



Department of
**Jobs, Tourism, Science
and Innovation**

Western Australian Government Intellectual Property Policy Review

Discussion Paper

October 2022



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Executive Summary

Intellectual property (IP) developed or owned by Western Australian Government agencies is a valuable asset with potential economic, social and environmental benefits for the community.

The core functions of Australian Government agencies often result in the creation of IP, which can include copyright protected publications, advertising material, artwork and photographs, training materials, software, computer programs and databases, inventions, plant breeder's rights, trademarks and designs. Between 2000 and 2020 it is estimated that WA Government accounted for approximately 0.14 per cent of the total patents, trademarks and plant breeders' rights granted nation-wide and approximately 12 per cent of the total registrations attributed to Australian Government agencies for this period.

In 2015, the current *Western Australian Government Intellectual Property Policy* (the WA Government IP Policy) was released following a review of the policy in 2012 undertaken by the then Department of Commerce. The Department of Jobs, Tourism, Science and Innovation (the Department) is undertaking a review of the WA Government IP Policy on behalf of the State and at the request of the Minister for State Development, Jobs and Trade. Under section 6(g) of the *Industry and Technology Development Act 1998* (WA) (the ITD Act), the Minister is 'to encourage and facilitate the commercialization of the intellectual property and other resources of departments of the Public Service or of State agencies or instrumentalities'.

The objectives of the review are to:

- Develop an updated WA Government IP Policy that reflects contemporary practice and encourages innovation;
- Provide guidance to public sector agencies on the use, development and management of IP, including through tools and resources; and
- Address overarching issues in the existing Western Australia operating environment including to prevent 'opportunity loss' for the State; increase the capacity to benefit from IP commercialisation revenue; attract and retain talent across the public sector; and promote the State industry.

Broadly, the purpose of the WA Government IP Policy is to guide WA Government agencies in the development, protection, management and use of IP and IP rights. The WA Government IP Policy is a whole-of-government policy that applies to the public sector as defined under the *Public Sector Management Act 1994* (WA) (the PSM Act), except for those entities listed under Schedule 1 of the PSM Act. It is envisaged that an updated WA Government IP Policy and supporting guidance tools will:

- Assist in facilitating positive economic outcomes and support the delivery of the WA Government's vision for a strong and diversified economy, including through *Diversify WA*;



- Support the development and growth of the State's priority sectors, facilitate jobs creation, attract investment to the State, and assist in building the State's reputation for innovation and entrepreneurial activity and establishing new revenue streams;
- Promote innovation across the Western Australian public sector and enable agencies to capitalise on opportunities to commercialise IP where they arise; and
- Incentivise, attract and retain talent across the Western Australian public sector.

About this Discussion Paper

The purpose of this Discussion Paper is to seek stakeholder feedback on proposed policy options for an updated WA Government IP Policy and seek to address identified barriers to innovation and IP development. The proposed policy options outlined in this paper have been developed in consultation with WA Government agencies with core functions that include research, innovation and the development of IP.

This Discussion Paper provides an outline of the following key issues and reform options:

- **Section 4: Proposed policy options**
 - Agency responsibilities
 - Ownership of IP
 - Commercialisation pathways
 - Benefit sharing arrangements
 - Rewards and incentives
 - Scope and application of the WA Government IP Policy
- **Section 5: Implementation options**
 - Online training and resource hub
 - Establish Community of Practice
 - Facilitate greater access to IP expertise
 - Establish central IP and commercialisation management office

The Department invites Government and Non-Government stakeholders with an interest in the development of an updated WA Government IP Policy to provide feedback on the policy and implementation options outlined in this paper. This feedback will be considered as part of the development of an updated WA Government IP Policy and assist in facilitating positive outcomes for the State.



Summary of proposals

This Discussion Paper outlines a series of potential policy and implementation options for stakeholder feedback. A summary of these proposals is outlined below:

Proposed policy positions

Agency responsibilities

- Agency responsibilities under an updated WA Government IP Policy to remain broadly consistent with current requirements.
- Under the proposed policy position, agencies will be encouraged to develop agency specific IP policies, maintain a register of IP assets and ensure that internal policies, specific guidelines and procedures meet responsibilities and obligations under the WA Government IP Policy. Agency level IP policies must be consistent with the intent of the WA Government IP Policy.

