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**k. Revised Honorarium Computation Scheme for Graduate School**

**Resolution No. 34**  
Series of 2020

Approving Revised Honorarium Computation Scheme for Graduate School.

**APPROVED**

**I. Operational Plan for 2020**

**Resolution No. 35**  
Series of 2020

Approving the Operational Plan for 2020 of the University of Southern Mindanao.

**APPROVED**

**3. Research, Development and Extension Matters**

**a. PRTC Quality Manual**

**Resolution No. 36**  
Series of 2020

Approving the PRTC Quality Manual, subject to review after one (1) year of implementation.

**APPROVED**

**b. Implementing Rules and Regulations (IRR) for Intellectual Property Rights (IPR)**

**Resolution No. 37**  
Series of 2020

Approving the Implementing Rules and Regulations (IRR) for Intellectual Property Rights (IPR), subject to review after one (1) year of implementation.

**APPROVED**

## CSW FORM

**A. Proponent Office:**  
**Intellectual Property and Technology Business Management (IP-TBM)**

**B. Action Requested:**  
**Approval of the Implementing Rules and Regulations of the University of Southern Mindanao Revised Intellectual Property Policy and Technology Transfer Protocol**

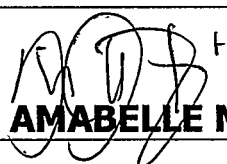
**Rationale/Background of Information**

**C. Supporting Documents**

- BOR Resolution 096 series of 2019
- URDEC Resolution no. 007, series of 2019
- Administrative Council February 2020

**D. Proposed Resolution for BOR/BOT Action**

**Approval of the Implementing Rules and Regulations of the University of Southern Mindanao Revised Intellectual Property Policy and Technology Transfer Protocol**

<b>E. Recommending Approval</b>		
<b>OFFICE</b>	<b>SIGNATURE</b>	<b>REMARKS</b>
<b>IP-TBM</b>	 <b>PIA AMABELLE M. FLORES</b>	

## EXECUTIVE SUMMARY

<b>Subject/Title</b> (define the issues or problem)	<b>Approval of the Implementing Rules and Regulations of the University of Southern Mindanao Revised Intellectual Property Policy and Technology Transfer Protocol</b>
<b>Background</b>	The USM Revised Intellectual Property Policy and Tech Transfer Protocol was approved by the Board of Regents last 2019. In connection to this, the Intellectual Property and Technology Business Management (IP-TBM) Project formulate the IRR for the implementation of the IP Policy and TT Protocol.
<b>Legal Basis</b> (Authority of the Board to Act)	BOR Resolution no. 096 series of 2019 URDEC Resolution no. 007, series of 2019 Administrative Council February 2020
<b>Endorsements</b> (BAC, PSB, Councils)	Approved, URDEC Resolution No. 007 S. 2019
<b>Alternative</b> (Advantages or disadvantages)	
<b>Recommendation</b> (Justify preference)	For implementation by the University
<b>Implementation</b> (Plan and documents)	Policy Guidelines in the Intellectual Property and Technology Transfer application and registration
<b>Certification</b>	Review and certified by the URDEC

## **THE IMPLEMENTING RULES AND REGULATIONS FOR UNIVERSITY OF SOUTHERN MINDANAO REVISED INTELLECTUAL PROPERTY POLICY AND TECHNOLOGY TRANSFER PROTOCOL OF 2019**

Whereas, the University of Southern Mindanao (USM) recognizes that the generation of intellectual properties (IP) is vital in the technology transfer of University-based researches which serves as valuable input in the course of upgrading the University.

Whereas, it is the policy of the University of Southern Mindanao to rationalize procedures and operationalize the enforcement of intellectual property management and technology transfer activities to the best interest of the University's constituents and the community thereof.

Now, therefore, pursuant to the provisions of the Intellectual Property Code (RA 8293) and Technology Transfer Act of the Philippines (RA 10055), the following rules and regulations of USM Revised IP Policy of 2019 are hereby promulgated.

### **GENERAL PROVISIONS TITLE AND CONSTRUCTION**

Section 1. *Title of the Rules.* – These rules shall be known as the Implementing Rules and Regulations for The USM Revised IP Policy of 2019.

Section 2. *Applicability of the Rules.* – These rules shall apply to all cases involving the filing and evaluation of technology for criteria and application of patent, and utility model, other IP's including the grant of incentives and processes involved thereof.

