



The Hong Kong University of Science and Technology

INTELLECTUAL

PROPERTY

POLICY

Version 3

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The Hong Kong University of Science and Technology
INTELLECTUAL PROPERTY POLICY

1. INTRODUCTION

1.1 Intellectual Property and HKUST's Mission

1.1.1 The Mission of the Hong Kong University of Science and Technology (“HKUST” or “the University”) includes the advancement of learning and knowledge through teaching and research, and to assist in the economic and social development of Hong Kong. Two of the University’s major objectives are (i) to be a leading institution for research and postgraduate study, pursuing knowledge in both fundamental and applied areas, and collaborating closely with business and industry in promoting technological innovation and economic development; and (ii) to provide an open environment and atmosphere conducive to the exchange of knowledge, views and innovative ideas among students, faculty, staff and visiting scholars.

1.1.2 In contrast to commercial organisations, the University’s knowledge transfer role is primarily through its promotion, facilitation and dissemination, and in encouraging and supporting all members of the University to contribute to knowledge transfer. While the University does not view knowledge transfer as a profit-making endeavour, efforts must be sustainable: any revenues received from knowledge transfer activities in excess of costs will be used to strengthen further the University’s support in this important aspect of its mission.

1.1.3 Intellectual Property is often created by HKUST Employees, Students or others during their association with the University, where such Intellectual Property assets have been supported and developed by public funds and, in some cases, donations. HKUST upholds its fiduciary duty to the public and to its donors through its mission and by deploying its assets properly and prudently. HKUST will ensure that Intellectual Property created by, or on behalf of, the University is utilised for the public good, and will expedite the development and commercialisation of Intellectual Property as fulfilling part of its mission.

1.1.4 In some circumstances, legal protection to Intellectual Property may be beneficial to the further development of useful products based on such Intellectual Property. HKUST is committed to assisting the Creators of Intellectual Property in adequately protecting their Intellectual Property associated with the University, with the aim of facilitating the effective utilisation and transfer of that knowledge. The *Intellectual Property Policy* and its constituent Guidelines have therefore been developed, to support the management, technology transfer and commercialisation of Intellectual Property.

1.2 Knowledge Transfer Units

1.2.1 Knowledge transfer and related Intellectual Property matters are administered by HKUST’s Office of Knowledge Transfer (“OKT”). The Associate Vice-President for Research and Development (Knowledge Transfer) (“AVP-RD(KT)”) manages the University’s centers and companies engaged in knowledge transfer, which include the

following (without limitation, and as may be amended from time to time): the Office of Knowledge Transfer (“OKT”), the Entrepreneurship Center (“EC”); the University wholly owned subsidiary company, HKUST R and D Corporation Limited (“RDC”); and the University’s technology transfer and commercialisation platforms in Mainland China, including, but not limited to, the Fok Ying Tung Research Institute (“FYTRI”) in Nansha, Guangzhou and sites in Shenzhen and Foshan.

1.3 Policy and Guidelines

1.3.1 The *Intellectual Property Policy*, its associated Guidelines listed below and other relevant policies and guidelines can be accessed at the OKT website: <http://okt.ust.hk>.

Appendix 1: Guidelines for Students and Supervisors on Ownership and Assignment of Intellectual Property created by Students

Appendix 2: Guidelines on University Trade and Service Marks Management

Appendix 3: Guidelines on the Commercialisation of Intellectual Property

Appendix 4: Guidelines on Commercialisation Revenue Distribution

Appendix 5: Guidelines on the Administration of Intellectual Property Infringement

Appendix 6: Abbreviations and Definitions used in the *Intellectual Property Policy* and in its associated Guidelines

1.3.2 Questions as to the application of the *Intellectual Property Policy* or the ownership or rights in relation to Intellectual Property should be directed to the OKT.

1.3.3 Policy Users, as defined in **Appendix 6**, should inform the OKT of the terms and conditions of any contracts or grants that they may have with HKUST and/or Other Institutions that are contrary to the positions in the *Intellectual Property Policy* and its Guidelines. Any uncertainty or conflict between the *Intellectual Property Policy* and its Guidelines and the terms and conditions of any contracts or grants should be resolved prior to commencement of a research program or project.

1.4 Purpose of the Intellectual Property Policy

1.4.1 The purpose of the *Intellectual Property Policy* is to set out HKUST’s general approach and requirements in relation to, among other things, the creation, invention, ownership, use, dissemination, publication, protection, commercialisation, distribution of commercialisation revenue, infringement and/or other exploitation of Intellectual Property that is created (as defined in **Appendix 6**) by, or on behalf of, Policy Users.

1.4.2 Policy Users should read the *Intellectual Property Policy* carefully to understand how the Policy and its constituent appendices apply to them.

1.5 Intellectual Property Definitions

1.5.1 For the purposes of the *Intellectual Property Policy*, Intellectual Property, as defined in **Appendix 6**, refers to all intellectual property rights including, but not limited to, all of the following, and all rights in, arising out of or associated with the following: copyright; designs; inventions; patents; trade marks; and undisclosed information (trade secrets). To assist and guide Policy Users’ understanding of the *Intellectual Property Policy* and how it may apply to them and their work, examples of Intellectual Property are set out below: this is not an exhaustive list and is meant to be used as a guide only.

Copyright

- 1.5.2 Copyright includes, but is not limited to, software, source codes, object codes, specifications and other works of authorship, databases and database rights.
- 1.5.3 In general, copyright exists in original literary, dramatic, musical and artistic works; rights in performances (whether of actors, singers, musicians, dancers, etc., who entertain via their audio or audio-visual live performances); sound recordings; films; broadcasts; cable programmes; and typographical arrangement of published editions. Copyright may subsist in works in hard copy, soft copy, online or in any other medium now known, or in the future created. Some examples of copyright works are included in ***Appendix 6***.

Designs

- 1.5.4 In general, designs protect product designs and designs of commercial articles. Legally, designs are the features of shape, configuration, pattern or ornament applied to an article by any industrial process, being features which, in the finished article, appeal to and are judged by the eye but do **not** include (a) a method or principle of construction or (b) features of shape or configuration of an article which are dictated solely by the function which the article has to perform; or are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part.

Patents

- 1.5.5 In general, patents are rights granted for a set period in relation to an invention (which is disclosed in the patent), in particular the sole right to exclude others from, among other things, making, using or selling an invention (as defined in ***Appendix 6***).

Trade Marks

- 1.5.6 In general, a trade mark (also often referred to as a “***brand name***” and which includes service marks, business names and trade names) is any sign which is capable of distinguishing the goods or services of one undertaking from those of other undertakings and which is capable of being represented graphically. A trade mark may consist of words (including, but not limited to, personal names), indications, designs, letters, characters, numerals, figurative elements, colours, sounds, smells, the shape of goods or their packaging and any combination of such signs.

Undisclosed Information (Trade Secrets)

- 1.5.7 In general, protectable undisclosed information is information which (a) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its component, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question; (b) has commercial value because it is secret; and (c) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret. Protection of undisclosed information can be by statute laws or case laws (as in Hong Kong). Some examples of undisclosed information are included in ***Appendix 6***.

Other Intellectual Property

1.5.8 Examples of other Intellectual Property include (without limitation) layout-designs (topographies) of integrated circuits, internet domain names and plant varieties: see *Appendix 6* for further details.

1.6 Confidentiality Undertaking

1.6.1 Confidentiality must be maintained by Policy Users. For example, a publication ordinarily will disclose its contents to the public. This could prejudice patenting, to the detriment of the Creators, and may place legal liabilities on HKUST. Policy Users who would like to include Confidential Information or Intellectual Property in a publication in relation to, or in connection with their work at HKUST, should obtain HKUST's permission to do so. They should consult the OKT well in advance to discuss the possibility of obtaining patent protection prior to publication or presentation at a conference or in a poster session.

