Commercialisation Policy of Universiti Malaysia Pahang

1.0 PURPOSE OF THE POLICY

1.1 This policy set forth the University’s policies in relation to Intellectual Property commercialisation and distribution of income derived therefrom. This policy is applicable to all University’s Employees, Students and others (by agreement)

2.0 DEFINITIONS

For the purpose of this Policy, the following definitions are used:

2.1 “Affiliates” means with respect to a Party, any entity which directly or indirectly, to the extent of more than fifty percent (50%), owns a Party, is owned by a Party, or is owned by the same entity as a Party;

2.2 “Assignment” means the transfer of ownership of Intellectual Property;

2.3 “Commercialise” or “Commercialisation” means taking an idea to an outcome – whether a product, service, process or organizational system to market by way of licensing, Assignment, spin-off, or joint ventures;

2.4 “Commercialisation Costs” means all necessary and/or reasonable costs incurred during commercialisation of Intellectual Property, including but not limited to:

a. Intellectual Property registration and prosecution;

b. Legal;

c. Other professional services giving rise to Commercialisation Revenue;

d. Related travel and accommodation by UMP Employee(s) and/or others involved; and

e. Incurred taxes;

f. Any other related herein

2.5 “Commercialisation Revenue” means:-

a. Royalty upon sale by licensee;

b. Royalty from sub-license fees received from a licensee;

c. LUMP sum license fee;

d. Proceed of sale of the Intellectual Property;

e. Signing fee;

f. Milestone payment;
g. Minimum annual payment;
h. Reimbursement of Intellectual Property registration and prosecution;
i. Dividends upon shares owned by UMP or its affiliates in a company to which it grants a license where researchers do not own any equity in the company;
j. Proceed of sale of shares owned by UMP or its affiliates in a company to which it grants a license where researchers do not own any equity in the company; and
k. Damages from any infringement proceedings.

Above list is not exhaustive, and does not include the overhead component of research funds paid pursuant to research agreement.

2.6 "Copyright" means Copyright under the Copyright Act 1987 as currently in force;

2.7 "Derivative Intellectual Property" means new Intellectual Property created by using the original Intellectual Property;

2.8 "Design" means a Design protected under the Industrial Designs Act 1996 as currently in force;

2.9 "Employee" means any Employee under a contract of service;

2.10 "Expenses" means all necessary and reasonable Expenses incurred in the Commercialisation stages of that Intellectual Property, including Patent and other Intellectual Property filing, registration and legal fees, Intellectual Property insurance premium, maintenance fees, marketing and licensing costs, administrative Expenses and fixed overhead costs and any other incidental Expenses incurred for commercializing of the Intellectual Property;

2.11 "Faculty" means any division or department within UMP comprising one subject area or a number of related subject areas.

2.12 "Fund" means any Fund provided by the Government of Malaysia for research and development, acquisition, pre-commercialisation and Commercialisation of Intellectual Property;

2.13 "Government" means the Federal Government of Malaysia;

2.14 "Government Agency" means any entity which is controlled directly or indirectly by the Federal Government of Malaysia and shall include Government Linked Company;

2.15 "Government owned Intellectual Property" means all the Intellectual Property that belongs to the Federal Government of Malaysia;

2.16 "Intellectual Property" (IP) means any Intellectual Property protected by the laws of Malaysia, and includes patentable Invention, Know-how, Copyright of Works, Design, Layout Design of Integrated Circuite and Trademarks;

2.17 "Intellectual Property Acquisition" means the acquisition by way of Assignment, Licence (exclusive or non-exclusive or sole), or by any other legal means through funding (in whole, or in part) by the Relevant Body
“Invention” means an idea of an Inventor which permits in practice the solution to a specific problem in the field of technology, and may be, or may relate to, a product or process;

“Inventor” or “Inventors” means the person who is (are) the actual creator(s) of the Invention or who has made an intellectual contribution to the conception of the Invention, and where the context so requires, means the author(s) or designer(s);

“Know-how” means any method, technique, process, discovery, invention, innovation, specification, recipe, formula, Design plan, documentation, drawing, data and/or other technical information;


“License” means the right to exploit any Intellectual Property rights granted by the owner, the licensor, to another person, the licensee, and includes a sub-license;

“Net Commercialisation Revenue” means gross proceeds (including all royalties, fees and other benefits) received from the Commercialisation of the Intellectual Property less Expenses;

“Originator” means inventor(s), registered proprietor, creator or author of Intellectual Property.

“Parties” means UMP and UMPH.

“Party” means UMP or UMPH.

“Patent” means Patents protected under the Patent Act 1983, as currently in force;

“Registered Trademark” means a Registered Trademark as defined in the Trade Mark Act 1976 as currently in force;

“Students” means a registered student of UMP.

“Technology Acquisition” means Intellectual Property Acquisition as defined above;

“TTO” means Technology Transfer Office, a unit under UMP’s Department of Research & Innovation, responsible in commercialisation of technologies from UMP;

“UMP” or “University” means Universiti Malaysia Pahang, a University established under the Universities and University Colleges Act 1971;

“UMPH” means UMP Holdings Sdn Bhd (Company number: 644762-H), a wholly owned company of UMP.