Section 3. *Construction of the Rules.* – These rules shall be liberally construed in order to achieve the objectives of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines and Republic Act No. 10055, otherwise known as the Technology Transfer Act of the Philippines.

### **CHAPTER I DEFINITIONS**

Rule 1. *Definitions.* – Unless otherwise specified, the following terms shall have the meaning provided in this rule:

- (1) IP means all intellectual property rights covered in Section 3 of the IP Policy.
- (2) IP Code means Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines
- (3) IP Office means the acting IP committee or IP component under USM Tech Trans Office by special order or designation of the President

- (4) IP Policy means the University of Southern Mindanao Revised Intellectual Policy and Technology Transfer Protocol of 2019
- (5) Revised IRR means the Revised Implementing Rules for Patents, Utility Models and Industrial Designs of RA 8293 otherwise known as IP Code
- (6) Technology Transfer Act means Republic Act No. 10055 otherwise known as Technology Transfer Act of the Philippines
- (7) University means University of Southern Mindanao
- (8) USM Tech Trans Office or USM – TTO means University of Southern Mindanao Technology Transfer Office

## CHAPTER II CRITERIA FOR IP APPLICATION

Rule 2. *Patentability*. - Any technology to be applied for patent shall satisfy the provisions stipulated in Section 21- 27 of the IP Code and reiterated in the conditions specified under patentable inventions of the Revised IRR Rule 200- 208:

- (1) Rule 200- Patentable Inventions
- (2) Rule 201- Statutory Classes of Patentable inventions
- (3) Rule 202- Non-patentable inventions
- (4) Rule 203- Novelty
- (5) Rule 204- Prior Art
  - a. Rule 204.1- Equivalentents
- (6) Rule 205- Non- prejudicial disclosure
- (7) Rule 206- Inventive Step
- (8) Rule 207- Person having ordinary skills in the art
- (9) Rule 208- Industrial Applicability

Rule 3. *Utility Model Registrability*. - Any technology to be applied for utility model shall satisfy the provisions stipulated in Section 109 of the IP Code and additional requisites specified by the Revised IRR under Rule 1400- 1402; Rule 1600-1601:

- (1) Section 109- Special Provisions Relating to Utility Models
- (2) Rule 1400- Registrable Utility Model
- (3) Rule 1401- Non-registrable Utility Models
- (4) Rule 1402- Industrial Applicability
- (5) Rule 1600- Novelty; Prior Art
- (6) Rule 1601- Non-prejudicial Disclosure

Rule 4. *Industrial Design Registrability*. – Any technology to be applied for industrial design shall satisfy the provisions in Section 113 of the IP Code and additional stipulations under the Revised IRR Rule 1500- 1503:

- (1) Section 113- Substantive Conditions for Protection
- (2) Rule 1500- Industrial Design
- (3) Rule 1501- Non-registrable Industrial Design
- (4) Rule 1502- Requisites for Registrability of Industrial Design
- (5) Rule 1503- Degree of Novelty Required

Rule 5. *Trademarks, Service Marks, and Trade Names* – Any technology to be applied for trademarks shall constitute the definition in Section 121 (1-2) of the IP Code and shall not violate any of the following conditions stated in Section 123 (a-m) of the IP Code:

- (1) Consists of immoral, deceptive or scandalous matter, or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute;
- (2) Consists of the flag or coat of arms or other insignia of the Philippines or any of its political subdivisions, or of any foreign nation, or any simulation thereof;
- (3) Consists of a name, portrait or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the Philippines, during the life of his widow, if any, except by written consent of the widow;
- (4) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:
  - a. The same goods or services, or
  - b. Closely related goods or services, or
  - c. If it nearly resembles such a mark as to be likely to deceive or cause confusion;
- (5) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;
- (6) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use;
- (7) Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services;
- (8) Consists exclusively of signs that are generic for the goods or services that they seek to identify;

- (9) Consists exclusively of signs or of indications that have become customary or usual to designate the goods or services in everyday language or in bona fide and established trade practice;
- (10) Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services;
- (11) Consists of shapes that may be necessitated by technical factors or by the nature of the goods themselves or factors that affect their intrinsic value;
- (12) Consists of color alone, unless defined by a given form; or
- (13) Is contrary to public order or morality.