2. HKUST INTELLECTUAL PROPERTY

2.1 General

2.1.1 Policy Users agree to abide by the *Intellectual Property Policy* and accept the University's Intellectual Property ownership and publication principles specified below, by accepting the terms of offers of employment (by Employees), of temporary visits to HKUST (by Visitors), of consultancy agreements (by Consultants) and of admission and registration (by Students).

2.1.2 Where a Student (e.g. a Continuing Research Postgraduate Student) is also an Employee, the ownership principles relating to Students as set out in the *Intellectual Property Policy* shall prevail. Where a Student ceases to be a Student and becomes an Employee, or a Student ceases to be both a Student and an Employee and becomes solely an Employee, the ownership principles relating to Employees as set out in the *Intellectual Property Policy* shall prevail.

2.1.3 Intellectual Property owned or controlled by HKUST that is disclosed to Policy Users shall remain owned by HKUST: disclosure of Intellectual Property to Policy Users shall not mean that HKUST has granted any proprietary rights in the Intellectual Property to Policy Users.

2.1.4 Policy Users should declare any HKUST-owned background Intellectual Property which would be used in undertaking sponsored research or contract research projects funded by outside parties, prior to commencement of a project: details are accessible at <http://okt.ust.hk>.

2.2 Ownership Principles

Employees

- 2.2.1 In general, Intellectual Property created by Employees in the course of employment (as defined in **Appendix 6**), whether working alone or with others, shall belong to HKUST. Exceptions would be (a) Intellectual Property created at Other Institutions and (b) where Employees were simultaneously employed by Other Institutions: in both these situations, and as may be specified in institutional agreements, Intellectual Property shall be owned either by HKUST or ownership shall be subject to negotiation between HKUST and Other Institutions. Where appropriate, agreements will specify symmetrical arrangements to ensure equity in the assignment of Intellectual Property ownership between the two institutions.
- 2.2.2 Notwithstanding 2.2.1 above, the copyright ownership of academic and scholarly works, teaching materials and artistic works created by Employees shall belong to Employees. Authors are entitled to own the copyright and retain any revenue generated from such copyrightable materials. However, the following copyright works will be retained by HKUST:
- (a) Works that are commissioned by HKUST with use of the University's resources;
 - (b) Works that are subject to contractual obligations to third parties;
 - (c) Computer software and databases that are created in the course of employment;
- or
- (d) Works that are created within the scope of employment by non-academic employees of the University.
- 2.2.3 In relation to patents, Employees, where applicable, will be named as inventors and receive compensation in accordance with the *Guidelines on Commercialisation Revenue Distribution (Appendix 4)* and applicable law.

Students

- 2.2.4 Subject to paragraphs 2.2.5 and 2.2.9 below, Intellectual Property created at HKUST solely by Students, either individually or collectively as a group, shall belong to Students. **Appendix 1** refers.
- 2.2.5 Notwithstanding paragraph 2.2.4 above:
- (a) HKUST shall be the sole and exclusive first owner of Intellectual Property created at HKUST by Research Postgraduate (“RPg”) Students who are supervised by Employees.

(b) HKUST shall own the Intellectual Property created by a Student with Substantial Use of University Resources.

2.2.6 Nevertheless, for the Intellectual Property owned by HKUST as outlined in 2.2.5 above, Students shall own the copyright in respect of their written coursework, theses, papers or publications themselves as a whole as literary works: this shall be distinguished from the underlying Intellectual Property such as inventions or any Intellectual Property disclosed in coursework, theses, papers and/or publications, which shall belong to HKUST. In relation to patents, Students, where applicable, will be named as inventors and receive compensation in accordance with the *Guidelines on Commercialisation Revenue Distribution (Appendix 4)* and applicable law.

2.2.7 Supervisors have responsibilities with respect to Intellectual Property matters relating to their Students as specified in *Appendix 1*.

Consultants

2.2.8 HKUST shall be the sole and exclusive first owner of Intellectual Property created by Consultants during their consultancy engagements with HKUST, which shall be deemed to be commissioned by HKUST unless otherwise agreed between Consultants and HKUST.

Assertion and Assignment of Intellectual Property Ownership by HKUST

2.2.9 Notwithstanding the ownership principles in Section 2.2 above, HKUST may assert ownership of Intellectual Property where the terms and conditions of any contract and grant that pertains to the work undertaken places Intellectual Property obligations on HKUST: this would include Intellectual Property created at HKUST by Employees, Students or Visitors, and that created in Joint Projects (as defined in *Appendix 6*) or in sponsored research or contract research projects funded by outside parties. Any uncertainty of ownership of Intellectual Property should be resolved prior to commencement of the work to be undertaken.

2.2.10 HKUST may consider assigning Intellectual Property to Other Institutions to avoid fragmentation of Intellectual Property and to maximise chances of commercialisation: any such arrangements will be stipulated in formal agreements with Other Institutions.

Post-Assignment

2.2.11 If, for any reason, Intellectual Property that should belong to HKUST does not vest in HKUST automatically by virtue of Section 2.2 above, relevant Policy Users shall be asked to sign any documents that HKUST may reasonably require to ensure that HKUST owns such Intellectual Property. HKUST, therefore, may request relevant Policy Users to assign Intellectual Property to HKUST (a) in the case of an Employee, after the end of employment by HKUST; (b) in the case of a Student ceasing to be a Student at HKUST; (c) in the case of a Consultant, after the end of the consultancy engagement with HKUST.

2.3 **Copyright and Publication Principles**

- 2.3.1 With respect to the copyright owned by Policy Users as specified in 2.2.2 and 2.2.6 above, HKUST shall have the right to use, copy, reproduce, and/or publish Policy Users works, theses, papers and/or publications, or parts thereof, including, without limitation, for the purposes of HKUST's publication, research and educational activities, and Intellectual Property protection (including, but not limited to, patent applications).
- 2.3.2 Notwithstanding 2.2.1 and 2.2.4 above, publication of academic and scholarly works, including teaching materials, may be restricted by HKUST in the event that HKUST deems that such materials need to be adequately protected (e.g. by filing a patent application) before disclosure to the public.

3. **HKUST TRADE MARKS AND TRADE MARKS CREATED BY POLICY USERS**

- 3.1 HKUST Trade Marks, as defined in *Appendix 6*, are the property of HKUST. Policy Users shall require University Council approval to use HKUST Trade Marks in general, for example (without limitation) the HKUST name, domain name, graphic symbols and logos. The *Guidelines on University Trade and Service Marks Management (Appendix 2)* can be accessed at the OKT website: <http://okt.ust.hk>. Policy Users can approach the [Responsible unit to be confirmed] for such approval or for questions about appropriate usage of HKUST Trade Marks.
- 3.2 The approval authority for any Intellectual Property protection and commercialisation of HKUST Technology Marks (as defined in *Appendix 6*) is the Vice-President for Research and Development ("VP-RD") or his/her designee. The use of HKUST Technology Marks is administered by the OKT. Questions about the usage of such HKUST Technology Marks should be referred to the OKT.

4. **ADMINISTRATION OF INTELLECTUAL PROPERTY INFRINGEMENT**

- 4.1 If HKUST believes that its Intellectual Property is being, or has been, infringed by a third party, or if a third party alleges that HKUST is infringing, or has infringed, the third party's Intellectual Property, the procedures for handling such Intellectual Property infringement matters shall be governed by the Intellectual Property Policy together with the *Guidelines on the Administration of Intellectual Property Infringement (Appendix 5)*.

5. **DISCLOSURE AND COMMERCIALISATION OF INTELLECTUAL PROPERTY**

5.1 **Disclosure**

- 5.1.1 Policy Users shall notify and disclose to the OKT all relevant details of any potentially patentable discoveries, inventions or other forms of registerable Intellectual Property created as part of their participation in research work at HKUST. This is to allow

HKUST to determine whether the Intellectual Property was capable of commercialisation; ownership, however, shall remain as specified in Section 2.