“Unregistered Trademark” means any trade signifier which is protected under the law of passing off; and

“Work” means literary Works, musical Works, artistic Works, films, sound recordings, broadcast, derivative Works, and educational course materials and academic papers or any other Works protected under the Copyright Act 1987.
3.0 ADMINISTRATION

3.1 Technology Transfer Office (TTO) is responsible in the management of innovation and commercialisation activities in UMP. TTO has the functions which include and not limited to the following:

(a) To take appropriate measures to identify, assess and protect the Intellectual Property;
(b) To assess the business plan if available or if it is need to an appropriate business plan to suite the IP during the course of commercialisation;
(c) To identify potential assignees/licensees;
(d) To propose any assignments/licensing rights to a third party(s);
(e) To determine an appropriate route to exploit the Intellectual Property; and
(f) Any other related herein.

3.2 UMP Holdings Sdn Bhd (UMPH) is responsible in the business phase and commercialisation activities in UMP. UMPH has the functions which include and not limited to the following:

(g) To take appropriate measures to identify, assess and capitalise the Intellectual Property;
(h) To propose business model to commercialise the technology;
(i) To take lead on negotiation process with researchers and business partners. Researchers must be included in the negotiation processes;
(j) To assess and execute the business plan if available and applicable;
(k) To identify business partners and develop commercialisation roadmap;
(l) To determine an appropriate route to exploit the Intellectual Property; and
(m) Any other related herein.

3.3 Commercialisation Committee is established to evaluate UMP’s research products/services/technologies prior its commercialisation.

The Commercialisation Committee consists of experts and professionals from the academia, public institutions and private sectors; however additional experts may be invited as when necessary to assist the screening evaluation and grading.

Further details of Commercialisation Committee are described in Section 2.0 of UMP’s Commercialisation Policy.
3.4 UMP (represented by TTO) will work collaboratively with UMP Holdings Sdn Bhd (UMPH) to commercialise technologies from UMP. Details of key-roles are described in Table 1 below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Implementation timeline</td>
<td>Upon approval of UMP’s Commercialisation Policy</td>
</tr>
<tr>
<td>2</td>
<td>IP Protection (Patent filing and maintenance)</td>
<td>UMP *depend on mode of technology transfer i.e. outright (by UMPH) licensing (by UMP)</td>
</tr>
<tr>
<td>3</td>
<td>Commercial Due Diligence</td>
<td>TTO and UMPH</td>
</tr>
<tr>
<td>4</td>
<td>Commercial Strategy</td>
<td>TTO and UMPH</td>
</tr>
<tr>
<td>5</td>
<td>IP Assignment/Outright Sale/Licensing</td>
<td>TTO and UMPH</td>
</tr>
<tr>
<td></td>
<td>Formation of Start-up/Spin-off/</td>
<td>UMPH</td>
</tr>
<tr>
<td></td>
<td>Joint-Venture Company</td>
<td></td>
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</tbody>
</table>

3.5 Only **Net Commercialisation Revenue** is subject to distribution.

Net Commercialisation Revenue refers to Commercialisation Revenue (including all Royalties, fees and other benefit: from Spin-off companies, JV companies and licensing to established companies) less Commercialisation Costs.

Commercialisation Costs include:

(a) IP registration and prosecutions costs;

(b) legal costs incurred on the project;

(c) other external professionals costs incurred on the project such as:
   i. accountant’s expenses for financial modeling;
   ii. valuer’s expenses;
   iii. management fees, if any; and
   iv. other consultant’s expenses (Commercialisation consultants, negotiators and other consultants, if any).

(d) travel and accommodation costs during commercialisation activities; and

(e) taxes in relation to the commercialisation.
4.0 COMMERCIALISATION PROCESS

4.1 UMP’s Commercialisation Workflow for each phase is described in Appendix 1.

4.2 Commercialisation may follow one of the following commercialisation modes. The Intellectual Property may be:

(a) Exploited by the University to the marketplace, by way of licensing or assignment to its wholly owned company;

(b) Licensed by the University to a commercial partner, where the commercial partner exploits the Intellectual Property to the marketplace;

(c) Assigned by the University, where the University assigns the Intellectual Property to a person (can be the inventor) or a company that will take it to the marketplace;

(d) Outright sales by the University; where the University sells the Intellectual Property to a person or a company that will take it to the marketplace.

(e) Exploited through the formation of a spin-off company where the University may or may not own equity in the company together with any third party. University’s equity ownership will be represented by UMP Holdings Sdn Bhd (UMPH) or its affiliates; or

(f) Exploited through the establishment of a Joint Venture Company by the University together with a third party where the University and the third party are shareholders of the company. University’s equity ownership will be represented by UMPH or its affiliates.

4.3 Secretariats of the Commercialisation Committee are UMP’s TTO and UMPH. Depending on the needs and matters pertaining to the Commercialisation Committee meeting, secretariats will prepare necessary paperwork which include but not limited to due diligence report and monitoring report to be presented to the Commercialisation Committee.

