

## **Guideline for Handling Joint Inventions in Collaborative Researches with Partner Companies**

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Division of University Corporate Relations  
the University of Tokyo

This guideline sets forth a basic way of thinking with respect to the handling of joint inventions and intellectual property rights regarding such inventions obtained through collaborative researches between the University of Tokyo (the “University”) and partner companies (“Partners”).

When determining how to handle the inventions and the intellectual property rights, it will be discussed along this guideline with the Partners because it is necessary to review respective aspects such as the nature of the inventions or intellectual property rights, the process for utilizing the inventions, or the effective timing for commercializing such inventions, etc..

### 1. Ownership of rights

In cases when an invention is created through collaborative research, the University will decide the share of ownership in the invention according to the degree of contribution, as per the Patent Law’s principle of inventorship.

### 2. Use of research output

1) The University shall discuss with its Partners how to use inventions that result from collaborative research on the basis of the following principles.

(1) The invention is the result of collaborative research. Consequently, the University will respect its Partners’ intentions regarding the utilization of such invention.

(2) The University is obligated to return to the public the benefits of intellectual property rights derived from publicly-funded research because The University believes that it is its duty to the public to quickly and broadly share inventions of faculty researchers. Consequently, while respecting the intentions of its Partners, the University will actively license to third parties to prevent the invention from being sequestered.

(3) The University is not allowed to commercialize or manufacture inventions on its own.

Unlike private companies, the University is unable to commercialize or manufacture its own inventions. Therefore, the University asks its Partners to pay the cost of patent applications and royalties to offset the costs of development.

(4) In collaborative research, in addition to the research expenses which are shared with its Partners, the University bears facilities expenses, equipment expenses, and personnel expenses for researchers. It means that Partners only share in the direct costs of conducting collaborative

research. The University, however, also assumes the burden of personnel expenses, maintenance costs for facilities, and the costs of improving research equipment. In other words, the research fee alone is insufficient to cover the real cost of research.

(5) According to Article 35 of Japanese Patent Law, in the case that an invention results in a profit, inventors must be compensated for their inventions. When profit is gained from the commercialization of an invention, just as the Partner is obligated to compensate its inventors, so is the University. However, as the University is unable to commercialize or manufacture products on its own, and as the University has made a significant intellectual contribution, there is an expectation that part of the profit be returned to the University.

2) Based on the above principles, the University will discuss with its Partners according to the following procedures.

(1) When an invention is created, through consultation with the University, Partners may establish the terms and conditions for commercializing the invention by drafting a joint application agreement.

If a Partner deems a specified period of time necessary in order to inspect and evaluate the invention, the Partner may establish a "Right of Exclusive Negotiation Period." During such a period, the Partner can negotiate exclusively with the University regarding the commercialization of the joint invention.

(2) When a Partner desires exclusive commercialization rights to a joint invention, the University will, as a general rule, accept such exclusivity.

(3) Even if Partners conclude an agreement for the exclusive commercialization of an invention, if the Partners seem to keep the invention only for defensive purposes or do not aim to market it actively, after a specified period (the target commercialization period), the agreement will be cancelled and the University may freely license the invention to third parties.

(4) When Partners apply for non-exclusive commercialization rights to an invention, the University will license to third parties freely.

(5) As a general rule, Partners can receive the same or more favorable conditions for non-exclusive rights than other third parties.

(6) Even in the case that a Partner opts for non-exclusive commercialization rights to an invention, there may be cases where it is difficult for the University to carry out licensing activity because the Partner has significant market share or an independent patent on a related technology. In such cases, the Partner's commercialization rights shall be considered exclusive.

### 3. Fees for Partners regarding commercialization

When Partners commercialize a joint invention, the University requests as a general rule that each Partner shoulder the following costs.

1) Exclusive commercialization (including cases where the University is restricted in freely

licensing to third parties)

- (1) The fees for the application and maintenance of the patent
- (2) A one-time fee to compensate for exclusivity
- (3) Running royalties

2) Non-exclusive commercialization (licensing to third parties and so on is also possible)

- (1) The fees for the application and maintenance of the patent
- (2) Running royalties

#### 4. Handling of rights revocations by the University

When succeeding a joint invention produced by its researchers, the University places great importance on the possibility of licensing the joint invention, i.e. its adoption in industry.

Therefore, when a Partner indicates an intention to commercialize a joint invention, as a general rule, the University shall succeed the rights of its researchers.

However, in the case that there is no practical expectation of utilization of the invention in industry, the University will not succeed such rights from its researchers.

In this case, based on the Patent Law, the rights to the invention shall be remained in the individual researchers.

Inventions created through collaborative research are regulated by the University, but even in the case that the rights to the invention return to the individual researchers, it is necessary for the researchers to report the status of applications of any patents.