- 5.1.2 Notification shall occur by submission of a Disclosure Form to the OKT: the procedures and the Disclosure Form are available at <http://okt.ust.hk>. The OKT, in collaboration with Policy Users, shall be responsible for the evaluation, protection, management and commercialisation of the Intellectual Property. Policy Users shall assist the OKT in the process of protecting the Intellectual Property and assessing its commercialisation prospects. The OKT shall maintain a register of all Intellectual Property that is notified.

5.2 Commercialisation

- 5.2.1 If HKUST decides to pursue, use, commercialise or otherwise exploit Intellectual Property (including, but not limited to, if HKUST decides to patent an invention in a particular country and/or to commercialise an invention), such activities shall be governed by the *Intellectual Property Policy* and its relevant Guidelines (**Appendices I-6**): in particular, the *Guidelines on the Commercialisation of Intellectual Property* (**Appendix 3**) and the *Guidelines on Commercialisation Revenue Distribution* (**Appendix 4**).
- 5.2.2 Licensing is the granting of specific rights to use HKUST's Intellectual Property and is HKUST's preferred means of commercialisation. HKUST may, in its discretion, offer to license Intellectual Property to a Licensee (as defined in **Appendix 6**): this shall be subject to the terms and conditions of any contract or grant that may have been made with HKUST in relation to Intellectual Property.
- 5.2.3 While HKUST shall not normally transfer the ownership of Intellectual Property to a third party¹, it may nevertheless decide to do so, in its sole discretion and subject to the terms and conditions of any contract or grant that may have been made with HKUST in relation to Intellectual Property. Any such transfer shall be on the proviso that the third party had demonstrated the capability to and had agreed to (a) meet specified milestones and (b) utilise the Intellectual Property in an effective and responsible manner in accordance with HKUST's expectations. The procedures for a third party to request Intellectual Property transfer from HKUST and the justifications required are specified in the *Guidelines on the Commercialisation of Intellectual Property* (**Appendix 3**).
- 5.2.4 HKUST may agree to license or assign Intellectual Property to a company in return for shares in that company. Where HKUST is to hold a company's shares, the equity shall be held by the RDC or other entity as designated by HKUST, on behalf of HKUST. When the equity is liquidated, in consultation with interested parties, revenues shall be distributed in a manner consistent with the principles and payment methods specified in the *Guidelines on Commercialisation Revenue Distribution* (**Appendix 4**).

¹ The rationale for transfer is specified in 3.1 of the *Guidelines on the Commercialisation of Intellectual Property* (**Appendix 3**): Commercialisation by way of transferring ownership of Intellectual Property could contribute to HKUST achieving its mission, but could also thwart or prevent its mission being achieved, since after the transfer of Intellectual Property, little or nothing can be done about a non-performing or under-performing assignee.

5.3 **Unpursued Intellectual Property**

- 5.3.1 In certain circumstances, HKUST may decide not to pursue, use or otherwise exploit Intellectual Property. Examples could include, but would not be limited to, if HKUST decided the following: not to patent an invention in a particular country; to discontinue prosecuting a patent in a particular country; to discontinue maintaining a granted or registered right; to discontinue commercialising an invention.
- 5.3.2 In the above circumstances, upon determining that releasing Intellectual Property to Creators would not violate the terms of any relevant agreement and was in the best interests of HKUST and the public, the University may agree to assign or release all interests which the University holds in the Intellectual Property to Creators: any such assignment or release would be on condition that Creators agreed to grant back to HKUST an irrevocable, perpetual, royalty-free, non-exclusive, worldwide right and licence to use the Intellectual Property for research and education purposes, and agreed to share with the University 20% of the Net Commercialisation Revenue (as defined in *Appendix 6*) received by Creators from the Intellectual Property. Release of unpursued inventions also may be conditional upon, among other things, agreement by Creators to the following:
1. To reimburse the Intellectual Property protection expenses that HKUST had committed as of the day of completion of formal assignment of the said Intellectual Property from HKUST to Creators;
 2. To report to the University the efforts and progress in developing the Intellectual Property for commercialisation or any public use, upon request;
 3. To agree to such limitations on the University's liability and indemnity provisions as the University may request.

6. **ADMINISTRATIVE PROCEDURES**

- 6.1 The VP-RD, or his/her designee, shall administer the *Intellectual Property Policy* and be the arbiter if interpretation of the *Intellectual Property Policy* is required, and may seek appropriate counsel.
- 6.2 Policy Users shall have the right to appeal decisions of the VP-RD. Appeals should be made to the President of HKUST, who shall rule on the matter under consideration and may seek appropriate counsel.
- 6.3 HKUST reserves the right to make changes to the *Intellectual Property Policy* from time to time.
- 6.4 Any changes to the *Intellectual Property Policy* (excluding the Appendices) shall require approval of the HKUST Council, on the recommendation of the Knowledge Transfer Committee (KTC) where considered appropriate and after endorsement of the HKUST Senate and the University Administrative Committee.

- 6.5 The VP-RD, or his/her designee, may approve amendments to the *Intellectual Property Policy's* Guidelines (Appendices) at his/her discretion, after consultation with the KTC and the HKUST Senate as deemed appropriate.
- 6.6 Approved changes shall be effective immediately, unless specified otherwise by the approving authority, and incorporated in the online versions of the *Intellectual Property Policy* and its constituent Guidelines (Appendices). HKUST shall disclose any changes as soon as reasonably practicable via such online versions, which can be accessed at the OKT website: <http://okt.ust.hk>. Approved changes may be applied retrospectively only in exceptional circumstances approved by the Council (for *Intellectual Property Policy* changes) or the VP-RD (for Guidelines (Appendices) changes): for example, if the *Intellectual Property Policy* would conflict with any decision by relevant educational or governmental authorities.

The Hong Kong University of Science and Technology

Appendix 1 to the
HKUST
*Intellectual Property
Policy*

GUIDELINES FOR STUDENTS AND SUPERVISORS ON OWNERSHIP AND ASSIGNMENT OF INTELLECTUAL PROPERTY CREATED BY STUDENTS

1. INTRODUCTION

- 1.1 The *Intellectual Property Policy* and its constituent Guidelines (Appendices) can be accessed at the website of the OKT (<http://okt.ust.hk>). They have been developed as part of the University's commitment to knowledge transfer, with a primary purpose of supporting Students, Employees and others in the management, technology transfer, protection and commercialisation of intellectual property. The Associate Vice-President for Research and Development (Knowledge Transfer) ("AVP-RD(KT)") and related offices, including the Office of Knowledge Transfer ("OKT"), the Entrepreneurship Center ("EC") and the University wholly owned subsidiary company HKUST R and D Corporation Limited ("RDC"), support the University's knowledge transfer endeavours and work with Students, Employees and others to facilitate the effective utilisation and transfer of knowledge, thus assisting in the economic and social development of Hong Kong.
- 1.2 The University does not view knowledge transfer as a profit-making endeavour: any revenues received from knowledge transfer activities in excess of costs will be used to strengthen further the University's support in this important aspect of its mission.
- 1.3 The following terms, *inter alia*, are defined in **Appendix 6**: "Student"; "Supervisor"; "Intellectual Property"; "Other Institution"; "Confidential Information".
- 1.4 Student-related Intellectual Property matters are governed by the *Intellectual Property Policy*, which includes these Guidelines (**Appendix 1**) and *Guidelines on Commercialisation Revenue Distribution* (**Appendix 4**).
- 1.5 These Guidelines apply to **Students** and their **Supervisors**.