4.4 Commercialisation Committee plays important part in the commercialisation process. The committee’s members are as follows:

(a) Vice Chancellor of UMP (Chairman);

(b) One (1) representative from UMP’s Board of Directors;

(c) One (1) representative from UMP’s Senate;

(d) Deputy Vice Chancellor of Research & Innovation;

(e) Chief Executive Officer (CEO) of UMP Holdings Sdn Bhd;

(f) Bursar of UMP;

(g) Registrar;

(h) The Commercialisation Committee can appoint any representative from industry to become Committee Member based on area of expertise of the representative subject to needs of the meeting e.g. evaluation on technology and market trend;
(i) The Commercialisation Committee can appoint any representative from UMPH or its subsidiary as observer, with no voting right in the Commercialisation Committee Meeting.

Quorum for Meeting of Commercialisation Committee is five (5) members, including the Chairman.

4.5 Term of Reference for Commercialisation Committee are as follow:

(a) Provide clear direction for the activity of commercialising UMP’s technologies and products in order to achieve the objective of UMP’s Strategic Plan;

(b) Prepare suitable strategy to ensure successful commercialisation of UMP’s technology and products;

(c) Play the role as the entity that control, supervise, propose, determine and evaluate all commercialisation activities of UMP’s technology and products in line with the need to strengthen all the commercialisation activities to achieve the objective of UMP’s strategic plan;

(d) Facilitate and enable the processes that are related to commercialisation which includes valuation and decision on technology licensing fee, royalty and value of intellectual property;

(e) Determine the policy for commercialisation of UMP’s technology and product.

4.6 The Commercialisation Committee will decide which commercialisation pathway to be explored, bearing all these factors in mind and working where possible in close consultation with the Inventors.

(a) the commercial risks to the University;

(b) any impact upon the University's reputation and standing;

(c) the extent to which the activity will or may depart from the University's core business;

(d) any legal liabilities and exposures to which the University may be subject;

(e) the University's insurance cover; and

(f) all other matters which to the University are relevant.

4.7 Assignment of IP

The assignment of IPs from UMP to other parties will be effective through an Assignment or an Outright sale of IP Agreement.

The assignment of IP from UMP to UMPH or its affiliates will be effective through an Assignment of IP Agreement once the mode of commercialisation has been determined by Commercialisation Committee. Upon assignment, UMPH or its affiliates will represent UMP in any matter related to exploitation of IP.
In the event the University decides not to directly commercialise the IP but still hold its ownership, the University may assign the IP to other third parties or inventor(s) whichever deemed suitable, for the third parties or inventor(s) to commercialise on their own. However, distribution of commercialisation revenue shall follow section 5.2 in the UMP Commercialisation Policy.

4.8 Licensing or outright sale of IP

In the case of licensing or outright sale of the exercise will be effective through a Licensing/Outright Sale Agreement signed by authorized representative from UMP as Licensor.

If the IP is assigned to UMPH prior to commercialisation, UMPH or its affiliates will act as Licensor on behalf of UMP.

4.9 Establishing a Start-up and Spin-off Company

In the case of establishment of Start-up company to exploit UMP’s IP, UMP may or may not own equities in the said company.

(a) If UMP own equity in the said company, the start-up company will be termed as “Spin-off Company” and UMPH or its affiliates will represent UMP in the equity holding;

(b) If UMP, UMPH or its affiliates (representing UMP) does not own equity in the newly established company, the company will be termed as “Start-up company”

However, any exploitation of UMP’s IP by the start-up or spin-off company will only be effective through an IP Assignment Agreement or Technology Licensing Agreement.

4.9 Notwithstanding to Clause 4.6, 4.7 and 4.8 above, UMP may explore any other commercialisation method that is deemed suitable.

5.0 DISTRIBUTION OF INCOME DERIVED FROM COMMERCIALISATION

5.1 Income derived from commercialisation by the University will be categorised as follows:

(a) Net Commercialisation Revenue means gross proceeds (including all royalties, fees and other benefits) received from the Commercialisation of the Intellectual Property less Expenses Commercialisation Costs as defined in Section 2.23;

(b) Distribution of Profits from a Spin-off and Joint Venture Company

Profit from business operation of a spin-off or joint venture company may be distributed to shareholders in the form of dividends according to the Resolutions of the Board of Directors of the company; and

(c) Assignment or Outright sales of Intellectual Property
5.2 Distribution of Net Commercialisation Revenue

(a) Where the IP is created by more than one inventor, the proportion of Net Commercialisation Revenue among the Inventors shall be agreed between the Inventors by signing the IP Income Distribution Form; and such agreement will have to be endorsed by Commercialisation Committee, in written form. IP Income Distribution Form is as per Appendix 2.

(b) Upon deduction of these reasonable expenses, the University shall distribute the Net Commercialisation Revenue on the closing of the financial year in which the income is derived and may be distributed between Inventor(s), University through TTO and faculty and UMPH using the following formula:

<table>
<thead>
<tr>
<th>No.</th>
<th>Net Commercialisation Revenue</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Inventors</td>
</tr>
<tr>
<td>1</td>
<td>First RM100,000.00</td>
<td>80%</td>
</tr>
<tr>
<td>2</td>
<td>From RM100,001.00 to RM1,000,000.00</td>
<td>70%</td>
</tr>
<tr>
<td>3</td>
<td>From RM1,000,001.00 to RM2,500,000.00</td>
<td>60%</td>
</tr>
<tr>
<td>4</td>
<td>From RM2,500,001.00 and above</td>
<td>50%</td>
</tr>
</tbody>
</table>

Table 2: Percentage of distribution from Net Commercialisation Revenue

Example of calculation for the revenue distribution is as per Appendix 3

6.0 FORMATION OF A START-UP, JOINT-VENTURE AND SPIN-OFF COMPANY

6.1 The formation of a Start-up, Joint-Venture and Spin-off company is to facilitate investment into University’s IP to enable the most effective commercialisation of that particular IP.

