercialisation support. Confidential advice to Government [redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted].
- 40 I will also look at whether to provide additional support to researchers directly. Confidential advice to Government [redacted]  
[redacted]  
[redacted]  
[redacted]

**Implementation**

- 41 Research organisations will be required to apply the IP management policy to IP that was supported by funding from the following research and commercialisation support programmes:
- 41.1 the CPN, PSAF, and MedTech Research Translator / Te Tītoki Mataora programmes
  - 41.2 any contestable research funding aimed at domestic research, including the Endeavour Fund, the Health Research Council, and the Marsden Fund, and contestable funds under the new research funding system
  - 41.3 other research funding through the SI&T portfolio as determined by the Minister on a case-by-case basis.
- 42 Research organisation participating in these programmes will be required to apply the IP management policy to all IP generated under research projects that use this funding, even if they draw on other funding sources to support the research. The exception to this is when those other funding sources have their own rules regarding IP treatment. This would include research projects partially funded by private sources, international research funded sources such as Horizon Europe, and research programmes administered by other agencies such as the Department of Conservation (DOC) and the Ministry for Primary Industries (MPI). In those cases, I recommend Cabinet give me (or my delegate) the authority to determine whether the rules of the IP management policy – or the rules for the other funding source – apply to the IP.
- 43 The requirement to apply the IP management policy will apply to all new investment processes from 1 July 2026, meaning the IP management policy will be implemented

incrementally through contracts published from 1 July 2026 for new investments as these are made.<sup>1</sup> This will give research organisations time to incorporate it into their contracts with researchers.

44 Confidential advice to Government [redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted] However, I am not proposing to make it a condition of other government sources of research funding, such as those implemented through the various primary industries portfolios, which have their own IP policies.

**Cost-of-living Implications**

45 There are no direct cost-of-living implications from this proposal.

**Financial Implications**

46 There are no financial implications from introducing the proposed IP management policy. Confidential advice to Government [redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]

**Legislative Implications**

47 There are no legislative implications from the proposals in this paper.

**Impact Analysis**

*Regulatory Impact Statement*

48 The impact analysis requirements do not apply to the proposals in this paper.

*Climate Implications of Policy Assessment*

49 A Climate Implications of Policy Assessment (CIPA) is not required for this paper.

**Population Implications**

50 The proposals are not expected to have a disproportionate impact on particular population groups. The implications for mātauranga Māori have been considered, and the proposed policy is consistent with the Crown’s Treaty obligations. While the policy does not govern mātauranga Māori, it sets expectations for research

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<sup>1</sup> As Endeavour 2026 is a contract extension round, extending existing contracts that were due to finish in 2026, this requirement will not come into effect for the programme until a new Endeavour round is initiated with new contracts published from 1 July 2026 and signed 2027. Confidential advice to Government [redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]



organisations to support its appropriate management and ensure that any use is subject to agreed terms with relevant contributors.

### Human Rights

51 This proposal does not present inconsistencies with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### Use of External Resources

52 MBIE engaged an external legal consultant specialising in IP law while developing and assessing options for a national IP management policy. Due to the complexity associated with the allocation of IP rights and ownership, specialist advice from a provider experienced in working with universities and CRIs on these matters was considered desirable. MBIE did not have this expertise internally.

### Consultation

53 The following agencies have been consulted on this paper: The Treasury, Public Service Commission, Ministry of Education and the Tertiary Education Commission, Ministry of Health, MPI, Ministry for the Environment, DOC, Ministry of Housing and Urban Development, National Emergency Management Authority, Ministry of Foreign Affairs and Trade, Ministry for Pacific Peoples, Ministry of Defence and New Zealand Defence Force, Te Puni Kōkiri, Ministry of Social Development, Inland Revenue, Ministry of Justice, and Ministry for Regulation.

54 Agencies are generally supportive of the objective of lifting commercial outcomes from our research and science, though some feedback expressed that this needs to remain balanced with ensuring wider accessibility to knowledge and ideas for public good applications. Feedback also emphasised that, while greater clarity on treatment of intellectual property is welcome, it must be nested in a wider system of incentives and support to encourage commercialisation, such as capability development.

55 MBIE consulted universities, PROs, commercialisation experts, and researchers with commercialisation experience on the proposed policy. They were generally supportive of how the proposal implemented the intent of the Waterloo model while adjusting it to the New Zealand context. They argued, however, that a broader set of changes will be necessary to achieve the increase in commercialisation. In particular they emphasised the importance of ensuring there is stable commercialisation support to researchers to prevent any unintended consequences of reducing the universities' incentive to provide that support.