Clear IP ownership statement and guiding principles

- The updated WA Government IP Policy to provide a clear statement on IP ownership and guiding principles to assist agencies to determine whether ongoing ownership is appropriate in the given circumstances.
- Although the updated WA Government IP Policy will provide guidance on IP ownership, the general principle of ownership continues to apply. The updated WA Government IP Policy to specifically encourage agencies to clearly address IP ownership and rights in agreements and other commercial arrangements.

Clear commercialisation framework and supporting guidance

- The updated WA Government IP Policy to provide a clear commercialisation framework and supporting guidance to assist agencies determine whether commercialisation is appropriate and financially viable, and pathways to commercialise WA Government IP. The consideration, assessment and management of a comprehensive spectrum of risks and benefits to determine whether commercialisation is appropriate will also be addressed in the updated WA Government IP Policy. This will include the provision of guidance tools housed in a 'best practice toolkit'.
- Benefit sharing arrangements to be clearly addressed in the updated WA Government IP Policy consistent with best practice. Benefit sharing is a form of rewards which enables the sharing of net revenue from the successful commercialisation of IP distributed to relevant parties. The Department is seeking feedback on appropriate benefit sharing arrangements, drawing on experience from the Government and non-Government sector. The benefit sharing arrangement will stipulate conditions required to be met by parties.



Employee rewards and incentives included at high level

- The policy document *Encouraging Innovation by Government Employees: procedures for the payment of monetary rewards to innovative Government employees* to be rescinded and the matters of employee rewards to be included at a high level in the updated WA Government IP Policy.
- Agencies to retain flexibility for non-financial rewards and incentives for employees.

Scope and application of the IP Policy

- The scope and application of the updated WA Government IP Policy to remain consistent with the current approach. The WA Government IP Policy to continue to apply to agencies captured under the definition of public sector as per the *Public Sector Management Act 1994 (WA)* (PSM Act) and currently covered activities utilising Government resources, grants and contractual arrangements unless otherwise specified.
- The updated WA Government IP Policy to specifically encourage WA Government entities not captured by the PSM Act to consider the WA Government IP Policy in their use, development and management of IP.

Proposed implementation measures

Online training and resource hub

- Develop a web-based 'best practice toolkit' to provide clarity to WA Government agencies on key processes including where seeking to commercialise IP and assist in implementing any agency level requirements under the updated WA Government IP Policy.
- Establish a dedicated online IP training and resource hub.

Establish IP Community of Practice

- Build knowledge and expertise across the Western Australian public sector by establishing a community of practice comprised of WA Government agencies involved in research, innovation, invention and the development of IP.

Facilitate greater access to IP expertise

- Introduce more pathways for agencies to obtain appropriate advice by establishing a panel contract of IP specialists including patent and trade mark attorneys and commercialisation experts for use by WA Government agencies.
- Explore opportunities for increasing access of WA Government agencies to IP advisory services or expertise.



How to make a submission

You are invited to make a submission to this review. There is no specified format for submissions and you may:

- Respond to questions included in this paper (a complete set of questions can be found in the [Summary of discussion questions](#)); or
- Send an email or write a letter outlining your views.

You do not need to respond to every question. Where possible, please provide evidence to support your views such as relevant data, case studies or examples.

The closing date for submissions is **5pm, Friday 11 November 2022**.

Submissions can be sent to WAGovIPPolicy@jtsi.wa.gov.au.



1. Introduction to WA Government IP

Intellectual property (IP) developed or owned by Western Australian Government agencies is a valuable asset with potential economic, social and environmental benefits for the community. WA Government IP can include copyright protected publications, advertising material, artwork and photographs, training materials, software, computer programs and databases, inventions, plant breeders' rights, trademarks and designs.

1.1 Western Australian Intellectual Property Framework

WA Government owned IP is managed through a loose framework of provisions across different pieces of legislation. For example:

- the *Industry and Technology Development Act 1998* (WA) (the ITD Act) encourages and facilitates the commercialisation of State Government IP;
- the *State Trading Concerns Act 1916* (WA) and supporting regulations prescribe the IP related activities specific WA Government agencies may undertake; and
- the enabling legislation of certain WA Government agencies deal with the development and commercialisation of IP.

1.1.1 WA Government Intellectual Property Policy

Broadly, the purpose of the WA Government IP Policy is to guide WA Government agencies in the development, protection, management and use of IP and IP rights.