6.2 Definition of Start-up, Joint-Venture and Spin-off company is as per Section 4.8, of which each type of companies are differentiated by equity holding.

6.3 TTO and UMPH are responsible to conduct due diligence on market survey, product validation, IP valuation and potential business partner prior to approving the formation of company. Report of the said due diligence exercise will be tabled to Commercialisation Committee for recommendation of commercialisation path to be taken.

6.4 Due diligence on potential partner (if any) must include but not limited to the following:-

(a) Search on company profile from Company Commission of Malaysia (Suruhanjaya Syarikat Malaysia - SSM). In case of the potential business partner not being a company/business entity, profile search from reliable source must be made;

(b) Potential partner’s business activity. In case of the potential business not being a company/business entity, background search from reliable source must be made;

(c) Track-record of the potential business partner from reliable source must be made.

Template of due diligence report is as per Appendix 4. Format of the due-diligence report may change over time depending on specific needs (if any) but it should at least comprise the items of 6.4 (a) – (c).
6.5 The Commercialisation Committee will make recommendation to UMPH’s or its affiliates’ Board of Directors on formation of the Start-up, Joint-Venture or Spin-off company once there is likely prospect of it attracting investment.

6.6 The Commercialisation Committee may also make recommendation on commercialisation path other than formation of Start-up, Joint-Venture or Spin-off company which will be based on strategic decision from available due diligence report.

7.0 EQUITY PARTICIPATION IN A UNIVERSITY’S SPIN-OFF COMPANY

7.1 The University may or may not opt to own equity in the Spin-off company. In the event UMP opts to share the return of the company through equity holding, equity will be held by UMPH or its affiliates unless decided otherwise. The following will be considered in the equity structure:

(a) The value of IP;
(b) Degree of business potential derived from the IP and his/her knowledge and innovations; and
(c) The degree of University’s involvement in the Spin-off company.

7.2 Each shareholder must sign a Shareholder’s Agreement prior to incorporation of the Spin-off Company. The Shareholder’s Agreement must include but not limited to the following:

(a) Role and responsibilities of each Shareholders;
(b) Conditions of share equity; and
(c) Proportion of income distribution.

Anti-dilution clause on the shares may be applied on case-to-case basis.

7.3 Equity in a Spin-off company will be considered on case-to-case basis. Originators will need to consider the taxation impact, if any, upon them of holding equity. The detailed terms and conditions of share equity are to be stipulated in the Shareholder’s Agreement.

7.4 In the case of equity holding by UMP’s Employee in incorporating the company to commercialise the IP, the allowable equity holding is subject to approval by UMP Board of Director or its empowered committee (Standing Finance Committee – Jawatankuasa Tetap Kewangan);

7.5 Equity holding for UMP will be represented by UMP, UMPH or its affiliates, unless decided otherwise.

7.6 The management of the Spin-off company may be offered share options in a Spin-off company, to be considered on a case-to-case basis.

7.7 Usage of the word “UMP” in the company’s name is not allowed unless having received written approval and consent from UMP.
7.8 Exit Strategy
The following illustrates some possible exit routes from the Spin-off company:

Table 3: Possible exit routes from the spin-off company

<table>
<thead>
<tr>
<th>Exit Route</th>
<th>Outcome and Expected Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Sale</td>
<td>Sale of the assets and business of the company. All assets converted to cash when the company winds-up and capital gain or profit returned to shareholders. In the case of sale off all shares in the company to a single buyer, shareholders will receive proceeds of sales of the shares.</td>
</tr>
<tr>
<td>Merger</td>
<td>Merging with another company. Shares in the company are exchanged for shares in the other company.</td>
</tr>
<tr>
<td>Redemption of Shares</td>
<td>Shares are redeemed by the company. Shares returned and cancelled and the company pays agreed purchase price.</td>
</tr>
<tr>
<td>Initial Public Offering</td>
<td>IPO results in raising capital from the public therefore listing with a stock exchange. Stock exchange listing provides a liquid and accessible market for a Venture Capital / Investor to sell its shares for profit.</td>
</tr>
<tr>
<td>Winding-up</td>
<td>In the event the company needs to be wound up either voluntarily or by court order, it shall be subjected to winding-up rules and procedures under the Company Act 1965</td>
</tr>
</tbody>
</table>

8.0 TERMS OF ENGAGEMENT IN A UNIVERSITY’S SPIN-OFF / START-UP COMPANY

8.1 To ensure success of the Spin-off company, any UMP’s Employee who participates as a partner in a Spin-off activity according to specific clauses in the constitutional documents have to respect the following:-

(a) Will not give-up the participation for the benefit of the company;

(b) Will not carry out any activity in competition with the consulting and research that the University offers to public and private organisations; and

(c) Will safeguard the reputation, good name and the interests of the University and offer adequate information for the University on the activity of the Spin-off and management of the company;
(d) The researcher shall only be allowed to participate as Technology Advisor/Director/Personnel/Consultant in the company. The researchers are not allowed to take up lead-management role in the company (CEO or Managing Director) unless with written approval from UMP.

