

MMSU TECHNOLOGY TRANSFER PROTOCOL

Chapter I Introduction

Section 1. *Rationale.* The Mariano Marcos State University (MMSU) being the leading University/Institution in the north in terms of Intellectual Property (IP) and/or Intellectual Property Rights (IPR) generation, recognizes the need to have its own Technology Transfer Protocol (TTP) in accordance to The Philippine Technology Transfer Act of 2009 (RA 10055).

Section 2. *Objectives.* This protocol aims to recognize the efforts of researchers by providing clear guidelines on incentives, protection and commercialization of potential IP's and/or IPR's generated or derived from their research works.

Chapter II Coverage

Section 1. This protocol shall cover all persons, matters and rights as stipulated in Article 1 of the MMSU Governing Policy on IPR as stated below:

(1) Persons Covered -- This policy shall apply to all faculty, researchers, students and extension staff and visiting professors participating in any program, project, and contract or research activity in the University.

(2) Matters covered -- These guidelines shall cover all researches, research contracts, tangible research properties or outputs with or without patent or copyright protection, whether for commercial and non-commercial purpose, undertaken using any university resource and including all technology transfer arrangements.

(3) Rights Covered – These guidelines shall cover all types of intellectual property rights

enumerated under the Intellectual Property Code of the Philippines (Republic Act No. 8293) and the Plant Variety Protection Act of 2002 (Republic Act No. 9168) as follows: copyright and related rights, trademark and service mark, geographic indications, industrial design, patent, utility model, layout designs (topographies) of integrated circuit, protection of undisclosed information or trade secret and new plant variety.

(4) Other staff – The intellectual property rights to all works created and inventions conceived or reduced to practice of all non-academic and non-research staff during office hours or with university resources regardless of amount shall be owned by the university.

Chapter III Evaluation of IPR

Section 1. Identification and/or recognition of inventor/s, author/s and creator/s shall be in accordance with the MMSU Governing Principles on IPR's.

Section 2. Evaluation of potential IP's generated from internal funding shall be in accordance with the University's approved procedure in protecting IP's (see attached flow chart) while IP's generated from projects with external funding need not to go through the evaluation of the University Intellectual Property Board.

Section 3. A confidentiality agreement shall be imposed upon disclosure. Should there be any violation on this; appropriate actions shall be made in accordance with existing laws on infringement.

Section 4. A committee shall be created for each filed IP to conduct a feasibility study in order to craft marketing strategies in preparation for the commercialization. The committee shall have a share in the revenue of the said IP. The committee shall be composed of one technical expert & two marketing experts.

Chapter IV Filing of Intellectual Property

Section 1. Filing of IP's shall be in accordance with the approved procedure in protecting IP's.

Section 2. Potential IP's generated from internal funding shall be disclosed when proof of concept was established for evaluation. If found patentable/copyrightable/registrable, appropriate IPR/s shall be filed within the next two months.

Section 3. Potential IP's generated from research program/project/study with external funding/s shall be filed not later than three months after submission of the technical terminal report to the funding agency.

Chapter V Technology Adoption and Utilization

Section 1. For funded research study/project/program with private co-operator, after the research is finished and the technology generated is utilized by the co-operator, there should be a memorandum of agreement between MMSU and the private co-operator as recipient of the technology. The content of the MOA is a case to case basis.

Section 2. Cooperatives and the like which will adopt or avail of the technology/ies will enjoy minimal charge.

Section 3. Private company/ies who are interested to adopt and/or use a technology/ies shall be charged appropriately and in accordance with the computed value of the technology/ies.

Chapter VI Commercialization

Section 1. MMSU being the owner of the IPR has the first right to commercialize any potential IPR generated in the university. In cases where the University failed to commercialize an IPR one year after it was granted, the inventor/s shall be allowed to commercialize or participate in a spin-off company subject to the provision of RA 10055 Chapter VI. However, the University shall still have all the right to the IP and can take over the commercialization subject to the provision of Chapter VI Section 2 of this Protocol.

Section 2. An employer-employee contract shall be established first before the University can undertake any commercialization. The employer-employee contract shall contain the following:

- i. duties and responsibilities of the parties,
- ii. membership of the research team,
- iii. degree of involvement of each of the researcher team and the support staff,
- iv. ownership of IP,
- v. sharing of monetary and non-monetary benefits,
- vi. composition of the work force, marketing and commercialization team,
- vii. technology disclosure,

- viii. management of conflict of interest and
- ix. trade secret agreement.

Section 3. Commercialization and establishment of spin-off firm/s by the inventor/author/creator/s shall be in accordance with the provisions of the IRR of the RA 10055 Chapter VI Rule 16 stated below:

***RULE 16. Commercialization by Researchers.** – In meritorious cases and to help ensure successful commercialization, an RDI shall allow its researcher-employee to commercialize or pursue commercialization of the IP and/or IPRs generated from R&D funded by GFA by creating, owning, controlling, or managing a company or spin-off firm undertaking commercialization, or accepting employment as an officer, employee, or consultant in a spin-off firm undertaking such commercialization; Provided, That the concerned researcher-employee takes a leave of absence, whenever applicable, for a period of one year and renewable for another year, for a total period not exceeding two years, from the time the researcher signifies in writing that he/she desires to create or participate in a spin-off company; Provided, however, That the researcher-employee may still be allowed access to the RDIs' laboratory facilities, subject to reasonable fees and regulations which the RDIs may impose.*

The leave of absence shall be included in computing the length of service for retirement but not for the commutation of leave credits earned in the public RDI. The researcher shall not earn leave credits in the public RDI during such period of leave of absence. Such leave of absence shall not likewise affect the researcher-employee's security of tenure or result in the loss of one's seniority rights.