2. OWNERSHIP OF INTELLECTUAL PROPERTY

- 2.1 The *Intellectual Property Policy* specifies, among other things, the ownership and publication rights of Students and HKUST in regard to Intellectual Property created by Students, as summarised below:
 - (a) Subject to paragraphs 2.2.5 and 2.2.9 of the *Intellectual Property Policy*, Intellectual Property created at HKUST solely by Students, either individually or collectively as a group, shall belong to the Students;

- (b) Notwithstanding paragraph 2.2.4 of the *Intellectual Property Policy*:
- i) HKUST shall be the sole and exclusive first owner of Intellectual Property created at HKUST by Research Postgraduate (“RPg”) Students who are supervised by Employees.
 - ii) HKUST shall own the Intellectual Property created by a Student with Substantial Use of University Resources.
- (c) Nevertheless, for the Intellectual Property owned by HKUST as outlined in 2.1 (b) above, in relation to patents, Students, where applicable, will be named as inventors and receive compensation in accordance with the *Guidelines on Commercialisation Revenue Distribution (Appendix 4)* and applicable law.
- (d) HKUST ownership of Intellectual Property created by Students as outlined in 2.1 (b) above will not extend to copyright in Student written coursework, theses, papers or publications themselves as a whole as literary works (as distinguished from the underlying Intellectual Property such as inventions or any Intellectual Property disclosed in coursework, theses, papers and/or publications, which shall belong to HKUST). Students shall remain the owners of the copyright subsisting in their written coursework, theses, papers or publications.
- (e) For the copyright owned by Students as outlined in 2.1 (d) above, HKUST shall have the right to use, copy, reproduce and/or publish Students’ works, theses, papers and/or publications (or parts thereof) including (without limitation) for the purposes of HKUST’s publication, research and educational activities, and Intellectual Property protection (including, but not limited to, patent applications).

2.2 It is important that students are aware of 2.1 above prior to their registration as Students of the University, a condition of which is that they agree to abide by the University’s policies, rules and regulations, as amended from time to time. Admission offer letters, therefore, indicate the address of the University’s webpage where the relevant policies, rules and regulations can be accessed, and where the above ownership principles are specified. The website also refers to *Appendix 4* of the *Intellectual Property Policy (Guidelines on Commercialisation Revenue Distribution)*, which outlines the potential financial benefits that Creators (including Students) might expect to receive if their Intellectual Property were commercialised.

3. RESPONSIBILITIES OF STUDENTS’ SUPERVISORS

3.1 Supervisors should be aware that Students agree to abide by the University’s policies, rules and regulations on registration, and that Intellectual Property created by RPg Students who are supervised by Employees as outlined in Section 2.1 (b) above shall belong to HKUST, subject to the terms and conditions of any contract, grant or agreement that pertains to the research work undertaken (and/or will be assigned to

HKUST in the event that such Intellectual Property does not automatically vest in HKUST).

- 3.2 Supervisors also have responsibilities when their students undertake internships, as specified in Section 4 below; and in regard to student publications, as specified in Section 5 below.

4. RESPONSIBILITIES OF STUDENTS

4.1 Internships

4.1.1 In the case of internships with companies, Students will enter into internship agreements with companies directly. Normally internship agreements will state the terms of confidentiality and ownership of Intellectual Property generated by Students during their participation in internships. Students should review the terms of internship agreements carefully and pay attention to any obligations to which they may be personally liable.

4.1.2 If Students wish to use HKUST-owned background Intellectual Property during internship programs, the Supervisors of the Students' departments/units concerned should refer cases to the OKT. HKUST's written consent via agreements made with companies in relation to any and all Intellectual Property arrangements should be obtained prior to the commencement of internship programs in which HKUST's background Intellectual Property may be used.

4.2 Confidentiality

4.2.1 Confidentiality must be upheld for the reasons specified in Section 1.6 of the *Intellectual Property Policy*. Accordingly, by agreeing to abide by the *Intellectual Property Policy*, Students agree to keep Confidential Information (as defined in *Appendix 6*) secret and confidential.

4.3 Publications

4.3.1 Students' responsibilities in regard to their publications are specified in Section 5 below.

5. STUDENT PUBLICATIONS

5.1 Intellectual Property created by Students, whether owned by Students or by HKUST as outlined in Section 2 above, may be disclosed to the public when Students' work is published. Examples include the following:

- (a) when Students submit their theses, which may be read by examiners who are external to HKUST and not subject to any obligation of confidentiality;
- (b) following announcement of and during Students' public defence of their theses;

- (c) when Students present papers or posters, either at HKUST when the contents may be divulged to other Students, Employees and members of the public or at conferences attended by academics and students from other universities;
- (d) when Students' theses are deposited in the University Library;
- (e) when Students' project reports or dissertations are deposited in Departmental or School Offices.

5.2 The above public exposure may prejudice patenting, to the detriment of the Creators, and may also place legal liabilities on HKUST, as indicated in Section 1.6 of the *Intellectual Property Policy*. Students who wish to include Confidential Information, Intellectual Property or other commercially sensitive information in their publications such as their theses, project reports, dissertations, posters or conference papers should therefore inform their Supervisors prior to submission and publication. In such cases, Students' Supervisors should consult the OKT well in advance to discuss the possibility of obtaining patent protection prior to publication; and before a Department announces a thesis examination or prior to presentation at a conference or in a poster session. Students, in consultation with their Supervisors, should also seek OKT advice on whether publication of their work (e.g. in the University Library for theses or in Departmental or School offices for project reports and dissertations) should be delayed, and for how long, and liaise with the Librarian and Departmental/School administrators, as appropriate.

5.3 The OKT will process requests to include Confidential Information or Intellectual Property in Students' publications in a timely way. This will enable Students to submit their work such as theses, project reports and dissertations without impediment to fulfilling their degree requirements while protecting HKUST's commercialisation objectives and legal rights. The fundamental principles are that Students shall not be prejudiced when they submit their work for examination, and shall be able to complete the requirements for the award of a degree without restriction.

6. ADMINISTRATOR OF THE GUIDELINES

6.1 The VP-RD, or his/her designee, shall administer the *Intellectual Property Policy* and its Guidelines (Appendices) and be the arbiter if interpretation of the *Intellectual Property Policy* and/or its Guidelines (Appendices) is required, and may seek appropriate counsel.

6.2 The VP-RD, or his/her designee, may approve amendments to the *Intellectual Property Policy's* Guidelines (Appendices) at his/her discretion, after consultation with the Knowledge Transfer Committee ("KTC") and the HKUST Senate as deemed appropriate.

The Hong Kong University of Science and Technology

Appendix 2 to the
HKUST
Intellectual Property
Policy

GUIDELINES ON UNIVERSITY TRADE AND SERVICE MARKS MANAGEMENT [To be developed]

The Hong Kong University of Science and Technology

*Appendix 3 to the
HKUST
Intellectual Property
Policy*

GUIDELINES ON THE COMMERCIALISATION OF INTELLECTUAL PROPERTY

1. DEFINITIONS, GOVERNANCE AND APPLICATION

- 1.1 The *Intellectual Property Policy* and its constituent Guidelines (Appendices) can be accessed at the website of the OKT (<http://okt.ust.hk>).
- 1.2 The following terms, *inter alia*, are defined in *Appendix 6*: “Commercialisation Expenses”; “Intellectual Property”; “Proof-of-Concept Fund”.
- 1.3 Commercialisation of Intellectual Property is governed by the *Intellectual Property Policy*, which includes these Guidelines as *Appendix 3* and *Guidelines on Commercialisation Revenue Distribution (Appendix 4)*.
- 1.4 These Guidelines shall apply where HKUST proposes to commercialise Intellectual Property that is owned by HKUST.

2. HKUST RESPONSIBILITIES IN DEALING WITH INTELLECTUAL PROPERTY

- 2.1 HKUST’s assets are resources which have been purchased or acquired with public funds and, in some cases, donations. Accordingly, the public and donors expect HKUST to use its assets properly and prudently in achievement of its mission. This is applicable to HKUST’s tangible assets, and its intangible assets such as Intellectual Property.
- 2.2 Commercialisation of Intellectual Property is one of the important ways by which HKUST achieves the community service aspect of its mission, to assist in the economic and social development of Hong Kong.

3. COMMERCIALISING INTELLECTUAL PROPERTY

- 3.1 Commercialisation by way of transferring ownership of Intellectual Property could contribute to HKUST achieving its mission but could also thwart or prevent its mission being achieved, since after the transfer of Intellectual Property little or nothing could be done about a non-performing or under-performing assignee.