8.2 The categories of engagement in commercialisation via Spin-off or Start-up company will be determined by the Board of Directors of the company and upon written permission from the university.

8.3 Rules and procedures of the engagement shall depend on the type of engagement as follows:-

(a) **Part-time (Consultant)**

Time commitment:
Follows UMP’s existing guideline for Consultation and Technical Services.

Form of Remuneration or Payment (Allowance):
Follows UMP’s existing guideline for Consultation and Technical Services.

(b) **Commercialisation Engagement (Libatsama Pengkomersilan)**

Mechanism of which the researcher will engage in commercialisation work and continue his/her service in UMP as per scope and responsibility fixed on him/her as university’s staff. Distribution of time for the researcher serving at faculty will take into consideration his/her commitment in the commercialisation work.

Time commitment:
Up to 2 years from the date of commencement of project.

Form of Remuneration or Payment (Allowance):
The researcher is paid as university’s staff. Additional payment to the researcher is not compulsory.

General Terms and Conditions for Application:
i. The applicant who is to set-up start-up/spin-off company must be a Malaysian citizen who is an academic staff (Grade 45 and above) and has confirmed his/her service at UMP;

ii. The applicant must not hold any administrative position at UMP. In the case the applicant has already held an administrative position at the point of application, the applicant must resign from the position once the application is approved;

iii. The business venture must be in the scope of technical expertise of the applicant;

iv. Application must be made by submitting the application form to UMP’s Department of Research & Innovation;

v. Technology to be commercialized must be at least at Technology Readiness Level (TRL) 5 as evaluated by UMP’s Department of Research & Innovation;

vi. The applicant must provide proof that there is a commitment from industrial entity or fund for commercialisation activity has already been secured. The proof must be in written form i.e. at least in the form of letter from industry or funder
(c) Board of Directors

Appointment of the employee to be part of the company's Board of Director must come from UMP’s Board of Directors approval. Remuneration of the director is subject to decision from the company’s Board of Director.

Time commitment:
For Non-Executive Directors, time commitment is only when attending Board Meetings.
For Executive Directors who are also involved in the Management of the start-up company, Section 6 above refers.

Form of Remuneration or Payment (Allowance):
Follows UMP’s policy.

9.0 DURATION OF BENEFITS

Originators will receive the benefit of the Originators’ share for as long as Commercialisation Revenue is received and upon decease, such benefits will be paid to the Originators’ beneficiaries named by the Originators.

This clause is not applicable to UMP’s employee who have resigned, retired or terminated from UMP.

10.0 CONFLICT OF INTEREST AND COMMITMENT IN COMMERCIALISATION

10.1 UMP is committed to basic values of transparency, integrity and independence as it pursues its mission to create, preserve and disseminate knowledge through teaching, research, technology transfer, and public service. Accordingly, UMP allows and encourages faculty and staff to engage in outside activities and relationships that enhance the mission of UMP. All faculty and staff members are to act with honesty, integrity and in the best interest of UMP when performing their duties and to abide by the highest standards of research, educational, professional and fiscal conduct.

10.2 Given that UMP allows and encourages outside activities and relationships that enhance the mission of UMP, potential conflict of interest and commitment are inevitable. Outside activities which include sponsored or collaborative research and IP commercialisation, should not, however, interfere with an individual’s obligations to UMP. Originators must not use their official UMP positions or influence to further gain or advancement for themselves, parents, siblings, spouse or partner, children, dependent relatives or other personal associates.

10.3 Originators involved in commercialisation activities shall observe Conflict of Interest and Commitment Guideline in Appendix 5. All actual and potential conflict of interest or commitment must be disclosed to TTO or UMP Holdings Sdn. Bhd. to be evaluated. If such conflicts are found to be significant, they will be eliminated or managed as described in Conflict of Interest and Commitment Guideline.
### 11.0 GOVERNANCE & RESPONSIBILITIES

<table>
<thead>
<tr>
<th>Policy Owner</th>
<th>Deputy Vice Chancellor (Research &amp; Innovation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Manager</td>
<td>Technology Transfer Office</td>
</tr>
</tbody>
</table>
Appendix 1 of UMP’s Commercialisation Policy

Figure 1: Commercialisation Workflow
UNIVERSITI MALAYSIA PAHANG IP INCOME DISTRIBUTION FORM

Project Number: _____________________________________

1. This form should be completed by all Originators and Contributors of IP of UMP (Originators and Contributors include Employees, Students and Associates of UMP).

2. UMP requires Originators and Contributors of IP to agree among themselves the proportion of commercialisation income to which each will be entitled, from the net revenue payable to them under the University's revenue-sharing scheme.

3. Originators and Contributors are requested to state below the relative percentage share of each Originator’s benefits due to each.

4. The percentage share will be used to assist negotiations of revenue-sharing agreements with external sponsors of research who supported the work which led to the creation of the IP in question (where such sponsors require a revenue share).