The WA Government IP Policy applies to the public sector as defined under the *Public Sector Management Act 1994* (WA) (the PSM Act), except for those entities listed under Schedule 1 of the PSM Act. Entities such as the Water Corporation are excluded from the current WA Government IP Policy but may have express statutory functions for the use and development of IP.

1.1.2 Incentives and rewards for innovative employees

Currently, financial rewards for innovative public sector employees are provided for under a separate policy, the 2003 *Encouraging Innovation by Government Employees: procedures for the payment of monetary rewards to innovative Government employees* (the 2003 Rewards Policy).

The 2003 Rewards Policy supports the payment of monetary rewards to innovative WA Government employees who make significant direct contributions to the creation or further development of IP. Financial rewards may only be awarded once an agency has received revenue from the commercialisation of the IP and may take the form of a fixed lump sum payment or a percentage of revenue or royalties. All rewards are paid via Act of Grace



payment provisions under the *Financial Management Act 2006* (the FM Act) and require the approval of the Treasurer.

The 2003 Rewards Policy also allows agencies to implement non-monetary reward systems to encourage innovation by public sector employees. For example, public acknowledgement, recognition and promotion.

2. Key issues under review

2.1 Opportunities

- Through the development of an updated WA Government IP Policy, and supporting resources for public sector agencies, the State seeks to facilitate beneficial outcomes through agency led innovation and commercialisation where appropriate and financially viable. The intent of the review is to develop a contemporary IP Policy Framework that aligns with best practice, facilitates positive outcomes and prevents ‘opportunity loss’, by providing:
 - Appropriate support and guidance tools for public sector agencies to further promote innovation and ensure the effective management of IP assets within the WA Government;
 - Greater guidance to agencies on IP management while giving flexibility to develop agency specific internal policies;
 - Clear pathways for commercialisation that enable agencies to capitalise on opportunities to commercialise IP where they arise;
 - Greater information regarding rewards to assist in attracting and retaining public sector talent; and
 - Guidance on how to better evaluate and communicate the success and value of Government IP.
- A contemporary and outcomes focused IP Policy may facilitate positive economic outcomes, strengthen local supply chains and support the delivery of the WA Government’s vision for a strong and diversified economy, as outlined in the State’s economic development framework, *Diversify WA*. Effective IP management and the commercialisation of IP where appropriate and viable, can:
 - support the development and growth of Western Australia’s priority sectors as described in *Diversify WA*;
 - facilitate job creation;
 - attract investment to the State;
 - assist to build the State’s reputation for innovation and entrepreneurial activity; and
 - establish new revenue streams.



- Implementation of measures to support an updated WA Government IP Policy, including guidance resources for WA Government agencies, may also assist in facilitating opportunities for collaboration across the public sector and with industry to benefit the broader WA economy and community.

Case study: *Anigozanthos* (Kangaroo Paw) breeding at Kings Park and Botanic Garden¹

The Kings Park Plant Development program has developed significant IP through its ownership of elite ornamental plant varieties, knowledge of complex breeding systems and the development of sophisticated plant propagation systems. Recognising opportunities to commercialise this IP enables the State to capitalise on attributes of Western Australia's unique flora including ornamental crops, essential oils and pharmaceuticals.

The Botanic Gardens and Parks Authority (part of the Department of Biodiversity, Conservation and Attractions) supports the Kings Park *Anigozanthos* breeding program by engaging with commercial partners who contribute funding in exchange for a first right of refusal to commercialise any varieties produced. This business model provides a path to market that could not be achieved using solely the Botanic Gardens and Parks Authority's own resources.

Since 2007, the *Anigozanthos* program has released seven cultivars for public sale, with many more in various stages of commercial development. The program is well placed to capitalise on the growing global interest in Western Australia flora and expand its markets locally, nationally and internationally.

2.2 Learnings

- In developing an updated WA Government IP Policy, the Department is considering learnings from other jurisdictions and sectors to ensure future policy development aligns with a contemporary approach to the use, development and management of IP.
- Stakeholder feedback to the Review to date, has highlighted that the current WA Government IP Policy does not provide sufficient guidance to WA Government agencies to effectively facilitate positive benefits from IP, including lack of clarity around pathways to commercialisation, which may lead to opportunity loss for the State.
- IP created within the WA Government potentially has a broad range of applications and wider benefits across the community, however the absence of clear policy guidance may lead to 'opportunity loss' for the State. It is anticipated that an updated WA Government IP Policy that provides clarity and guidance on best practice may contribute to a more positive operating environment for IP development in Western Australia.