Rule 6. *Copyrightable Works*. - any literary, scientific and artistic domain classified as "original works" or "derivative works" by the IP Code.

Rule 6.1. *Original Works*. - Any works classified as "original works" covered by copyright law shall satisfy the requirements stated under Chapter II of the IP Code Section 172.1 with provisions of Section 172.2:

- (1) Books, pamphlets, articles and other writings;
- (2) Periodicals and newspapers;
- (3) Lectures, sermons, addresses, dissertations prepared for oral delivery, whether or not reduced in writing or other material form;
- (4) Letters;
- (5) Dramatic or dramatico-musical compositions; choreographic works or entertainment in dumb shows;
- (6) Musical compositions, with or without words;
- (7) Works of drawing, painting, architecture, sculpture, engraving, lithography or other works of art; models or designs for works of art;
- (8) Original ornamental designs or models for articles of manufacture, whether or not registrable as an industrial design, and other works of applied art;
- (9) Illustrations, maps, plans, sketches, charts and three-dimensional works relative to geography, topography, architecture or science;
- (10) Drawings or plastic works of a scientific or technical character;
- (11) Photographic works including works produced by a process analogous to photography; lantern slides;
- (12) Audiovisual works and cinematographic works and works produced by a process analogous to cinematography or any process for making audio-visual recordings;
- (13) Pictorial illustrations and advertisements;
- (14) Computer programs; and
- (15) Other literary, scholarly, scientific and artistic works.

Rule 6.2. *Derivative Works*. – Any works classified as “derivative works” covered by copyright law shall satisfy the requirements stated under Chapter II of the IP Code Section 173 with provisions of Section 173.2:

- (1) Dramatizations, translations, adaptations, abridgments, arrangements, and other alterations of literary or artistic works; and,
- (2) Collections of literary, scholarly or artistic works, and compilations of data and other materials which are original by reason of the selection or coordination or arrangement of their contents. (Sec. 2, [P] and [Q], P.D. No. 49)

### **CHAPTER III OWNERSHIP AND APPLICATION**

Rule 7. *General Rule for Ownership*– Any technology that is a result or the product of the four mandated functions of the University mainly instruction, research, extension and resource generation shall be owned by the University unless mentioned under circumstances listed in Article 5 of the IP Policy Section 1-1 and Rule 7.1- 7.2 of this IRR.

Rule 7.1. If IP created during the course of employment, Section 30.2 of the IP Code shall apply:

*Ownership shall belong to the employee, if the inventive activity is not a part of his regular duties even if the employee uses the time, facilities and materials of the employer.*

Rule 7.2. If IP created pursuant to a Commission, Section 30.1 of the IP Code shall apply:

*The person who commissions the work shall own the patent, unless otherwise provided in the contract*

Rule 8. *Who may be named as applicant in the application*. - The “University of Southern Mindanao” shall be assigned as the sole “Applicant” in the IPOPHL application form which places the University as the owner of the IP. This rule shall not apply only if conditions of Rule 7.1- 7.2 are exemplified.

Rule 9. *Who may be named as Author/s in the application*. - The author/s who will be assigned in the IPOPHL application form shall satisfy the following criteria:

- (1) Any individual/s who is part of the USM community defined in Section 33, Article 4 of the IP Policy
- (2) Any individual/s who originally created the idea and involved in the actual development of the IP shall only be considered as valid author/s.
- (3) Any individual/s mentioned in the above statements who have complied and affixed their signatures on prescribed Waiver form and IP Disclosure Form specified in Article 8- Section 1-2 of the IP Policy.

Rule 9.1. *Number of authors applicable*- Subject to Section 28 and Section 178 of the IP Code, co-authorship may be applicable, when two (2) or more persons have jointly made or developed the IP, the right shall belong to them jointly provided no conflict arise.

Rule 9.2. *Multiple Author's Conflict*. - If Rule 9.1 is not applicable, First-to-file rule of Rule 304 of the Revised IRR based on Sec 29 of the IP Code shall apply:

*Section 29. First-to-File Rule. – If two (2) or more persons have made the same invention separately and independently of each other, the right to the patent shall belong to the person who filed an application for such invention, or where two or more applications are filed for the same invention, to the applicant who has the earliest filing date or the earliest priority date.*

Rule 10. *Right to patent* – Any author/s (defined in Rule 9) of whose technology has satisfied the provisions for patentable inventions under Rule 2 (1-9) is given the right to file for patent provided it does not violate any laws and rules stipulated in this policy.