5. The percentage shares will also be used as the basis for revenue-sharing arrangements between UMP and other collaborating institutions if any, where one or more of the Originators and Contributors are employed by (or students of) another university.

Working Title of the IP:
________________________________________________________

If there is a patent/ trademark/ industrial design application, please give the corresponding application number, title and classification details (if available):
________________________________________________________
Agreement by the Originators

We, the undersigned, agree that our individual contributions to the IP named above ae, at the time of signature, as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Percentage of Contribution</th>
<th>Agreed Percentage for Income Distribution</th>
<th>Details of Contribution</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note:-

1. Originators must be according to the definition provided in the applicable IP law and legislation.

Originators/ Contributors details

Originator 1:

Full Name :
Title (Professor / Dr / etc) :
NRIC / ID No. / Passport No. :
Permanent Address :
Tel No. and Mobile No. :
E-mail address :
Nationality :
Name of Dept / Faculty or Organisation

Originator 2:

Full Name :
Title (Professor / Dr / etc) :
NRIC / ID No. / Passport No. :
Permanent Address :
Tel No. and Mobile No. :
E-mail address :
Nationality :
Name of Dept / Faculty or Organisation
Example of calculation for Net Commercialisation Revenue and Revenue Distribution are as per Table 1 and 2:-

Table 1: Example of *Net Commercialisation Revenue* from Technology Licensing Fee / Technology Outright Sale and Revenue Distribution

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Technology Licensing Fee / Nilai Technology Outright Sale <em>(Commercialisation Revenue)</em></td>
<td>RM100,000</td>
</tr>
<tr>
<td>2</td>
<td>Expenses on Technology <em>(Expenses)</em></td>
<td>Cost for patent filing – RM15,000 Management cost – RM5,000 <strong>Total – RM20,000</strong></td>
</tr>
</tbody>
</table>
| 3   | *Net Commercialisation Revenue* | *Commercialisation Revenue* - *Expenses*  
= RM100,000 – RM20,000  
=RM80,000 |
| 4   | Payment Milestone by Technology Licensee to UMP and Payment Mechanism | 24 Months (RM100,000)  
a. Right after Agreement signing – RM10,000  
b. 6 Months after Agreement signing – RM20,000  
c. 12 Months after Agreement signing  
  – RM30,000  
d. 18 Months after Agreement signing  
  – RM20,000  
e. 24 Months after Agreement signing  
  – RM20,000 |
Table 1 (Continued): Example of *Net Commercialisation Revenue* from Technology Licensing Fee / Technology Outright Sale and Revenue Distribution

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Details</th>
</tr>
</thead>
</table>
| 5   | Calculation and Distribution Mechanism of *Net Commercialisation Revenue* | *Commercialisation Revenue*: RM100,000  
*Net Commercialisation Revenue*: RM80,000  
Percentage of *Net Commercialisation Revenue* to *Commercialisation Revenue* = RM80,000/RM100,000 = 80%  
Value to be used is the percentage of *Net Commercialisation Revenue* of each payment received as follow:-  
a. Right after Agreement signing – RM8,000 (80% of RM10,000)  
b. 6 Months after Agreement signing – RM16,000 (80% of RM20,000)  
c. 12 Months after Agreement signing – RM24,000 (80% of RM30,000)  
d. 18 Months after Agreement signing – RM16,000 (80% of RM20,000)  
e. 24 Months after Agreement signing – RM16,000 (80% of RM20,000) |
Table 2: Example of *Net Commercialisation Revenue* from Royalty / Technology Outright Sale and Revenue Distribution Mechanism

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Royalty of Technology Licensing / Technology Outright Sale – Commercialisation Revenue</td>
<td>Royalty received = <strong>RM10,000</strong></td>
</tr>
</tbody>
</table>
| 2   | Expenses on Technology (Expenses)          | Patent maintenance – **RM1,000**  Management cost – **RM1,000**  
|     |                                            | **Total – RM2,000**                          |
| 3   | *Net Commercialisation Revenue*            | *Commercialisation Revenue - Expenses*       
|     |                                            | = **RM10,000 – RM2,000**                     
|     |                                            | = **RM8,000**                                |
| 4   | Distribution Mechanism of *Net Commercialisation Revenue* | RM8,000 will be distributed to UMP and researcher(s) as per rate of distribution in UMP’s Commercialisation Policy |
COMMERCIALISATION OF UMP’S TECHNOLOGY

Applicant : Dr. XX YY
Proposed Project : Commercialisation of ZZ
Faculty : Faculty of AA

1. Proposed Project
   • The Originator is applying to commercialise for …
   • Technology Cluster
   • The team members of the commercialisation projects are as follow:-

2. Observations
   i. Industrial Collaborator / Commercialisation Partner (if Any)
      • The collaborations forged by the company are basically for the following:-
        a. AA; and
        b. BB

   iii. Product/Invention Status
      • Product is at the stage proof of concept/ Conceptual Prototype (scale)/ Commercial-Ready Prototype (scale).
      • Key-features of product/invention.
Summary of the up-scaling process is described in Table 10:

Table 10: Summary of proposed up-scaling process for the first 2 years of project commencement

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Current (R&amp;D)</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Capacity (L/Month)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration of Process (Days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Batch of Process per Month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing Cost (RM/unit)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certification/Standards</td>
<td>a.</td>
<td></td>
</tr>
</tbody>
</table>

iv. Market Research

Market Size and Trend

- The market size – in volume: units, sales or revenue
- Is the market stable, growing or shrinking?
- What is the sense of customer urgency? When is the estimated right time to produce the product.