¹ Case study provided by the Western Australian Department of Biodiversity, Conservation and Attractions.



- The following learnings provide examples where the State experienced opportunity loss in IP and the learnings that can be drawn to provide an updated IP Policy that assists in facilitating beneficial outcomes for the State.

Case study: Pink Lady® Apple

At the time of the development of the Pink Lady® Apple in Western Australia, the then responsible agency Agriculture Western Australia (AGWEST) did not seek any protection for the IP. As a result, AGWEST did not initially receive any income or royalties from the international use of the Pink Lady® trademark or from the propagation or the sale of Pink Lady® apples in Australia.²

Case study: Zenith Endograft³

An invention from Western Australia has saved thousands of patients' lives. The Zenith Endograft technology, invented by Professors Michael Lawrence Brown and David Hartley, repairs abdominal aortic aneurysms. The technology has since been licensed to an out of State company which manufactures and exports stents to global clients, which highlights the risk of lost IP, talent, jobs, industry and economic growth for the State.

2.3 Barriers

- Some stakeholders within the Western Australian public sector have identified the current WA Government IP Policy Framework as a barrier to innovation. Feedback has asserted that it does not encourage the commercialisation of IP generated by public sector employees. As a consequence, the State is not receiving maximum potential benefits from the ideas and inventions of public sector employees, or capitalising on linkages to broader reform agendas.
- Previous stakeholder feedback has identified that the current WA Government IP Policy:
 - does not provide sufficient information on IP ownership;
 - provides limited guidance for agencies with respect to the development, ownership, and use of IP; and
 - lacks guidance regarding commercialisation pathways.
- From stakeholder feedback there appears to be limited awareness or use of the current mechanism for financial rewards for innovative public sector employees under the 2003 Rewards Policy. Previous stakeholder feedback has noted that the employee rewards system does not provide the flexibility suited to the IP environment.

² World Intellectual Property Organisation (2018) *Report on IP Management by Government in Australia*, p.32.

³ Department of Jobs, Tourism, Science and Innovation, (2021), *Health and Medical Life Sciences Industry Strategy*, p10.



- Anecdotal evidence obtained during previous Western Australia reviews of the IP Policy also suggests that agencies seeking to commercialise IP have encountered difficulties due to:
 - limited access to expertise and legal advice to assist with the commercialisation process; and
 - costs associated with commercialisation including lodging protective instruments and budgetary impacts offsetting the revenue received.

3. Australian Governments and IP

Between 2000 and 2020 170,993 patents, 3,356 plant breeders' rights and 1,141,988 trademarks were granted in Australia, with applications originating from 153 countries⁴. Australian organisations accounted for 50 percent of the IP protections registered during this period (8 per cent of patents, 43 per cent of plant breeders' rights and 56 per cent of trademarks granted).⁵

The core functions and activities of all Australian Governments and their agencies often result in the creation of IP and it is estimated that at least 4 per cent of the patents and plant breeders rights granted from Australia between 2000-2020 were filed by government agencies⁶. It is estimated that at least 1.11 per cent of the patents, PBRs (Plant breeder's rights) and trademarks granted from Australia between 2000-2020 were filed by government agencies.

WA Government accounts for approximately 0.14 per cent of the total patents, trademarks and PBRs granted nation-wide for this period and approximately 12 per cent of the total registrations attributed to Australian government agencies.⁷

At the national level, Australian Government agencies have the highest number of IP protections granted during this period, with the CSIRO accounting for 90 per cent of all patents granted to Government agencies between 2000 and 2020.⁸ As Australia's primary scientific research agency, the CSIRO is one of the largest patent holders nationally. The CSIRO provides support for research and commercialisation including providing strategic advice, funding programs for researchers and start-up companies, promotion of licensing opportunities and linkages to identify investment and partnership opportunities. In 2021, the CSIRO provided more than \$35 million into the research and development of small to medium enterprise projects and raised \$265 million through a second CSIRO Innovation Fund to commercialise science.⁹

⁴ Figures reported based on data obtained from the [IP Australia Australian Intellectual Property Report 2021](#).

⁵ Ibid

⁶ All references to government agency IP should be regarded as approximations only. Information about government agencies has been compiled based on manual key word searches of IP Australia 2021 data sets and may not capture all relevant organisations.