- 3.2 Licensing is therefore the preferred means of commercialisation by which HKUST makes its Intellectual Property available to a licensee for commercial exploitation. If a licensee is non-performing or under-performing so that economic and social benefits to the community are not being achieved, the licence can be terminated and an alternative licensee found.

4. LICENSING OF INTELLECTUAL PROPERTY

4.1 General

- 4.1.1 Generally, HKUST encourages Intellectual Property commercialisation by licensing to Licensees. The OKT is the first contact point for HKUST Intellectual Property licensing with industrial and business collaborators.
- 4.1.2 Creators of HKUST Intellectual Property should, at an early stage, inform and involve the OKT of any intended Intellectual Property disclosure: the OKT will then help to identify and assess potential licensing opportunities for such Intellectual Property. Questions as to the application of these Guidelines should be directed to the OKT:

Office of Knowledge Transfer
Tel.: 2358-7917
Email: okt@ust.hk
Website: <http://okt.ust.hk>

4.2 Evaluation of Licensing Prospects

- 4.2.1 To evaluate licensing prospects, by working together with inventors, the OKT will:
- (a) gather information on a potential Licensee's background and business operation;
 - (b) conduct technical and market feasibility studies/assessments with respect to the concerned Intellectual Property;
 - (c) assess a potential Licensee's business proposition and development plan for the Intellectual Property; and
 - (d) undertake a conflict of interest check and a potential risk assessment.

4.3 Evaluation of Intellectual Property

- 4.3.1 The OKT's technology evaluation process, which assesses Intellectual Property being considered for licensing, shall include reference to the following:
- (a) the scope of the technology contained in the Intellectual Property to be licensed;
 - (b) the details of the concerned Intellectual Property including, but not limited to, the type and quantity of registered or un-registered Intellectual Property, OKT reference codes (if any), countries of protection and inventor's and performing unit's previous licensing history (if any);

- (c) the amount and type of funding used for the development of the concerned Intellectual Property including, but not limited to, governmental funding sources such as the Hong Kong University Grants Committee and its Research Grants Council (“RGC”) Innovation and Technology Fund; funding from various Mainland governments; non-governmental funding sources; or HKUST internal funding;
- (d) the Commercialisation Expenses (as defined in *Appendix 6*) for the concerned Intellectual Property.

4.4 **Licensing Terms**

4.4.1 Based on the foregoing, the OKT will determine an appropriate licensing strategy and structure the licensing terms accordingly. The key considerations for licensing terms shall include, but shall not be limited to:

- (a) the type of licence (exclusive vs. non-exclusive);
- (b) the field of use;
- (c) the territory of rights;
- (d) the sub-licensing rights;
- (e) the time frame of the licence, renewal options and termination conditions;
- (f) the financial arrangement (such as upfront licensing fees, guaranteed minimum payments, royalties on sales, reimbursement of patenting costs, etc.);
- (g) HKUST’s reserved rights;
- (h) liability, indemnification and warranties.

4.4.2 Upon establishing a licensing term sheet for the concerned Intellectual Property, the OKT will negotiate with the potential Licensee, by working closely with the RDC or other entity as designated by HKUST, to finalise the licensing arrangement.

4.5 **Oversight and Approval of Licensing Deals**

4.5.1 Proposed licensing arrangements shall be taken on a case-by-case basis, giving due consideration to relevant circumstances, for approval by the Licensing Committee, chaired by the delegate of VP-RD. Members will include the AVP-RD(KT), the Chief Executive Officer of the RDC, Heads of the OKT and/or other personnel as appointed by the VP-RD. Decisions of the chairperson shall be final. The RDC will execute and manage licence agreements upon approval by the Licensing Committee.

5. TRANSFER OF INTELLECTUAL PROPERTY

5.1 The *Intellectual Property Policy* specifies that HKUST shall not normally transfer the ownership of Intellectual Property to a third party. However, HKUST may decide to transfer certain of its Intellectual Property to an Assignee under certain circumstances, in its sole discretion and subject to the terms and conditions of any contracts or grants that HKUST may have in relation to such Intellectual Property. Any such transfer shall be on the proviso that the potential Assignee had demonstrated the capability to and had agreed to (a) meet specified milestones and (b) utilise the Intellectual Property in an effective and responsible manner in accordance with HKUST's expectations; and had demonstrated specified conditions including, but not limited to, the following:

- (a) the Assignee's commitment to the economic and social benefits in the commercial exploitation of the Intellectual Property in line with HKUST's mission;
- (b) the Assignee's commitment to the protection of the Intellectual Property (including, but not limited to, the cost of filing and enforcement of a patent);
- (c) the Assignee's ability to achieve minimum sales for a certain period of time;
- (d) the Assignee's ability to raise funds during the commercial exploitation of the Intellectual Property; or
- (e) the provision of a grant back to HKUST of an irrevocable, perpetual, royalty-free, non-exclusive, worldwide right and licence to use the Intellectual Property for its research and education purposes, and a right to grant the same rights to HKUST start-ups and/or other non-profit institutions; and
- (f) the Assignee's agreement to meet the transfer costs when the transfer had been requested by the Assignee.

5.2 Where HKUST considers transferring its Intellectual Property, potential Assignees will be required to submit a formal application to HKUST, through the OKT, to seek transfer of the Intellectual Property from HKUST, with justification for the transfer. The OKT will refer applications, with its own briefing, to the VP-RD, or his/her designee, for decision. The VP-RD or his/her designee will, in their sole discretion, decide whether a transfer to a potential Assignee will be made by HKUST, having regard to what course would best assist HKUST to achieve its mission of being of service to the community, both economically and socially. The terms and conditions of any transfer will be determined by HKUST and set out in an agreement, to be executed by HKUST and the Assignee, which may include HKUST having an equity position where the Assignee is a company.

6. HANDLING OF UNPURSUED INTELLECTUAL PROPERTY OF HKUST

6.1 In certain circumstances, HKUST may decide not to pursue, use or otherwise exploit Intellectual Property. Examples could include, but would not be limited to, if HKUST decided the following: not to patent an invention in a particular country; to discontinue

prosecuting a patent in a particular country; to discontinue maintaining a granted or registered right; to discontinue commercialising an invention.

- 6.2 In the above circumstances, upon determining that releasing Intellectual Property to Creators would not violate the terms of any relevant contract, grant or agreement and was in the best interests of HKUST and the public, the University may agree to assign or release all interests which the University holds in the Intellectual Property to Creators: any such assignment or release would be on condition that Creators agreed to grant back to HKUST an irrevocable, perpetual, royalty-free, non-exclusive, worldwide right and licence to use the Intellectual Property for research and education purposes, and agreed to share with the University 20% of the Net Commercialisation Revenue (as defined in **Appendix 6**) received by Creators from the Intellectual Property. Release of unpursued inventions also may be conditional upon, among other things, agreement by Creators to the following:
- (a) To reimburse the Intellectual Property protection expenses that HKUST had committed as of the day of completion of formal assignment of the said Intellectual Property from HKUST to Creators;
 - (b) To report to the University the efforts and progress in developing the Intellectual Property for public use, upon request;
 - (c) To agree to such limitations on the University's liability and indemnity provisions as the University may request.
- 6.3 In some cases, even if HKUST decides not to pursue, use or otherwise exploit Intellectual Property, it may still not be able to license or transfer Intellectual Property to Licensees or Assignees (for example, if precluded from doing so by the conditions stipulated by the funding source).

7. ADMINISTRATOR OF THE GUIDELINES

- 7.1 The VP-RD, or his/her designee, shall administer the *Intellectual Property Policy* and its Guidelines (Appendices) and be the arbiter if interpretation of the *Intellectual Property Policy* and/or its Guidelines (Appendices) is required, and may seek appropriate counsel.
- 7.2 The VP-RD, or his/her designee, may approve amendments to the *Intellectual Property Policy's* Guidelines (Appendices) at his/her discretion, after consultation with the KTC and the HKUST Senate as deemed appropriate.