Target Market / Market Approach

- New market / Penetration of existing market / replacement of competitors.
- What is the geography of the target market? Malaysia, SE Asia, others.
- Value proposition over competitors

Market Entry Barrier

- Does the product has any substantial development hurdles?
- Any regulation/standards need to be fulfilled before the product can enter market?
- Is the product a stand-alone product or does it need to be combined with other product(s) before going to market?

Market Competition

- Comparison between the proposed technology and other competing products, as per claimed by the company, are described in Table 7.
Table 7: Comparison between Technology and other competing products

<table>
<thead>
<tr>
<th>Item</th>
<th>Technology</th>
<th>Competitor A</th>
<th>Competitor B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advantage</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
</tr>
<tr>
<td>Disadvantage</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
</tr>
</tbody>
</table>

v. **Sustainable Competitive Strategies and Technology Plan**

- What is the shelf-life of the product/invention?
- Has the researcher filed IP on the product/invention? If yes, what is the patent strength?
- Is the sustainable technology road map available? If yes, what new features & capabilities will be developed and when will the new capabilities be made available?

v. Research Background / IP Ownership

3. **Risks**

**Operational Risk**

- Operational risk is considered as <low/moderate/high>. Explain…

**Market Risk**

- Risk to penetrate the market is considered as <low/moderate/high>. Explain…
Appendix 5 of UMP’s Commercialisation Policy  

CONFLICT OF INTEREST AND COMMITMENT GUIDELINES

1.0  GENERAL

1.1 UMP is committed to basic values of transparency, integrity of scholarship and independence as it pursues its mission to create, preserve and disseminate knowledge through teaching, research and public service. Accordingly, UMP allows and encourages faculty and staff to engage in outside activities and relationship that enhance such mission. All Employees are to act with honesty, integrity and in the best interest of UMP when performing their duties and to abide by the highest standards of research, educational, professional and fiscal conduct.

1.2 Given that UMP allows and encourages outside activities and relationship that enhance the mission of UMP, potential conflict of interest and commitment are inevitable. Outside activities should not, however, interfere with an individual’s obligations to UMP. Employees must not use their official UMP positions or influence for further gain or advancement for themselves, parents, siblings, spouse or partner, children, dependent relatives or other personal associates.

1.3 Employees who are under contract or full-time employment scheme owe their primary professional commitment to UMP. Accordingly, a commensurate commitment of time and intellectual energy should be used to support and enhance UMP’s mission. Other part-time Employees owe time and effort commitments to UMP to commensurate with their appointments.

1.4 All actual and potential conflict of interest or commitment must be disclosed to TTO and UMP Holdings Sdn. Bhd. for evaluation. If found to be significant, such conflict would have to be managed as described in Section 2.1 below. This Policy is consistent with the relevant federal and state laws and other UMP Policies. Academic or administrative units may require further disclosure and conflict management than mandated by these guidelines as may be deemed appropriate by the unit and its supervising administrator.

1.5 There are various conflicts of interest that can emerge in relation to Originators receiving Commercialisation Revenue. These include potential conflict associated with:

a. the conduct and reporting of research;

b. the Originator’s involvement in decision making about grants, scholarship, recruitment, practices and resource allocation; and

c. the Originator’s involvement in expert, advisory or regulatory capacities, both within and outside their course of employment at UMP.
1.6 UMP’s Conflict of Interest Policy provides a framework for resolving situations where conflict of interest exist or may be perceived to exist.

2.0 DEFINITIONS

2.1 “Conflict of Interest” means a potential conflict of interest exists where personal, professional, commercial or financial interests or activities outside of UMP have the possibility (either in actuality or in appearance) of:

(a) Compromising Employee’s judgment;
(b) Biasing the nature or direction of scholarly research;
(c) Influencing an Employee’s decision or behavior with respect to teaching and student affairs, appointments and promotions, uses of UMP resources, interactions with human subjects or other matters of interest to UMP; or
(d) Resulting in a personal or family member’s gain or advancement at the expense of UMP. For purposes of subsection (4), family members include spouse, domestic partners, immediate family members, in-laws and dependents.

2.2 “Conflict of Commitment” means a potential conflict of commitment exists where Employee’s external relationships or activities have the possibility (either in actuality or in appearance) of interfering or competing with UMP’s educational, research or service missions or with that individual’s ability or willingness to perform the full range of responsibilities associated with his or her position.

3.0 RULES AND PROCEDURES

Employees share the obligation to implement UMP’s policies and practices related to conflict of interest and conflict of commitment. In meeting this obligation, each of these groups has specific roles and responsibilities as described below;

3.1 Rights and Responsibilities of Faculty Members and Staff Members

(a) Right to Outside Interests: Employees have the right to acquire and retain outside interests of a professional, personal or economic nature that do not conflict with UMP interests or with the individual Employee’s commitment to UMP, to UMP Students, Associates or to other parties to whom UMP has a duty.