Rule 11. *Right to apply for Utility Model*- Any author/s (defined in Rule 9) of whose technology has satisfied the provisions for Utility Model under Rule 3 of this IRR is given the right to file for utility model provided it does not violate any laws and rules stipulated in this policy.

Rule 12. *Right to apply for industrial design*- Any author/s (defined in Rule 9) of whose technology has satisfied the provisions for industrial design provided under Rule 4 of this IRR is given the right to file for industrial design provided it does not violate any laws and rules stipulated in this policy.

Rule 13. *Right to register Trademark*- Any author/s (defined in Rule 9) of whose technology has not violated any provisions for trademark provided under Rule 5 of this IRR is given the right to file for trademark application provided it does not violate any laws and rules stipulated in this policy.

Rule 14. *Rules on Copyright Ownership*.- Any author/s (defined in Rule 8.1) of whose copyrightable works specified under Rule 6 is given the right to file for copyright provided it has undergone the process prescribed by IP Office and complied with the required documents as stipulated in Section 1-2 of Article 5 and Article 8 of the IP Policy.

Rule 14.1. Ownership for copyright shall be governed by the provisions under Section 178.4 and 178.5 of the IP Code other than Rule 7 of this IRR:

- (1) In the case of a work commissioned by a person other than an employer of the author (University) and who pays for it and the work is made in pursuance of the commission, the person who so commissioned the work shall have ownership of the work, but the copyright thereto shall remain with the creator, unless there is a written stipulation to the contrary;
- (2) In the case of audiovisual work, the copyright shall belong to the producer, the author of the scenario, the composer of the music, the film director, and the author of the work so adapted. However, subject to contrary or other stipulations among the creators, the producer shall exercise the copyright to an extent required for the exhibition of the work in any manner, except for the right to collect performing license fees for the performance of musical compositions, with or without words, which are incorporated into the work.

#### CHAPTER IV DISCLOSURE, FILING AND PROCESS

Rule 15. *Disclosure.* – The author/s which shall execute IP filing must submit documents for disclosure to the IP Office as specified in Section 2 of Article 8 in the IP Policy.

- (1) IP Disclosure Form (to be secured from the USM TTO Office)
- (2) Waiver forms (to be secured from the USM TTO Office)
- (3) If technology derived from student's thesis/ dissertations- final indexed manuscripts
- (4) If technology based on University funded research- indexed and submitted terminal report
- (5) In case of personal funded research- indexed study report and Waiver Form D

Rule 16. *Rules in Filing.* - Author/s (defined in Rule 9 of this IRR) must comply with the requirements for IP disclosure and application process as stipulated in Article 8 of the IP Policy. This rule may only not apply under the following conditions:

Rule 16.1. In case of science and technology contests and scientific paper competitions where the award may cover subsidy or grant for IP filing.

Rule 16.2. In case of externally funded projects subject to Tech Transfer Act and Article 8-Section 2 of the IP Policy;

- (1) where IP derived from externally funded research mandated by signed Memorandum of Agreement between the University and funding agency
- (2) where filing of IP derived from externally funded research are subsidized and assigned by funding agencies to offices which offers services for patenting and other IP registration (i.e. DOST-TAPI).

Rule 17. *Screening-* The IP Office shall evaluate disclosure according to technology assessment forms stated in Section 1 of Article 8 of the IP Policy and criteria according to Rules 2-6 stated in this IRR:

Rule 18. *Subject for Disqualification-* Technology disclosures will not qualify under the following circumstances:

- (1) If any of the criteria for the applied IP under Rule 2- Rule 6 of this IRR is not satisfied
- (2) documents for compliance are not met under Article 8 of the IP Policy
- (3) if the technology has already been applied by previous author/s

Rule 19. *Non-Disclosure Agreement.* – Subject to Section 5 of Article 8 of the IP Policy, no public disclosure about the IP shall be made which include the disclosure of confidential information and will constitute prejudice of its full protection. Author/s (defined in Rule 9) upon disclosure to IP Office must affixed signatures for non-disclosure agreement with involved parties (i.e. IP Office, URDEC) prior to application of IP.