⁷ [IP Australia, Australian Intellectual Property Report 2021](#).

⁸ Ibid

⁹ CSIRO, *Year in Review 2021*, p.6.



4. Proposed policy options

The following provides a broad overview of potential policy options for key elements of a new WA Government IP Policy.

The majority of Australian states and territories have implemented IP policy frameworks to support the management, development and commercialisation of IP across the Australian public sector.

The Department has considered the approaches taken by these jurisdictions with respect to the reward of innovative employees and the development, use and management of government owned IP when developing the proposed policy options outlined in this Discussion Paper. Stakeholder feedback is sought on the options proposed and the specific discussion questions for each proposal.

In addition, the WA Government IP Policy will provide practical guidance to agencies regarding:

- identification, protection and management of State owned IP;
- procurement of goods and services which may result in IP being created and the issue of IP ownership;
- use of third party IP;
- statutory licence under the *Copyright Act 1968* (Cwlth);
- grants or funding of IP development; and
- addressing IP in employment contracts.

4.1 Agency responsibilities

- It is recommended that agency responsibilities remain broadly consistent with current requirements under the current WA Government IP Policy.
- Under the proposed approach, an updated WA Government IP Policy would prescribe that those agencies captured under the PSM Act are required to ensure that internal policies, guidelines and procedures are in place to meet the intent, responsibilities and obligations under the WA Government IP Policy. This would include agencies being required to¹⁰:
 - Adopt procedures to identify and address issues including IP protection and confidentiality;
 - Adopt procedures to identify IP rights within physical works;
 - Maintain a register of IP assets'

¹⁰ Content modelled on guiding principles of *South Australian Intellectual Property Policy* (2017).



- Ensure officers are aware of and trained in relevant procedures;
- Seek and document appropriate legal, commercial and technical advice in relation to their policies, procedures and practices and significant decisions relating to IP.
- The updated WA Government IP Policy and guidance tools will also encourage agencies to consider the management of IP in a broader context when developing strategic and project plans to ensure that potential opportunities are identified and appropriately evaluated.
- Agencies will continue to be encouraged to develop agency level IP policies in alignment with the WA Government IP Policy.
- It is envisaged that this will assist with consistent reporting of IP across the public sector and build on existing mechanisms employed by agencies involved in the use and development of IP, including the use of IP registers and reward mechanisms. It is not proposed that agencies will be required to report their compliance with the responsibilities and obligations under the updated WA Government IP Policy.

Discussion questions

Are there any concerns or potential unintended impacts from the approach to agency responsibilities proposed for the updated WA Government IP Policy?

If an alternative approach is preferred, please outline what this includes and the rationale.

4.2 Ownership of IP

- The current WA Government IP Policy recognises that 'Government IP is a State asset'. However, it does not address ownership of IP in any detail and does not address situations where multiple parties are involved in the creation or development of IP.
- Other Australian state and territory IP policy frameworks provide that IP created by government employees in the course of employment is owned by agencies and the State, and in addition:
 - New South Wales, Queensland and the Australian Government specifically provide that ownership rights must be addressed in agreements and commercial arrangements.
 - To facilitate collaboration with third parties, South Australia also permits the negotiation of joint ownership rights in some circumstances.
- Previous stakeholder feedback has identified that WA Government agencies require further guidance on IP ownership in an updated WA Government IP Policy. The proposed policy is seeking to address this lack of detail in relation to ownership of IP and IP rights, particularly in employment situations where multiple parties may be involved.



- It should be noted that although the updated WA Government IP Policy can provide further clarity regarding IP ownership, the general principle in the employment context continues to apply. Under common law, generally the person who created the work is the owner of the IP. The exception to this is where the IP was created under a contract of service, including employment. Where IP is developed in the course of employment, it is owned by the employer unless agreed to the contrary. To avoid confusion over IP ownership, it is recommended that ownership be specifically addressed in employment contracts where IP is likely to be developed, for example contractors, consultants, seconded public employees.