56 Confidential advice to Government

57 MBIE also consulted the Director of Commercialisation at University of Waterloo's TTO, who stressed the importance of the wider context for Waterloo University's success, including its engagement with the wider innovation community, support for work-based learning, and provision of entrepreneurial education.

### Communications

58 I intend to announce the national IP management policy and the funding system reforms as set out in the companion paper together shortly after Cabinet has agreed to these proposals.

## Proactive Release


59 I intend to direct officials to release this paper in accordance with the guidance in Cabinet Office Circular CO (18) 4.

## Recommendations

The Minister of Science, Innovation and Technology recommends that the Committee:

- 1 **note** that in December 2024, Cabinet agreed to introduce a national Intellectual Property (IP) policy for research generated from universities and Public Research Organisations (PROs), with the policy for universities to be based on the model used at Waterloo University in Canada, which vests ownership of IP with the researchers who create it [CAB-24-0504.02 refers];
- 2 **note** that discussions with experts highlighted that:
  - 2.1 a drawback of the Waterloo model is that it enhances the risk that the IP is not adequately protected and / or the contributions of all the inventors are not recognised
  - 2.2 this problem could be remedied by the university taking responsibility for protecting and managing the IP, even while the inventors commercialise it;
- 3 **agree** to introduce a national IP management policy for research in universities and PROs based on the settings outlined in Appendix 1;
- 4 **agree** that research organisations be required to apply the IP management policy to any IP generated from projects that receive funding from the following sources:
  - 4.1 the Commercialisation Partner Network, Pre-Seed Accelerator Fund, and MedTech Research Translator / Te Tītoki Mataora programmes
  - 4.2 any contestable research funding aimed at domestic research, including the Endeavour Fund, the Health Research Council, and the Marsden Fund, and contestable funds under the new research funding system
  - 4.3 other research funding through the SI&T portfolio as determined by the Minister of Science, Innovation and Technology on a case-by-case basis;
- 5 **note** this requirement will apply to contracts issued from 1 July 2026, meaning the requirement will come into effect incrementally;
- 6 Confidential advice to Government  
[Redacted]
- 7 Confidential advice to Government  
[Redacted]
- 8 **note** the IP management policy will not be a condition of other government sources of research funding, such as those implemented through the various primary industries portfolios, which typically have their own IP policies;
- 9 **authorise** the Minister of Science, Innovation and Technology (or a person they delegate) to determine:

**IN CONFIDENCE**

- 9.1 whether the rules of the IP management policy apply to each of the other research funding programmes in the SI&T portfolio, other than those explicitly specified in recommendation 4;
- 9.2 whether the rules of the IP management policy apply to a research project that also draws on funding from other sources;
- 9.3 which set of rules will apply to a research project covered by the IP management policy when there is ambiguity;
- 10 **authorise** the Minister of Science, Innovation and Technology to make decisions, consistent with the proposals in the recommendations in this paper, on any issues that arise in the implementation of this policy;
- 11 **authorise** the Minister of Science, Innovation and Technology to amend the statement of IP policy (in Appendix 1) to address any issues that arise in the implementation of this policy, provided it remains consistent with the proposals in the recommendations in this paper;
- 12 **note** that the IP management policy will be accompanied by a set of national guidelines on terms of engagement between inventor(s), the research organisation, and others, which will be developed in consultation with the sector based on best practice in New Zealand and internationally;
- 13 **note** that the Minister of Science, Innovation and Technology will consider options for ensuring researchers have access to high-quality commercialisation support as part of the broader work on the science, innovation and technology and tertiary education systems;
- 14 **Confidential advice to Government**  


[Authorised for lodgement]

Hon Dr Shane Reti  
Minister of Science, Innovation and Technology

## Appendix 1: Draft Intellectual Property (IP) management policy

### Definitions

- 1      **“Intellectual Property”** means any intellectual property, whether or not registrable or protectable, including but not limited to inventions, designs, trademarks, copyright works including artistic or literary works (including computer programs), and plant varieties, that was created under a research project that is subject to the policy.
- 2      **“Research Organisation”** means any Tertiary Education Organisation (TEO), Public Research Organisation (PRO), independent research organisation (IRO), or any part of a TEO or PRO or IRO, carrying out research in New Zealand.
- 3      **“Creator(s)”** means all natural persons, including any staff or by agreement any student, at a Research Organisation who is the legal creator of the Intellectual Property, such as the actual deviser of an invention.
- 4      **“Commercialising Creator(s)”** means all the Creator(s) that are responsible for the commercialisation of the Intellectual Property.
- 5      **“Non-Commercialising Creator(s)”** means all the Creator(s) that are not responsible for the commercialisation of the Intellectual Property.