Rule 20. *Payment.* - Upon filing, the author/s shall pay for IP application and the application number should be submitted to the IP office for inventory of IP assets. However subsidy is possible if any of the following applies:

- (a) availability of funds assigned to Tech Transfer Office
- (b) in case of subsidies or grants from funding sources
- (c) charged to local or external research budget

Rule 21. *Feedback*.- The IP Office shall feedback the author/s on the progress of the application and shall assist and monitor until grant of registration.

## **CHAPTER V GRANTING OF INCENTIVES**

Rule 22. *General Rule for Grant of Incentives*.- Subject to Section 1 of Article 6 of the IP Policy, the university shall assign to the author(s), inventor(s) incentives for IP generated upon availability of fund.

Rule 23. *Applicability*. – Grant of incentives shall only apply for applications that have complied and passed through the process stipulated in Article 8 of the IP Policy.

Rule 24. *Incentives for Filed IP's*.- Subject to Section 1 of Article 6 in the IP Policy, an incentive of Php 5,000.00 shall be given to researcher/s after filing of Invention/ Utility Model/ Industrial Design/ Copyright/ Plant Registry upon receipt of IP application number, provided that the assigned conditions in Rule 24.1 and Rule 24.2 have been complied.

Rule 24.1. For Patent, Utility Model, Industrial Design and Plant registry, incentive for filed IP shall only apply:

- (1) If the technology has been subject for technology pitching before the grant of registration number – Certificate as presenter shall be attached together with the IP application number;
- (2) If the technology has been featured in science and technology symposiums, conference, expo or exhibit, before the grant of registration number – Certificate for poster or oral presentation entry shall be attached together with the IP application number;

Rule 24.2. For copyrighted works, incentive for filed IP shall only apply if any of the following conditions applies:

- (1) If the copyrighted work refers to a book which has contributed to the scientific body of knowledge and used as textbook or reference for teaching – Course syllabi relating to the copyrighted works, or, Certificate from school library stating the copyrighted work has been indexed shall be attached together with the ISBN number.
- (2) If the copyrighted work of any form which has commercial value and contributed income generating funds or savings to the University – Receipt of purchase of sold copies by institution or business establishments (i.e. bookstores, school libraries) shall be attached together with the ISBN number.
- (3) If copyrighted work in the form of literary work, dramatization, musical composition and audio-visual works has been adopted for filmmaking or multi-media production –

Certificate from the production companies stating the copyrighted work has been used in any form of its operation shall be attached.

- (4) If the copyrighted work in the form of computer program has been adopted for operations and system in the University or other institution – Certificate from the office or institution that the copyrighted work has been used shall be attached.

Rule 25. *Incentives for Utility Model Registration* - Subject to Section 1 of Article 6 in the IP Policy, an additional incentive of Php 20,000.00 for every granted Utility Model if the registration has been granted and provided any of the following conditions are applicable:

- (1) If the technology has been part of the branding or any form of derivation for the realization of trademark application before the grant of registration number. IP application number for Trademark shall be attached.
- (2) If the technology has identified adapter before the grant of registration of number. Signed Memorandum of Agreement signed by the University and the adapter shall be attached together with the IP application number;
- (3) The technology has been applied for commercialization before the grant of registration number. Signed Memorandum of agreement between the funding agency and the funding agency shall be attached together with the IP application number.

Rule 26. *Incentives for Patent Registration* - Subject to Section 1 of Article 6 in the IP Policy, an additional incentive of Php 50,000.00 for every granted invention shall be given upon receipt of registration number only if the registration has been granted and provided any of the following conditions are applicable:

- (1) If the technology has been part of the branding or any form of derivation for the realization of trademark application before the grant of registration number. IP application number for Trademark shall be attached.
- (2) If the technology has identified adapter before the grant of registration of number. Signed Memorandum of Agreement signed by the University and the adapter shall be attached together with the IP application number;
- (3) The technology has been applied for commercialization before the grant of registration number. Signed Memorandum of agreement between the funding agency and the funding agency shall be attached together with the IP application number.

## **CHAPTER VI RIGHTS AND RESPONSIBILITIES OF TECHNOLOGY TRANSFER OFFICE**

Rule 27. *Roles of Technology Transfer Office*- Subject to Section 1 of the IP Policy and Rule 24 of the Implementing Rules and Regulations of Technology Transfer Act of 2009, University of Southern Mindanao Technology Transfer Office (USM – TTO) shall be established. The Office shall be responsible for the following functions as stipulated in Section 1 Article 8 of the IP Policy.