The Hong Kong University of Science and Technology

*Appendix 4 to the HKUST
Intellectual Property Policy*

GUIDELINES ON COMMERCIALISATION REVENUE DISTRIBUTION

1. DEFINITIONS, GOVERNANCE AND APPLICATION

- 1.1 The *Intellectual Property Policy* and its constituent Guidelines (Appendices) can be accessed at the website of the OKT (<http://okt.ust.hk>).
- 1.2 The following terms, *inter alia*, are defined in *Appendix 6* to the Policy: “Intellectual Property”; “Intellectual Property Cost Recovery Account”; “Commercialisation Revenues”; “Creator”; “Commercialisation Expenses”; “Employee”; “Proof-of-Concept Fund”; “Performing Unit”; “Unit Head”.
- 1.3 Commercialisation of Intellectual Property and the distribution of Commercialisation Revenues to Creators are governed by the *Intellectual Property Policy*, which includes these Guidelines as *Appendix 4* and *Guidelines on the Commercialisation of Intellectual Property (Appendix 3)*.
- 1.4 The Commercialisation Revenue distribution scheme outlined below shall apply to all types of HKUST Intellectual Property.

2. COMMERCIALISATION REVENUE FOR DISTRIBUTION

2.1 Commercialisation Revenues

- 2.1.1 Commercialisation Revenues are the gross financial revenues actually received by HKUST from the commercialisation of Intellectual Property created by Creators. Examples of Commercialisation Revenues are provided in *Appendix 6*. Commercialisation Revenues do not include the overhead component of research funds paid pursuant to a research agreement.

2.2 Commercialisation Expenses

- 2.2.1 Commercialisation Expenses are defined in *Appendix 6*. Commercialisation Expenses do not include HKUST’s administration expenses or the cost of undertaking research.
- 2.2.2 HKUST reserves the right to make changes to the definition of Commercialisation Expenses from time to time, in accordance with paragraph 5.2.2 below, and will disclose any such changes as soon as reasonably practicable via the online version, which can be accessed at the OKT website: <http://okt.ust.hk>.

3. DISTRIBUTION OF COMMERCIALISATION REVENUE

3.1 General Conditions

3.1.1 Distribution of Commercialisation Revenues will be undertaken either by the University's business arm, the RDC, or the Finance Office ("FO"), whichever is the HKUST business case processing unit.

3.1.2 HKUST will distribute Commercialisation Revenues to Creators on a per contract basis in the following sequence:

a) Up to 30% of Commercialisation Revenues received shall be distributed to recover the Commercialisation Expenses, until the Commercialisation Expenses have been fully recovered.

b) After the deduction of (a), the remaining portion of Commercialisation Revenues received shall be distributed in the following proportions:

- 70% to the Creators;
- 10% to the Central Non-UGC Reserve;
- 10% to the HKUST business case processing unit;
- 10% to the Performing Unit.

3.1.3 If there is more than one Creator, each Creator's percentage share of Commercialisation Revenues shall be allocated in accordance with a previously agreed and signed agreement between/among the respective Creators and recorded in the invention disclosure form. If no such agreement is in place, the revenues will be distributed equally among the Creators.

3.1.4 For the 20% of the Net Commercialisation Revenue received by the University that is derived from the Unpursued Intellectual Property set out in Section 5.3 of the *Intellectual Property Policy*, the Creators will no longer be entitled to the distribution of Commercialisation Revenues.

3.1.5 Any request for variation from the above distribution scheme for a specific situation should be submitted in writing to the VP-RD, or his/her designee, with justification. The VP-RD would then seek Senate and/or the University Administrative Committee ("UAC") approval, as deemed appropriate.

3.2 Un-identifiable Creators

3.2.1 Occasionally there may be difficulty in identifying all Creators in regard to Commercialisation Revenue distribution: an example would be where Intellectual Property in the form of software may be developed based on the earlier work of Creator(s) who had left HKUST. In such cases, a percentage of shares will be allocated to all Creators who were in association with HKUST at the time of disclosure of the Intellectual Property by such Creators, in consultation with the Unit Head and the

identified Creators. The remaining percentage of shares for the unidentifiable Creator(s) will be allocated to the Intellectual Property Cost Recovery Account.

3.3 Duration of Benefits

- 3.3.1 Creators will receive their shares of Commercialisation Revenues, as distributed above, for the duration that Commercialisation Revenue is received. When a Creator dies, his/her share of Commercialisation Revenue will continue to be paid to the Creator's estate.

4. EQUITY IN A COMPANY

4.1 HKUST Retains Equity

- 4.1.1 HKUST may agree to license or assign Intellectual Property to a company in return for shares in that company. Where HKUST is to be the holder of shares in a company, the equity will be held by RDC on behalf of HKUST. When the equity is liquidated, in consultation with interested parties, the revenues will be distributed in a manner consistent with the principles and payment methods specified in Section 3 above.

5. ADMINISTRATION OF THE GUIDELINES

5.1 Knowledge Transfer Revenue Distribution Committee ("KTRDC")

- 5.1.1 A KTRDC will be constituted on a case-by-case and as-required basis to consider any appeal or dispute arising in relation to, or in connection with, the distribution of Commercialisation Revenues. Examples include (without limitation) the following: determination of whether a particular revenue is a Commercialisation Revenue available for distribution to Creators; determination of the Creators entitled to a share in the Commercialisation Revenue and their individual entitlement; the identity of any Creator. Appeals or disputes should be made in writing to the OKT.

- 5.1.2 The KTRDC will be chaired by the AVP-RD(KT); members will be appointed by the AVP-RD(KT) on a case-by-case basis. The decision of the KTRDC shall be final.

5.2 Administrator of the Guidelines

- 5.2.1 The VP-RD, or his/her designee, shall administer the *Intellectual Property Policy* and its Guidelines (Appendices) and be the arbiter if interpretation of the *Intellectual Property Policy* and/or its Guidelines (Appendices) is required, and may seek appropriate counsel.

- 5.2.2 The VP-RD, or his/her designee, may approve amendments to the *Intellectual Property Policy's* Guidelines (Appendices) at his/her discretion, after consultation with the Knowledge Transfer Committee ("KTC") and the HKUST Senate as deemed appropriate.

The Hong Kong University of Science and Technology

<p style="text-align: center;"><i>Appendix 5 to the HKUST Intellectual Property Policy</i></p>
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GUIDELINES ON THE ADMINISTRATION OF INTELLECTUAL PROPERTY INFRINGEMENT

1. DEFINITIONS, GOVERNANCE AND APPLICATION

- 1.1 The *Intellectual Property Policy* and its constituent Guidelines (Appendices) can be accessed at the website of the OKT (<http://okt.ust.hk>).
- 1.2 “Intellectual Property”, *inter alia*, is defined in *Appendix 6*.
- 1.3 Intellectual Property matters are governed by the *Intellectual Property Policy*, which includes these Guidelines as *Appendix 5*.
- 1.4 Intellectual Property generated in HKUST may include early stage technologies of diverse natures and technology areas. Identification and substantiation of potential Intellectual Property infringement cases by HKUST may not be practical in a university environment. Nevertheless, in response to the increasing quantity of Intellectual Property retained by HKUST and technology transfer activities associated with such Intellectual Property, these Guidelines describe the procedures that HKUST will apply concerning the administration of Intellectual Property infringement should any such cases develop.

2. COMMUNICATION AND ADVICE

- 2.1 Intellectual Property infringement litigation can be very expensive. HKUST may be exposed to potential risks in making an unjustified demand of a suspected infringer of HKUST’s Intellectual Property (see Section 3.1 below); or by contacting a third party who has accused HKUST of infringing the third party’s Intellectual Property (see Section 3.2 below). The prior written approval of the VP-RD or his/her designee must therefore be obtained before HKUST communicates with a suspected infringer of HKUST’s Intellectual Property or with a third party in response to an allegation of infringement of that party’s Intellectual Property by HKUST.
- 2.2 Depending on the Intellectual Property in question, technical and/or legal expertise may be required in regard to alleged infringement of Intellectual Property. Advice from a patent attorney skilled in the relevant technical field and/or an Intellectual Property litigator/advisor may therefore be necessary. Legal experts should be located in the country or jurisdiction where the suspected infringement is taking place.