### Rules relating to the management of IP

#### *Application of rules*

- 6      The policy distinguishes between the following two situations:
  - 6.1     **“Situation #1”** where the Intellectual Property is created under a research project initiated and/or directed by the Creator(s); and
  - 6.2     **“Situation #2”** where the Intellectual Property is created under a research project conducted under the direction of the Research Organisation.
- 7      The Minister of SI&T or a person they delegate shall determine which situation applies to a research project. The Minister or their delegate may make this determination in relation to all research projects conducted at a Research Organisation or any part of a Research Organisation, or on a case-by-case basis (e.g., for joint research projects involving more than one Research Organisation that are covered by both situations #1 and #2).<sup>3</sup>

#### *Rules applying in Situation #1*

- 8      The following rules apply in Situation #1.
- 9      When Creator(s) create Intellectual Property that could reasonably be expected to have commercial potential, the Creator(s) shall fully disclose the Intellectual Property to the Research Organisation without unreasonable delay and before any public disclosure of the Intellectual Property.
- 10     The Research Organisation may undertake or commission a commercial and/or novelty assessment or any other evaluation of the Intellectual Property. If so, the

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<sup>3</sup> Guidance may be developed to assist the Minister (or their delegate) and revised from time to time. The presumption is that Intellectual Property generated at universities and other TEOs will normally fall under Situation #1 and Intellectual Property generated at PROs, independent research organisations, and specific university research institutes will normally fall under Situation #2.

**IN CONFIDENCE**

Research Organisation shall provide the Creator(s) with the assessment or evaluation of the Intellectual Property.

- 11 The Creator(s) shall, within 90 days from the date of disclosure or later than 90 days if a specific timeframe is agreed within the initial 90 days with the Research Organisation, agree among themselves on their respective participation in the commercialisation process and, with the agreement of all the Creator(s), whether each of them is a Commercialising Creator(s) or a Non-Commercialising Creator(s).
- 12 The Creator(s) and the Research Organisation shall, within 90 days from the date of disclosure or later than 90 days if a specific timeframe is agreed within the initial 90 days with the Research Organisation, seek to reach agreement on one of the following approaches to commercialisation of the Intellectual Property:
  - 12.1 The Commercialising Creator(s) are responsible for commercialising the Intellectual Property without support from the Research Organisation;
  - 12.2 The Commercialising Creator(s) are responsible for commercialising the Intellectual Property with support from the Research Organisation; or
  - 12.3 The Research Organisation is responsible for commercialising the Intellectual Property.
- 13 If the approach at section 12.1 is agreed to by the Creator(s) and the Research Organisation, or if no agreement is reached between the Creator(s) and the Research Organisation under section 12:
  - 13.1 The Commercialising Creator(s) shall have the right to take responsibility for commercialising the Intellectual Property without support from the Research Organisation;
  - 13.2 The Creator(s) shall agree among themselves on the sharing of benefits from commercialising the Intellectual Property;
  - 13.3 The Research Organisation shall assign any rights to the Intellectual Property to the Commercialising Creator(s) without compensation;
  - 13.4 The Commercialising Creator(s) shall take full responsibility for any legal protection of the Intellectual Property;
  - 13.5 The Commercialising Creator(s) shall be responsible for paying any future costs of using any Research Organisation resources (e.g., equipment and facilities) on commercial terms and any past costs associated with legally protecting the Intellectual Property, including any costs incurred by the Research Organisation before ownership of the Intellectual Property was assigned to the Commercialising Creator(s); and
- 14 If the approach at section 12.2 is agreed to by the Creator(s) and the Research Organisation:
  - 14.1 The Creator(s) shall assign sole ownership of the Intellectual Property to the Research Organisation;
  - 14.2 The Creator(s) shall agree among themselves on the sharing of benefits from commercialising the Intellectual Property;
  - 14.3 The Research Organisation shall take full responsibility for any legal protection of the Intellectual Property, the costs of which shall be paid by the

## IN CONFIDENCE

Creator(s) unless otherwise agreed between the Research Organisation and the Creator(s);