Rule 28. *Identification of IP's for commercialization*- Upon IP disclosure, the Tech Trans office shall evaluate the technology through Technology assessment forms as cited in Section 1 Article 9 of the IP Policy as well as other fundamental documents for IP valuation.

Rule 29. The Tech Trans Office shall notify the researcher/ author on the following:

- (1) Evaluation of IP for commercial and marketing potential
- (2) Commercial progress of commercialization efforts from derived IPs
- (3) All agreements and licenses granted to technology adopters

Rule 30. The USM Tech Trans Office shall keep record and report annually to the University the following:

- (1) revenues and payments made to the authors and the University
- (2) number of adopters for technologies derived from IPs
- (3) on-going transactions with technology adopters

Rule 31. Provide a means for addressing to the authors any shortfall of the technology in utilizing and commercializing the IP and exploring various ways to maximize full commercial potential of IP by means of the following:

- (1) consultation
- (2) echo seminar on technology commercialization
- (3) promotional activities such as Inventor's Expo and Science Technology Week and Invention Related Conferences,
- (4) networking activities such as Technology Pitching and Business Forums

Rule 32. Pursuant to Innovation Act and Start-up Act, when necessary, encourage authors to create and establish spin-off companies to pursue commercialization subject to their respective mandates as allowed by law.

Rule 33. Prepare the following documents for the execution of Licensing and spin-off agreements. These documents shall include but not limited to:

- (1) Technology Term Sheet
- (2) Technical Contract
- (3) Fairness Opinion Report

## **CHAPTER VII COMMERCIALIZATION OF RESEARCH AND IP'S**

Rule 34. *General rule for IP commercialization*- As stipulated by Tech Transfer Act, the Technology Transfer Protocol shall establish grounds in determining the meritorious cases where an RDI in this case USM, shall allow its researcher-employee to commercialize or pursue commercialization or create, own, control, or manage a company or spin-off firm. Subject to this, the Tech Transfer office may also explore options available for commercialization as allowed under these Rules.

Rule 35. Modes of Commercialization - Subject to Section 2 of Article 10 of the IP Policy, the USM Tech Trans Office shall cater to the following modes of commercialization but not limited to licensing, spin-off, and direct sale.

Rule 36. Cost of technology – The basis for the cost of technology varies depending on the following conditions:

- (1) IP valuation – if the technology has prior acceptance of IP application or the grant of the patent and/or other IP
- (2) R&D cost particularly to production of technology - in case of technologies subjected for commercialization without prior IP application

Rule 37. *Licensing Agreement*- Subject to Article 10 of the IP Policy, these rules shall observe the grounds and terms and conditions for licensing of technologies and IP's derived from researches. The researchers/ authors shall comply to the Tech Trans office to execute the necessary requirements.

Rule 38. *Negotiation for Licensing Agreement*. – The negotiation shall be executed by representatives of both parties (licensor and licensee) in the presence of the Technology Transfer officer.

Rule 38.1. *Coverage on Licensing negotiations*. – Both parties must be able to arrive to mutual decision on the terms and conditions which will be stipulated in the Technical Contract regarding the following matters but not limited to:

- (1) Ground Rules
- (2) Definition and Purpose of Contract
- (3) Specification of IP to be adopted for licensing
- (4) Review of Previous Term Sheet
- (5) Terms of Payment
  - a. Upfront fee,
  - b. Royalties;
  - c. other payments if applicable
- (6) Time frame of payments
- (7) Effectivity of contract
- (8) Other Concerns

Rule 38.2. Documents for Licensing Agreement – The Tech Transfer team including the personnel mentioned in Section 3 Article 7 of the IP Policy shall prepare the following documents:

- (1) Rule 41. Term Sheet
- (2) Rule 38-1. IP valuation sheet
- (3) Rule 38-2. LIB of the Project/ Study where the Technology was Derived

Rule 38.3. *Who should be present during licensing negotiations*. – Both licensor and licensee shall be well represented during the negotiation but no limited to one representative, however, negotiation shall not take effect without the presence of:

- (1) Tech Transfer Officer
- (2) Author/ researcher of the IP

Rule 39. *Technical Contract for Licensing*. – The technical contract in the form of Memorandum of Agreement (MOA) will serve as the basis for the licensing agreement between licensor and licensee which will take effect after formal negotiation made by both parties and should not be less than one year of duration with or without renewal.

