

## COMMERCIALISATION OF INTELLECTUAL PROPERTY

### REMUNERATION FRAMEWORK

QIMR Berghofer Medical Research Institute (QIMR Berghofer) is committed to fostering an environment where scholarship and innovation flourish. Consequently, this framework establishes a mechanism for researchers to be rewarded for their innovation.

#### 1. Incentives for New Inventions and Discoveries

To directly promote inventiveness and innovation, QIMR Berghofer offers financial incentives to successful discoverers/inventors engaged by QIMR Berghofer at various stages of commercial development. These incentives may be granted by the Council each financial year on the terms and for such amounts approved by the Council up to an aggregated limit of \$5 million approved by the Governor in Council.

#### 2. Distribution of Commercialisation Revenues

Payments will be made only to those successful discoverers/inventors who were or are:

- a) QIMR Berghofer officers, employees, or students, whose intellectual property has been assigned to QIMR Berghofer, through the operation of the QIMR Act, employment agreement or otherwise; or
- b) “collaborators”.

A “collaborator” is an individual who is:

- a) a named successful discoverer/inventor on a patent or named contributor in a ‘splits’ letter; and
- b) working under the auspices of the Council.

If QIMR Berghofer commercialises any intellectual property, QIMR Berghofer will distribute net commercialisation revenues as follows:

#### *Net Revenue Distribution under QIMR Berghofer Intellectual Property Framework*

Under the framework, payments for distribution of commercialisation revenue can only be made following actual receipt by QIMR Berghofer of commercialisation revenue, payment of all out-of-pocket expenses and official calculation of the net commercial revenue for each financial year. Unless otherwise authorised by the Council for a particular payment to be earlier (i.e. in the year of receipt), payments will be made annually in arrears within three months following the end of each financial year.

Payments within the framework will only be made following approval by the Remuneration Committee of Council and the QIMR Berghofer Council.

Net commercial revenue is defined under the framework as:

- a) all monies received by QIMR Berghofer under a commercialisation contract including signing fees, milestone payments, royalties upon sales, royalties upon sub-license fees, lump sum amounts, dividends, proceeds of sale of shares in a company, and all other monies and consideration whatsoever, excluding:
  - i. monies received for research and expended on research;
  - ii. monies received from a licensee or assignee subject to an obligation to use those monies to subscribe for shares in the licensee or assignee.
- b) less all out-of-pocket expenses incurred in the commercialisation of the intellectual property including patent application fees, legal fees, license fees, the fees of other consultants, travel expenses, funding body grant reimbursements, Queensland Government proceeds of commercialisation return, investments made by the Institute in directly supporting the commercialisation of the invention through proof of concept funds, development grants and other costs associated with the delivery of the commercial agreement.

In accordance with the framework, the total amount assigned to the successful discoverers/inventors will be one third of the net commercialisation revenue.

The framework will be included in QIMR Berghofer's policy on intellectual property. Adherence to QIMR Berghofer's policies is a requirement of all contracts of employment with QIMR Berghofer and adherence to the framework is a requirement of relevant contracts of engagement between collaborators and QIMR Berghofer.

Distributions paid under this framework do not form part of an employee's superannuable salary paid by QIMR Berghofer.

The framework, and any payments made under it, will cease to apply in the following circumstances:

- a) if the annual limit of \$5 million is exceeded without prior Governor in Council approval;
- b) when commercialisation revenue from a commercialisation agreement terminates or expires;
- c) when, in the reasonable belief of the Council, the successful discoverer/inventor engaged in fraud in relation to the research the subject of the commercial agreement in respect of which the remuneration is paid; and/or
- d) where the agreement under which the successful discoverer/inventor is engaged (including an employment agreement) is terminated by QIMR Berghofer due to breach of the agreement by the successful discoverer/inventor.

### **3. Distribution within a team of successful discoverers/inventors**

In the case where net commercialisation revenue is distributed to a team of successful discoverers/inventors and contributors, distribution of a share must be formalised in a 'splits' letter. This letter should be prepared by the successful discoverers/inventors and submitted to the Business Development Unit, lodged with and accepted by the Director or his/her delegate prior to the filing of the first complete specification/patent (generally at the PCT stage) associated with the project.

At a later stage, generally prior to the signing of the commercialisation agreement, the letter should be reviewed again by successful discoverers/inventors to ensure the relative shares reflect the actual contribution(s) to that point. The splits letter may include assigning a proportion of commercialisation revenue to research contributors who made significant intellectual contributions. A further splits letter should be created to take into account the successful discoverers'/inventors' contributions for new patent filings under the commercialisation agreement, for the purpose of sharing distribution of any future net commercialisation revenues under such agreement from the date of the patent application and attributable to those new patents. The value contribution of the new intellectual property as a proportion of net commercialisation revenue will also be agreed in the splits letter.

If there is a dispute with the splits letter, either upon filing or upon acceptance by the Director or his/her delegate, QIMR Berghofer may, on a case-by-case basis, refer the matter to a third party to undertake dispute resolution. If this is unsuccessful, the successful discoverers/inventors can undertake further dispute resolution at their own cost.

### **4. Term**

Commercial returns received from intellectual property will be distributed to the successful discoverer(s)/inventor(s) or their estate for the life of the patent and extensions thereof for as long as there is net commercial revenue from the respective intellectual property.