- 14.4 On reaching an agreed commercialisation milestone, the Research Organisation shall assign sole ownership of the Intellectual Property back to the Commercialising Creator(s) or to a spinout company formed to commercialise the Intellectual Property; and
- 15 The Research Organisation shall provide the Commercialising Creator(s) with a reasonable amount of services to assist the Commercialising Creator(s) prepare the Intellectual Property for private sector investment.<sup>4</sup> In exchange for providing these services, the Research Organisation may take a 5 to 10% equity share, the amount to be agreed with the Commercialising Creator(s), in any spinout company formed to commercialise the Intellectual Property or an equivalent net revenue share where an equity share is not appropriate.<sup>5</sup>
- 16 In exchange for providing more than a reasonable amount of services and with the agreement of the Commercialising Creator(s), the Research Organisation may take a greater equity share or net revenue share.<sup>6</sup>
- 17 If the approach at section 12.3 is agreed to by the Creator(s) and the Research Organisation:
  - 17.1 The Research Organisation shall have the right to take responsibility for commercialising the Intellectual Property without the Creator(s) but must consult the Creator(s) before making any significant decisions regarding commercialising the Intellectual Property;
  - 17.2 The Creator(s) shall assign sole ownership of the Intellectual Property to the Research Organisation; and
  - 17.3 The Research Organisation shall agree with the Creator(s) terms of access to the Intellectual Property for commercial purposes and the sharing of benefits from commercialisation and the Research Organisation shall also compensate the Creator(s) for any involvement in commercialising the Intellectual Property.
- 18 The flow diagram in Appendix 2 illustrates the rules in Situation #1.

### *Rules applying in Situation #2*

- 19 The following rules apply in Situation #2.
- 20 When Creator(s) create Intellectual Property that could reasonably be expected to have commercial potential, the Creator(s) shall fully disclose the Intellectual Property to the Research Organisation without unreasonable delay and before any public disclosure of the Intellectual Property.

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<sup>4</sup> The services may include advice on protecting IP, market validation, making connections to potential investors, partners, licensees, etc.

<sup>5</sup> This requirement will be implemented via non-binding guidelines on the terms of engagement between the Creator(s) and the Research Organisation.

<sup>6</sup> For example, by the Research Organisation making a direct financial investment into a spinout company formed to commercialise the Intellectual Property or providing financial support to cover external costs.

**I N C O N F I D E N C E**

- 21 The Creator(s) shall assign sole ownership of the Intellectual Property to the Research Organisation.
- 22 The Research Organisation shall take full responsibility for any legal protection of the Intellectual Property.
- 23 The Research Organisation shall have the first option to commercialise the Intellectual Property. If the Research Organisation elects to exercise this option, the Research Organisation shall consult the Creator(s):
- 23.1 On the choice of commercialisation strategy;<sup>7</sup> and
- 23.2 If the Research Organisation decides to commercialise the Intellectual Property via a spinout company, on whether the Creator(s) wish to participate in the spinout company.
- 24 If the Research Organisation elects not to exercise its option to commercialise the Intellectual Property within a reasonable period, the Research Organisation shall give the Creator(s) an option to commercialise the Intellectual Property. If any of the Creator(s) elect to exercise that option, the following rules apply:
- 24.1 The Research Organisation shall take full responsibility for any legal protection of the Intellectual Property, the costs of which shall be paid by the Commercialising Creator(s);
- 24.2 The Commercialising Creator(s) shall agree with the Research Organisation terms of access to the Intellectual Property for commercial purposes and the sharing of benefits from commercialisation of the Intellectual Property with the Research Organisation, including reimbursement of any costs the Research Organisation has already incurred in legally protecting the Intellectual Property;
- 24.3 Upon request from the Commercialising Creator(s), the Research Organisation shall provide the Commercialising Creator(s) with a reasonable amount of commercialisation services to assist the Commercialising Creators(s) prepare the Intellectual Property for private sector investment. In exchange for providing the services, the Research Organisation may take a 5 to 10% equity share, the amount to be agreed with the Commercialising Creator(s), in any spinout company formed to commercialise the Intellectual Property or an equivalent net revenue share where an equity share is not appropriate; and
- 25 On reaching an appropriate commercialisation milestone (or earlier by mutual agreement), the Research Organisation shall assign sole ownership of the Intellectual Property back to the Commercialising Creator(s) or to a spinout company formed to commercialise the Intellectual Property, subject to granting the Research Organisation a non-exclusive, royal-free licence to use the Intellectual Property for research purposes.

*Rules applying in both Situations #1 and #2*

- 26 The following rules apply in Situation #1 and in Situation #2.