Section 4. Secondment shall be allowed and shall be in accordance with existing University code and provisions of RA 10055.

Chapter VII Incentives

Section 1. Since IPR is one of the important criteria in Institutions levelling and ranking, an incentive of PhP5,000 shall be given to researcher/s just after the filing of patent/UM/industrial design/copyright/plant registry.

Section 2. An additional incentive of PhP10,000/20,000/100,000 for every granted industrial design/UM/patent shall be given respectively.

Section 3. An incentive of PhP20,000 shall be given to each technology adopted for commercialization.

Chapter VII Revenue and Royalty Sharing

Section 1. Revenue sharing shall be in accordance to Article V of the provisions of Republic Act 10055 stated below:

Revenue Sharing. - All revenues from the commercialization of IPs and IPRs from R&D funded by Government Funding Agencies (GFA) shall accrue to the, Research Development Institute (RDI), unless there is a revenue sharing provision in the research funding agreement: Provided, That in no. case will the total share of the GFAs be greater than the share of the RDI!: Provided, further, That in case of joint funding, where research is funded by a GFA in part, and by other entity or entities in

part, the RDI may enter into contractual agreements with the other entity or entities providing funding. Sharing of revenues between RDI and researcher shall be governed' by an employer-employee contract or other related agreements, 'without prejudice to the rights of researchers granted under . Republic Act No. 8439 or the "Magna Carta for Scientists, Engineers, Researchers, and other S&T Personnel in the Government"'.

Section 1. In case of joint funding, where research is funded by a GFA in part, and by other entity or entities in part, the RDI may enter into contractual agreements, including revenue sharing provisions, with the other entity or entities providing funding. The RDI shall submit a complete and executed copy of the written agreement between it and the other funding entity or entities.

Section 2. The term revenue shall be defined by the RDI in the employer-employee contract or other related agreements between the RDI and the researcher subject to the provisions of R.A. No. 8439.

Section 3. With respect to royalties, the same shall also be governed by an employer-employee contract or other related agreements without prejudice to the provisions of RA No. 8439.

Section 4. Monetary revenues shall include but not limited to royalty payments, proceeds from sale of IP or technology, upfront technology transfer fees and dividends or sale from shares of stocks.

Section 5. Where practicable, all non-monetary revenues shall be converted to cash value. The RDI shall have the discretion to determine the cash conversion value of the non-monetary benefits provided that the same is consistent with the Research Agreement, employer-employee contract and existing laws and regulations.

Section 6. In determining whether non-monetary grants shall form part of revenue, the provisions of the Technology Transfer Protocol of the RDI shall prevail.

Section 2. Royalty shares shall be based according to the provisions of MMSU Governing Principles on IPR Article 8, Section 2, (a) & (b) as stated below:

- (a) In the absence of contractual stipulations to the contrary, royalties derived from copyrights, patents and other intellectual property rights of the University shall be shared as follows:
 - (i) Thirty percent of net income shall be given to the University;*
 - (ii) Thirty of the net income shall be given to the project to which the author or inventor belongs. The 50% of the share shall be used for the improvement of the project and the remaining 50% shall be shared by others involved in the project; and*
 - (iii) Forty percent of net income shall be given to the author/s or inventor/s. Joint authors or inventors shall share equally from this portion. Collaborating authors or inventors shall share in accordance with the determination of their participation in the authorship or invention as prescribed by the project leader.**
- (b) Net income shall mean gross royalty income less applicable taxes. All other expenses such as administrative costs, filing fees, costs relating to the production, distribution, advertising, maintenance and similar expenses of the work or invention shall be for the account of the University and shall be taken from its share in the royalty income.*

Section 3. When the University undertakes the commercialization/distribution of the IPs and/or IPRs, royalty share shall be 15% of the gross sale. Further, the researcher/s or author/s shall also have a 20% share in the net profit. Net Profit shall mean gross sale minus royalty, production cost and other expenses.

Chapter IX Amendments

Section 1. The UIPO upon recommendation to, and approval of the University President, may as it is necessary, amend, revise, and/or add to these implementing rules and regulations in order to fully implement the intent of this protocol.

Chapter X Repealing Clause

Section 1. All other University policies inconsistent with these guidelines are repealed accordingly.

Chapter XI Seperability Clause

Section 1. If any provision of these Rules are declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

Chapter XII Effectivity

Section 1. Conditions for Effectivity -- These guidelines shall take effect after

- (a) an extensive information and education campaign to be led by the UIPO coordinating with the various units of the university which shall commence upon the approval of these guidelines by the Board of Regents;
- (b) the publication of these guidelines
 - (i) on the web page of the University
 - (ii) on the University Newsletter; and
 - (iii) on monographs/flyers

Section 2. Effectivity -- The University administration shall endeavor to make these guidelines effective upon the approval of the MMSU Board of Regents and 30 days after its publication in the University website.