3. APPLICABLE SITUATIONS

3.1 HKUST's Intellectual Property is Infringed by a Third Party

3.1.1 If HKUST believes that its Intellectual Property has, or may have, been infringed by a third party, HKUST shall attempt to determine whether, in fact, HKUST's Intellectual Property had been infringed, or may be subject to infringement; and, if so, the strength of any claim and whether HKUST has the right to bring an action against the third party concerned (and, if so, whether or not it should bring any such action itself or rely on a licensee (if any) to do so).

3.2 HKUST Infringes a Third Party's Intellectual Property

3.2.1 If an allegation is made by a third party that HKUST is infringing, or has infringed, that third party's Intellectual Property, HKUST must first attempt to determine whether, in fact, it is infringing, or has infringed, the third party's Intellectual Property; and, if so, to determine a strategy for dealing with the potential infringement.

4. ADMINISTRATIVE PROCEDURE

4.1 Policy Users who suspect that HKUST's Intellectual Property has been infringed or against whom an allegation of infringement has been made by a third party should contact the OKT.

4.2 The OKT and RDC, or any other designated unit, shall review allegations of potential infringement of HKUST's Intellectual Property, and of potential Intellectual Property infringement by HKUST, with sufficient and necessary proof and fact-based materials.

4.3 The OKT and RDC, or any other designated unit, shall review cases and seek administrative, financial, technical and legal opinion as deemed necessary, in a timely manner. They shall further advise the VP-RD, or his/her designee, of the necessary response and action, if any, with regard to HKUST's and the public's interest.

4.4 Any monetary return arising from actions taken in relation to Intellectual Property infringement proceedings (including, but not limited to, any damages and/or costs recovered) shall be governed by HKUST's *Guidelines on Commercialisation Revenue Distribution (Appendix 4)*.

5. ADMINISTRATOR OF THE GUIDELINES

5.1 The VP-RD, or his/her designee, shall administer the *Intellectual Property Policy* and its Guidelines (Appendices) and be the arbiter if interpretation of the *Intellectual Property Policy* and/or its Guidelines (Appendices) is required, and may seek appropriate counsel.

5.2 The VP-RD, or his/her designee, may approve amendments to the *Intellectual Property Policy's* Guidelines (Appendices) at his/her discretion, after consultation with the

Knowledge Transfer Committee (“KTC”) and the HKUST Senate as deemed appropriate.

The Hong Kong University of Science and Technology

*Appendix 6 to the
HKUST
Intellectual Property
Policy*

ABBREVIATIONS AND DEFINITIONS USED IN THE INTELLECTUAL PROPERTY POLICY AND ITS ASSOCIATED GUIDELINES (APPENDICES)

“**Academic and scholarly works**”: includes, but is not limited to, coursework, theses, abstracts, papers, textbooks, publications and/or teaching materials (including, but not limited to, handouts and online course materials).

“**Appendix**”: an Appendix of the *Intellectual Property Policy* (and “**Appendices**” shall be construed accordingly).

“**Assignee**”: a commercial entity or an Employee- or Student-controlled or owned company, or an individual person, to which HKUST may assign the ownership of Intellectual Property owned by HKUST.

“**AVP-RD(KT)**”: Associate Vice-President for Research and Development (Knowledge Transfer).

“**Central Non-UGC Reserve**”: a central non-UGC fund under the controllership of the President for funding University-wide initiatives (previously known as University Development Fund).

“**Commercialisation Expenses**”: include, but are not limited to:

- (a) any expenses in relation to, or in connection with, the creation, registration, and/or protection of the Intellectual Property in question, including, but not limited to, filing, prosecution, registration and/or maintenance expenses, and including, but not limited to, patenting expenses;
- (b) up to 50% of the Proof-of-Concept Fund costs;
- (c) legal expenses incurred by the project to which the Intellectual Property in question relates (and not just on the particular transaction giving rise to the revenue);
- (d) external professionals’ expenses incurred on the project to which the Intellectual Property in question relates (and not just on the particular transaction giving rise to the revenue), including, but not limited to, accountants’ expenses for financial modelling, valuers’ expenses and other consultants’ expenses incurred in the course of commercialising the project to which the Intellectual Property in question relates;

- (e) other identifiable expenses incurred specifically in the course of commercialising the Intellectual Property concerned.

Commercialisation Expenses do not include HKUST's administration expenses or the cost of undertaking research.

“Commercialisation Revenues”: the gross financial revenues actually received by HKUST or Creators (in the case of release of Intellectual Property rights) from the commercialisation of Intellectual Property created by Creators which include, but are not limited to:

- (a) royalties;
- (b) lump sum licence fees;
- (c) milestone payments;
- (d) proceeds of sale of the Intellectual Property (where a sale occurs);
- (e) minimum annual payments;
- (f) dividends upon shares owned by HKUST or Creators (in the case of release of Intellectual Property rights) in a company to which it has granted a licence of the Intellectual Property;
- (g) proceeds of sale of shares owned by HKUST or Creators (in the case of release of Intellectual Property rights) in a company to which it has granted a licence of the Intellectual Property;
- (h) damages from infringement proceedings.

Commercialisation Revenues do not include the overhead component of research funds paid pursuant to a research agreement.

“Confidential Information”: any and all facts, data and/or information (whether delivered or communicated orally, in writing, in pictorial form, electronically, in document form or otherwise), which is designated as secret, proprietary, commercially sensitive, commercially valuable or confidential, or which given its nature or the circumstances should be considered as such, including, but not limited to:

- (a) all facts, data and information relating in any manner to, or concerning, works that are commissioned by HKUST with use of the University's resources;
- (b) all facts, data and information concerning HKUST's activities;
- (c) all facts, data and information concerning any other project of which Policy Users become aware, by observation, deduction, reasoning, inspection or overhearing; and
- (d) any and all Intellectual Property,

insofar as not generally available to the public.

“Consultant”: a consultant engaging with HKUST, whether part-time or full-time.

“Copyright Works”: original literary, dramatic, musical and artistic works; rights in performances (whether of actors, singers, musicians, dancers, etc., who entertain via their audio or audio-visual live performances); sound recordings; films; broadcasts; cable programmes; and typographical arrangement of published editions (hard copy, soft copy, online and/or in any other medium now known, or in the future created). Examples include (without limitation):

- (a) **literary works**, e.g. any works (other than dramatic or musical works) which are written, spoken or sung, including, but not limited to, lectures, handouts, online course materials, books, coursework, theses, papers, journals, articles, abstracts, texts, glossaries, bibliographies, study guides, laboratory manuals, syllabi, tests and proposals, as well as compilations of data or other materials;
- (b) **dramatic works**, e.g. works of dance or mime, choreography, storyline or other performances;
- (c) **musical works**, e.g. works consisting of music, exclusive of any words or action intended to be sung, spoken or performed with the music (which will be considered as literary or dramatic works);
- (d) **artistic works**, e.g. graphic works (including, but not limited to, stage and set pieces, program sets, costume and prop designs, paintings, drawings, diagrams, maps, charts or plans), photographs, sculptures or collages, works of architecture or works of artistic craftsmanship;
- (e) **sound recordings**, e.g. recordings of sounds from which the sounds may be reproduced (including, but not limited to, live/master recordings of literary, dramatic and/or musical works, in any format, e.g. digital, CD, etc.);
- (f) **films**, e.g. recordings on any medium from which a moving image may by any means be produced (including, but not limited to, recordings of any dramatic, literary and/or musical works), which shall be taken to include any soundtracks thereto, including, but not limited to, online video lectures;
- (g) **broadcasts**, e.g. transmissions by wireless telegraph of sounds or of visual images and sounds or of representations thereof which are capable of being lawfully received by the public, or are transmitted for presentation to members of the public (including, but not limited to, live video or audio broadcasts of lectures);
- (h) **software**, e.g. computer programs, preparatory design material for computer programs, software, source codes and/or object codes.