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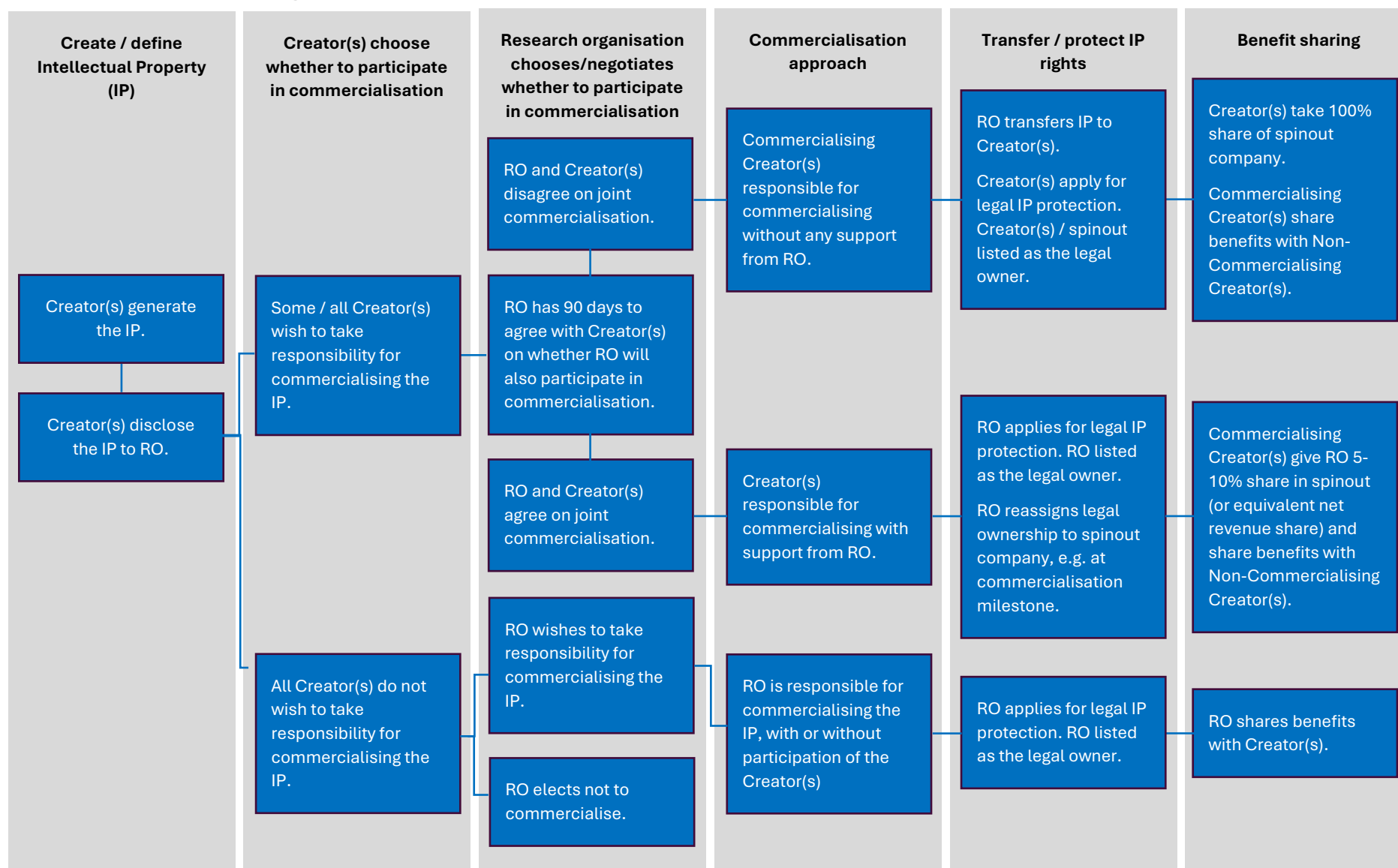
<sup>7</sup> For example, whether to license the use of the Intellectual Property or form a spinout company to commercialise the Intellectual Property.

**IN CONFIDENCE**

- 27 The Research Organisation shall have a non-exclusive right to use the Intellectual Property for research and teaching purposes, without cost and in perpetuity.
- 28 The rules specified under this policy do not affect the existing ownership of mātauranga Māori. Research organisations are expected to have adequate policies or plans in place to support the responsible management of mātauranga Māori, and to apply them where relevant. Any use of mātauranga Māori should be subject to agreed terms with relevant contributors, including where appropriate, provisions for access, protection, and benefit sharing.
- 29 The party responsibility for commercialising the IP will be required to report to the New Zealand Government on the outcomes of commercialising IP.



## Appendix 2: Flow diagram of Situation #1



RO: Research Organisation