Proposal: Clear IP ownership statement and guiding principles

- Under the proposed approach, it is suggested that the updated WA Government IP Policy addresses ownership of IP and IP rights in greater detail, as follows:
 - Clear statement on ownership of IP and IP rights is included at a high level in the updated WA Government IP Policy. The ownership statement will be consistent with the approach taken in other Australian jurisdictions and reflect general principles of IP ownership based in case law.
 - Key guiding principles are provided to specifically address IP ownership, including through the following guiding statements:
 - Agencies should consider whether their ongoing ownership of IP on behalf of the State, maximises benefits to the State;
 - Where the agency does not own the IP, access and reuse of that IP should seek to maximise public value, subject to any agreement or statutory requirements;
 - Negotiated rights to access or use IP may be considered to facilitate collaboration with third parties;
 - To provide greater clarity, employment agreements should clearly state duties of employees and assign all IP rights created during the normal course of employment to the employer; and
 - Where multiple parties are involved in a project, agencies should ensure that IP ownership and rights are clearly addressed where relevant in their agreements and other commercial arrangements.
- The updated WA Government IP Policy will provide an outline of factors to assist agencies to determine whether ongoing ownership of IP is appropriate in the circumstances, including:
 - Whether the IP is strategically valuable or business critical for the agency or Government in general;



- Whether the IP lends itself to being disseminated more widely or where the agency is seeking to encourage widespread use, including being published under Creative Commons licensing or similar open source licensing;
 - Where the agency is seeking to exclude use of the IP or to control or limit by way of licensing; and
 - Whether the ongoing cost of protection of IP may be prohibitive, and not justified in the circumstances.
- It is intended that the use of key guiding principles addressing IP ownership will retain flexibility for agencies within the current parameters of the legislative framework.
 - The updated WA Government IP Policy will also include specific reference to employment situations where IP is created by a consultant or other third party, with agencies encouraged to clearly address IP ownership in any contractual agreements.
 - Agencies will be encouraged to seek legal advice in relation to IP ownership. Potential implementation measures recommending access to expert advice are considered further under **Section 5**.

Discussion questions

Does the proposed policy approach for an updated WA Government IP Policy provide sufficient guidance for WA Government agencies regarding IP ownership?

Are there any concerns or potential unintended impacts from the proposed approach?

If an alternative approach is preferred, please outline what this includes and the rationale.

4.3 Commercialisation pathways

- The current WA Government IP Policy does not provide clear guidance for WA Government agencies on assessing whether commercialisation is appropriate, financially viable and the pathways and processes for the commercialisation of IP. Previous stakeholder feedback has identified this lack of guidance on commercialisation as a key issue and barrier to positive IP outcomes. In particular, it appears WA Government agencies would benefit from clearer guidance regarding:
 - when the commercialisation of IP should be considered and the factors that may be assessed as part of the decision-making process;
 - the available or preferred commercialisation pathways for WA Government agencies; and
 - the development of commercialisation proposals and management of related processes such as due diligence assessments, implementation plans and licensing negotiations.



- A key objective of this review is to develop an updated policy that facilitates the commercialisation of IP by WA Government agencies, where appropriate and financially viable, by providing clear guidance and accompanying tools and resources. This will address a clear gap in the current WA Government IP Policy, assist with facilitating positive opportunities for the State and align with the WA Government's economic diversification and jobs agenda to:
 - explore and develop new revenue streams.
 - reform existing frameworks to support the commercialisation of local inventions that can facilitate the development and growth of the State's priority sectors, including the health and medical life sciences industry.
 - increase collaboration between government, industry and the community to create jobs, diversify the economy and attract investment.

Approaches to commercialisation in other jurisdictions

- The majority of Australian states and territories encourage the commercialisation of government owned IP. Each state has a different threshold test for determining when the commercialisation of Government IP may be appropriate, as follows:
 - New South Wales¹¹ and South Australia¹² both provide that commercialisation may be considered where the benefits of commercialisation outweigh the benefits to the public of open access. Agencies must consider strategic priorities, powers, policies and procedures as part of this assessment;
 - In Queensland, an agency must be satisfied that the State is obtaining the maximum benefit from the commercialisation of IP;¹³ and
 - The Australian Government encourages agencies to be responsive to opportunities for commercial use and exploitation of IP, considering potential benefits that may be realised through the transfer of IP such as cost savings and the continued development of products and services by the private sector.¹⁴
- Victoria's model is the exception, where commercialisation to generate a financial return is generally discouraged unless the agency can demonstrate:
 - an explicit statutory function to do so; or
 - explicit authorisation by the Treasurer because of a clear net benefit to the Victorian community.¹⁵

¹¹ NSW Government Intellectual Property Framework 2020, pp 5, 17 and 19.

¹² Government of South Australia, Intellectual Property Policy (2017), p.3.