Rule 40. *Rule on Payment for Licensing*- In case of licensing, payment shall be subject to negotiation but not violating the following conditions:

- (1) Cost of technology- shall be paid within the duration specified in the contract
- (2) Upfront fee – at least 100% shall be paid within 1 year and six months if applicable after the effectivity date of the contract
- (3) Royalty – shall be paid annually after the effectivity date of the contract

Rule 41. *Spin-off Agreement* – Subject to Section 3 of the Tech transfer Act IRR, in case of spin-off, separate rules must be considered and shall form distinct entities from the University. The researchers/ authors who shall undergo spin-off of his/her technology shall coordinate to the Tech Trans office to comply to the required documents cited in Rule 33 of this IRR and other necessary documents.

Rule 42. *Negotiation for Spin-off Agreement*. – The negotiation shall be executed by representatives of both parties (University and spin-off applicant) in the presence of the Technology Transfer officer.

Rule 42.1. *Coverage on spin-off negotiations*. – Both parties must be able to arrive to mutual decision on the terms and conditions which will be stipulated in the Technical Contract regarding the following matters but not limited to:

- (1) Ground Rules
- (2) Definition and Purpose of Contract
- (3) Specification of technology to be adopted for spin-off
- (4) Review of previous Term Sheet (if applicable)
- (5) Time frame of payments
- (6) Effectivity of contract
- (7) Other Concerns

Rule 42.2. Documents for spin-off agreements – The Tech Transfer team including the personnel mentioned in Section 3 Article 7 of the IP Policy shall prepare the following documents:

- (1) Term Sheet
- (2) Business Plan
- (3) Business Permit

Rule 42.3. *Who should be present during spin-off negotiation*. – Both parties of the University and the spin-off company should be present but not limited to one representative, however, negotiation shall not take effect without the presence of:

- (1) Tech Transfer Officer
- (2) Author/ researcher of the IP

Rule 43. *Technical Contract for Spin-off.* – The technical contract in the form of Memorandum of Agreement (MOA) will serve as the basis for the spin-off agreement which will take effect after formal negotiation made by both parties.

Rule 44. *Rules for Payment of Spin-off.* In case of spin-off, payment to the University shall be issued upon effectivity date of the contract, provided:

- (1) No prior disclosure has been made to other entity or third party
- (2) until the researcher/ author decides to transfer spin-off to licensing
- (3) the researcher/ author decided to stop the operation

Rule 45. *Direct Sale Agreement.* Direct selling of products/ process derived from technologies shall be applicable subject to a technical contract.

Rule 45.1. *Applicability.* – Direct sale agreement is subject to pre-order basis which shall comply to the following conditions:

- (1) not less than 100 units of an IP protected product (either Utility model, Industrial design and patent)
- (2) not less than 100 units of a product from an IP protected process (either Utility model, Industrial design and patent)
- (3) not less than 100 units of copyrighted work

Rule 45.2. *Documents for Direct Sale Agreement* – In case of direct sale, the researchers/ authors shall coordinate to the Tech Trans office to comply the following:

- (1) Term Sheet. The term sheet must provide the name of the company or the person who would like to avail of the technology including conditions cited in Rule 48 of these rules
- (2) Cost of Technology is subject to Rule 38. of this IRR
- (3) Time and Date of negotiation that is available for representatives of both parties.

Rule 46. *Negotiation for Direct Sale Agreement.* – The negotiation shall be executed by representatives of both parties, the company or entity who will purchase and the author/s of the technology in the presence of the Technology Transfer officer.

Rule 46.1. *Coverage for Direct sale negotiations.* – Both parties must be able to arrive to mutual decision on the terms and conditions which will be stipulated in the Technical Contract regarding the following matters but not limited to:

- (1) Ground Rules
- (2) Definition and Purpose of Contract
- (3) Specification of technology (Product/ Product by process) to be purchased
- (4) Review of Previous Term Sheet
- (5) Terms of Payment
- (6) Payment
- (7) Effectivity of contract
- (8) Other Concerns

Rule 46.2. Documents for Direct sale negotiation– The Tech Transfer team including the personnel mentioned in Section 3 Article 7 of the IP Policy shall prepare the Technical Contract.