“Pekeliling Perkhidmatan Bil. 3 Tahun 2002: Pemilikan dan Perisytiharan Harta oleh Pegawai Awam” and other related Government Orders, shall apply.
(b) **Professional Commitments:**
Employees must meet the specific responsibilities and professional activities that constitute their appropriate commitments to their respective faculties, Centres of Excellences, academic departments/programs and other administrative units.

(c) **Requirement to Disclose:**
Employees must disclose all actual or potential conflict of interest or conflict of commitment to his or her appropriate dean, director or supervisor (or his or her designate) as potential conflict arise or are identified. An Employee must disclose all actual or potential conflict of interest or conflict of commitment to his or her supervisor or to the designated officer in his or her unit. In addition, when sponsored research or commercialisation is involved, an Employee must disclose actual or potential conflict of interest or conflict of commitment to the appropriate conflict of interest committee. An Employee must also provide additional relevant information concerning disclosed or undisclosed matters as may be requested by his or her supervising authority for the purpose of evaluating actual or potential conflict of commitment or interest. All disclosures must be made promptly.

(d) **Requirement to abide by Plans to Resolve Conflict:**
When an Employee has disclosed a potential conflict of interest or conflict of commitment and the appropriate dean, director, supervisor or conflict of interest committee has determined that a conflict exists, the appropriately designated UMP official or body will also determine whether further management or elimination of the conflict is required. If required, that official or body will develop a plan in consultation with the faculty or staff member and the Employee must abide by the terms of the plan.

(e) **Prohibition against using position or influence for personal gain or advancement:**
It is not acceptable for any Employee to use his or her official position or influence to further his or her personal, family members or personal associate’s gain or advancement.

(f) **Use of University Resources: Except as authorized by the appropriate UMP official:**
Employees may make only incidental use of UMP resources for purposes unrelated to the education, research, scholarship and public service missions of UMP. Such resources include but are not limited to facilities, personnel, students, equipment and confidential information.

(g) **Knowledge of Policies and Procedures:**
Employees must know and abide by applicable UMP policies and procedures.
3.2 Responsibilities of Vice-Chancellors

Consistent with this Policy and all other relevant UMP Policies, the Vice-Chancellor will:

(a) Ensure the development and implementation of policies for conflict of interest and conflict of commitment for all Employees who hold appointments in his or her area of responsibility; and

(b) Approve and monitor the relevant implementation policies.

3.3 Rights and Responsibilities of Faculties, Centres of Excellence and Administrative Units

Consistent with this Policy and all other relevant UMP Policies, the dean of each faculty, in consultation with the faculty as set forth in procedures developed in conjunction with this Guidelines, the director of each administrative unit (or his or her designate) must articulate and disseminate implementation policies that apply to Employee within that unit including:

(a) Procedures that Employees in the academic unit or administrative unit must follow to disclose potential or actual conflict of interest and conflict of commitment that arise in their units. At a minimum, all Employees must promptly disclose matters as they arise or are identified. The procedures shall also require further additional relevant disclosures when the evaluator at the academic or administrative unit determines that such information is required for disclosed or undisclosed matters that may be actual or potential conflict. Faculties, Centres of Excellence and administrative units may add additional disclosure requirements and procedures, as appropriate to their circumstances;

(b) A conflict of interest and conflict of commitment implementation policy at the unit level (i.e. Faculties, Centres of Excellence or administrative unit) that addresses the expectations and responsibilities that the Faculties, Centres of Excellence or administrative unit associates with professional appointments and other job classifications within the unit;

(c) Procedures for evaluating disclosures and managing conflict of interest and conflict of commitment;

(d) Standards and procedures for governing Employees’ actions with regard to soliciting and accepting gifts;

(e) Procedures for responding to alleged violations of this Policy (refer to Section 4: Violations below); and

(f) Procedures to follow when an Employee wishes to dispute or appeal any action or decision related to a conflict of interest or conflict of commitment (refer to Section 5: Disputes and Appeals below).
4.0 VIOLATIONS

Violations of this Policy as determined by the appropriate dean, director, supervisor or conflict of interest committee are considered misconduct on the part of the Employee and may be subject to institutional sanctions up to and including termination of appointment in accordance with applicable disciplinary procedures.

Violations include but are not limited to situations in which:

(a) An Employee knows of a situation that places him or her in a potential or actual conflict of interest or conflict of commitment but fails to disclose it fully, according to the policies of his or her unit; and

(b) An Employee discloses a potential or actual conflict of interest or commitment but fails to abide fully by the required plan for avoiding or managing the conflict.

5.0 DISPUTES AND APPEALS

When Employee disputes any action or decision related to a potential conflict of interest or conflict of commitment, existing UMP Policies for disputes of Employees will be used. Disputes with decisions or actions taken by an established conflict of interest committee for those projects for which the committee is responsible must be through the procedures established by the applicable committee. If a faculty, Centre of Excellence or administrative unit develops additional procedures for handling disputes or appeals regarding any action or decision taken with respect to the Employee’s conflict of interest or conflict of commitment, the additional procedures must coordinate with and may not substitute for existing UMP Policies for handling disputes.