“Created”: authored, made, conceived, invented, contributed to or developed.

“**Creator**”: an Employee, Visitor, and/or Student who has invented or created Intellectual Property owned by HKUST.

“**EC**”: HKUST’s Entrepreneurship Center.

“**Employee**”: an employee of HKUST (for example, faculty, staff and/or visiting scholars employed by HKUST), whether part-time or full-time.

“**FO**”: HKUST’s Finance Office.

“**FYTRI**”: Guangzhou HKUST Fok Ying Tung Research Institute.

“**Guidelines**”: the Guidelines to the *Intellectual Property Policy*, as set out in Appendices 1-6 of the Intellectual Property Policy.

“**HKUST**”: The Hong Kong University of Science and Technology.

“**In the course of employment**”: Intellectual Property is created “in the course of employment” if it is:

- (a) created by an Employee in the course of performing his/her own duty;
- (b) created, in execution of any task, other than his/her own duty, which is entrusted to him/her by the University;
- (c) created in activity which is reasonably or naturally incidental to or connected with the class of work referred to in (a) or (b) above;
- (d) created with Substantial Use of University Resources; or
- (e) otherwise regarded by law as created in the course of employment.

“**Intellectual Property**”: any and all intellectual property rights including, but not limited to, all of the following, and all rights in, arising out of or associated therewith (in each case, whether registered or not):

- (a) copyright works, including, but not limited to, software, source codes, object codes, specifications and other works of authorship, databases and database rights;
- (b) rights in any designs;
- (c) inventions and patents;
- (d) trade marks, service marks, business names and trade names;
- (e) know-how, undisclosed information (trade secrets), confidential information, ideas, concepts, inventions, discoveries, developments, devices, methods and processes (in each case, whether or not patentable);
- (f) other Intellectual Property;

- (g) any and all other intellectual property rights or any similar or analogous rights anywhere in the world, and related documentation with respect to all of the foregoing.

“Intellectual Property Cost Recovery Account”: HKUST’s financial account used to receive and retain the recovered Commercialisation Expenses.

“Intellectual Property Policy”: HKUST’s *Intellectual Property Policy* 2023.

“Internet Domain Name”: a string of typographic characters that is an address of a computer network connection and that identifies the owner of the address.

“Invention”: includes any confidential information, trade secrets, ideas, concepts, discoveries, developments, devices, methods and/or processes (in each case, whether or not patentable), and any know-how in any of the foregoing (which includes, without limitation, any and all data, processes, techniques, matters, items and information, including, but not limited to, all technical data, drawings, designs, specifications, component lists, operating specifications and instructions, quality specifications and standards, quality control, testing and inspection procedures, research and development reports and materials and all modifications made from time to time).

“Joint Project”: any research undertaken jointly by HKUST Employees and members of staff of Other Institutions, including, but not limited to, any research projects carried out at HKUST or at an Other Institution (as applicable), as agreed by HKUST and the Other Institution. It also includes any research work undertaken by Students under the sole or joint supervision of an Employee and/or of a member of staff of an Other Institution, at HKUST or at an Other Institution (as applicable).

“KTC”: Knowledge Transfer Committee under HKUST’s Council.

“KTRDC”: a Knowledge Transfer Revenue Distribution Committee, constituted in accordance with Section 5.1 of *Appendix 4*.

“Layout-designs (topographies) of Integrated Circuits”: a layout-design (topography) means the three-dimensional disposition, however expressed, of the elements, at least one of which is an active element, and of some or all of the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit, or such a three-dimensional disposition for an integrated circuit intended for manufacture. An integrated circuit means a product, in its final form or intermediate form, in which the elements, at least one of which is an active element, and some or all of its interconnections are integrally formed in and/or on a piece of material and which is intended to perform an electronic function. Layout-designs (Topographies) of Integrated Circuits are protected by effective special laws.

“Licensee”: a commercial entity or an Employee- or Student-controlled or owned company or an individual person, to which HKUST may license the Intellectual Property owned by HKUST.

“Net Commercialisation Revenue”: income remaining from Commercialisation Revenue after deduction of the Commercialisation Expense of the University and the Creator’s legal and licensing expenses received by the Creator from the concerned Intellectual Property.

“OKT”: HKUST’s Office of Knowledge Transfer.

“Other Institution”: an institution other than HKUST (whether private, public, commercial, educational or otherwise).

“Other Intellectual Property”: examples include (without limitation) layout-designs (topographies) of integrated circuits, internet domain names and plant varieties.

“Plant Varieties”: a plant variety is a plant grouping within a single botanical taxon of the lowest known rank, which grouping can be: (a) defined by the expression of the characteristics resulting from a given genotype or combination of genotypes, (b) distinguished from any other plant grouping by the expression of at least one of the characteristics; and (c) considered as a unit with regard to its suitability for being propagated unchanged. Plant varieties can be protected by patent laws or by effective special laws (as in Hong Kong), or by any combination thereof.

“Performing Unit”: the hosting unit of the Creator as specified in the relevant documentation associated with the contract.

“Policy Users”: refers to the following, as defined above and below: Employees; Visitors; Students; Consultants.

“Proof-of-Concept Fund”: the fund implemented by HKUST with the support of the University Grants Committee of the Hong Kong government with the aim of providing gap funding to enable pre-commercialisation development of promising, cutting-edge technologies emerging from HKUST’s research. The title of the Proof-of-Concept Fund has been amended to “Bridge Gap Fund” since March 2021 and reference to the Proof-of-Concept Fund shall mean the Bridge Gap Fund after March 2021.

“RDC”: Hong Kong University of Science and Technology R and D Corporation Limited.

“Student”: all persons registered as Students of The Hong Kong University of Science and Technology.

“Substantial Use of University Resources”: Use of time for which the University is compensating the inventor, creator or author to provide services for the University and/or use of University resources that go above and beyond those that are customarily provided to Employees or Students as part of their ordinary conditions of employment or studentship (as the case may be). In general, the use of university funds or external funds administered through the University, the use of students or employees as support staff, and the use of specialized or unique facilities, laboratories, and equipment, or other special subventions provided by the University, are regarded as Substantial Use of University Resources, unless the University specifically approves the use as an exception. For the avoidance of doubt, ordinary use or access to office spaces, library

facilities, desktop computer facilities or network facilities of the University shall not be regarded as Substantial Use of University Resources.

“Supervisor”: an Employee who supervises Students undertaking research.

“Trade Mark” (also often referred to as a “*brand name*” and which includes service marks, business names and trade names): any sign which is capable of distinguishing the goods or services of one undertaking from those of other undertakings and which is capable of being represented graphically. A trade mark may consist of words (including, but not limited to, personal names), indications, designs, letters, characters, numerals, figurative elements, colours, sounds, smells, the shape of goods or their packaging and any combination of such signs.

“The University”: The Hong Kong University of Science and Technology.

“UAC”: HKUST’s University Administrative Committee.

“Undisclosed Information”: protectable undisclosed information is information which (a) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its component, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question, (b) has commercial value because it is secret; and (c) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret, including (without limitation) industrial secrets and commercial secrets, including (without limitation) manufacturing processes, and lists of suppliers and clients.

“Unit Head”: head of the performing unit.

“Visitor”: a faculty or staff member attending, or employed by, an Other Institution visiting HKUST on a temporary basis as part of an exchange program, joint project and/or other purpose and who is not employed by HKUST during their visit to HKUST.

“VP-RD”: the Vice-President for Research and Development.

ADMINISTRATION OF APPENDIX 6

The VP-RD, or his/her designee, shall administer the *Intellectual Property Policy* and its Guidelines (Appendices) and be the arbiter if interpretation of the *Intellectual Property Policy* and/or its Guidelines (Appendices) is required, and may seek appropriate counsel.

The VP-RD, or his/her designee, may approve amendments to the *Intellectual Property Policy*’s Guidelines (Appendices) at his/her discretion, after consultation with the KTC and the HKUST Senate as deemed appropriate.