Rule 46.3. *Who should be present during the negotiation for Direct Sale.* – Both the company or entity who will buy the technology and the University shall be well represented during the negotiation but no limited to one representative, however, negotiation shall not take effect without the presence of the Tech transfer Officer.

Rule 47. *Technical Contract for Direct Sale.* – The technical contract in the form of Memorandum of Agreement (MOA) will serve as the basis for the Direct Sale agreement between interested party and the University which will take effect after formal negotiation made by both parties.

## **CHAPTER VIII REVENUE SHARING**

Rule 48. *General rule-* The University shall allow sharing of revenues from IP commercialization stipulated in Article 5 of Section 11 of the Tech Transfer Act provided that the research where the IP was obtained is funded or owned by the University; provided, further, that in case of joint ownership by other third party or entity, the University may enter into technical agreements with the third party or other entity.

Rule 49. As stipulated by Section 11 of the Tech Transfer Act, sharing of revenues between RDI and researcher shall be governed by an employer-employee contract or other related agreements, without prejudice to the rights of researchers granted under RA No. 8439 or the "Magna Carta for Scientists, Engineers, Researchers, and other S&T Personnel in Government".

Rule 50. Subject to Article 11 of the IP Policy and under the rights of the researchers granted under R. A. No. 8439 the University and the researcher(s) shall have sixty percent (60%), and forty percent (40%) share, respectively, in the revenues derived from technology licensing.

Rule 51. In case of spin-off, the University shall have 15% of the total annual revenue which will be utilized for the following:

- (1) Annuity fee
- (2) Innovation fund
- (3) Admin Cost

Rule 52. The URDEC through the University Finance Office and Tech Transfer Office shall manage the revenue and net profit generated from IP's.

Rule 53. When the University undertakes the commercialization/distribution of the technology and IP's through direct sale, royalty shall constitute 15% of the gross sale and the researcher shall be allotted for 20% net profit. Net profit shall mean gross sale minus royalty, production cost and other expenses.

Rule 54. When the University undertakes commercialization/ distribution of the technology and IP's involving external party (research grants/ collaborators/ etc.) revenue sharing shall depend

on the terms of agreement with the involved party without prejudice to the provisions of RA No. 8439.

Rule 55. Subject to Section 2 Article 11 of the IP Policy, the researcher may claim payment for the share in licensed technology upon submission of the following documentary requirements:

- (1) Technical Contract or any form of Technical agreement
- (2) For Industrial design, utility model and patent- IP Certificate issued by the IPOPHL
- (3) For copyright- International Standard Book Number (ISBN) number and proof of IP protection
- (4) Certification from the Technology Transfer Office

Rule 56. Subject to Section 4 Article 11 of the IP Policy, the apportionment/distribution of the share among the researchers shall be stipulated in the MOA/Special Order/Research Agreement. In the absence of a written agreement among the researchers, the share shall be distributed among involved researchers as follows:

- (1) For technologies/IPs with only one researcher, one hundred percent (100%) shall be vested on the sole researcher;
- (2) For technologies/IPs/IPRs with two researchers, sixty percent (60%) shall be given to the principal author/researcher and forty percent (40%) to the co-researcher; and
- (3) For technologies with three or more researchers, forty percent (40%) shall go to the principal author/researcher and sixty percent (60%) shall be distributed among the other researchers.

Rule 57. Subject to Section 6 of the IP Policy Article 11 of the IP Policy, the University's share of the Net Revenue shall be distributed as follows:

- |   |     |
|---|-----|
| (1) College (of where the author of IP is assigned; c/o College Dean) | 25% |
| (2) Tech Transfer Office (c/o URDEC)                                  | 50% |
| (3) Innovation Fund (c/o R & D Director)                              | 25% |

Rule 58. Subject to Section 5 Article 11 of the IP Policy, the researchers shall continue to receive their share under the following conditions:

- (1) Researchers who have retired or have severed their employment ties with University shall continue to receive their share within their lifetime for as long as there are royalties and revenues derived from the commercialization of the technology/IP/IPR;
- (2) In no case shall the researcher assign, convey, or transfer his/her right, title, or interest in and to the share in royalties.