¹³ Queensland Public Sector, Intellectual Property Principles 2013 (Version 2), p.10.

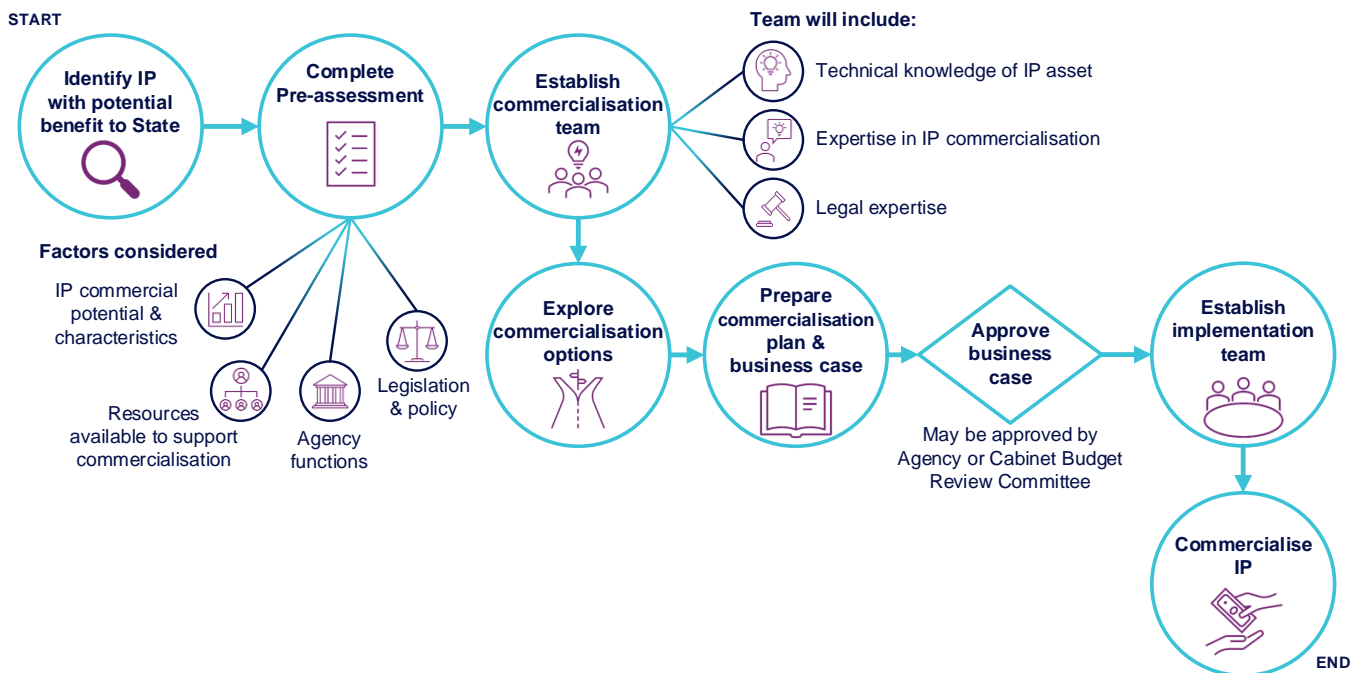
¹⁴ Australian Government, *Intellectual Property Principles for Commonwealth Entities*, p.9.

¹⁵ State of Victoria (Department of Treasury and Finance) (2019) *Intellectual Property Guidelines for the Victorian Public Sector*, Chapter 7.



- Victoria’s IP policy framework aligns with its broader initiatives to adopt an ‘open by default’ approach to the management of all public sector information on the basis that open access fosters creative, innovative and entrepreneurial activities.¹⁶ Under the Victorian model, priority is given to the granting of rights to the Victorian Government’s IP to third parties or the public to maximise its impact, value, accessibility and benefit. These rights are usually granted via a licence.¹⁷
- The South Australian model encourages the assignment or licencing of government-owned IP to third parties when better placed to develop and commercially exploit the IP to optimise public value and foster innovation.¹⁸ In some instances, IP may also be assigned to current or former staff for commercial exploitation subject to government receiving at least 5 per cent of any net financial returns.
- The Queensland and Australian Government processes in relation to commercialisation are mapped out below for reference. The approaches of these jurisdictions may provide a guide for an updated WA Government IP Policy and supporting guidance resources for agencies.

Figure 1: Overview of Queensland State Government IP commercialisation process



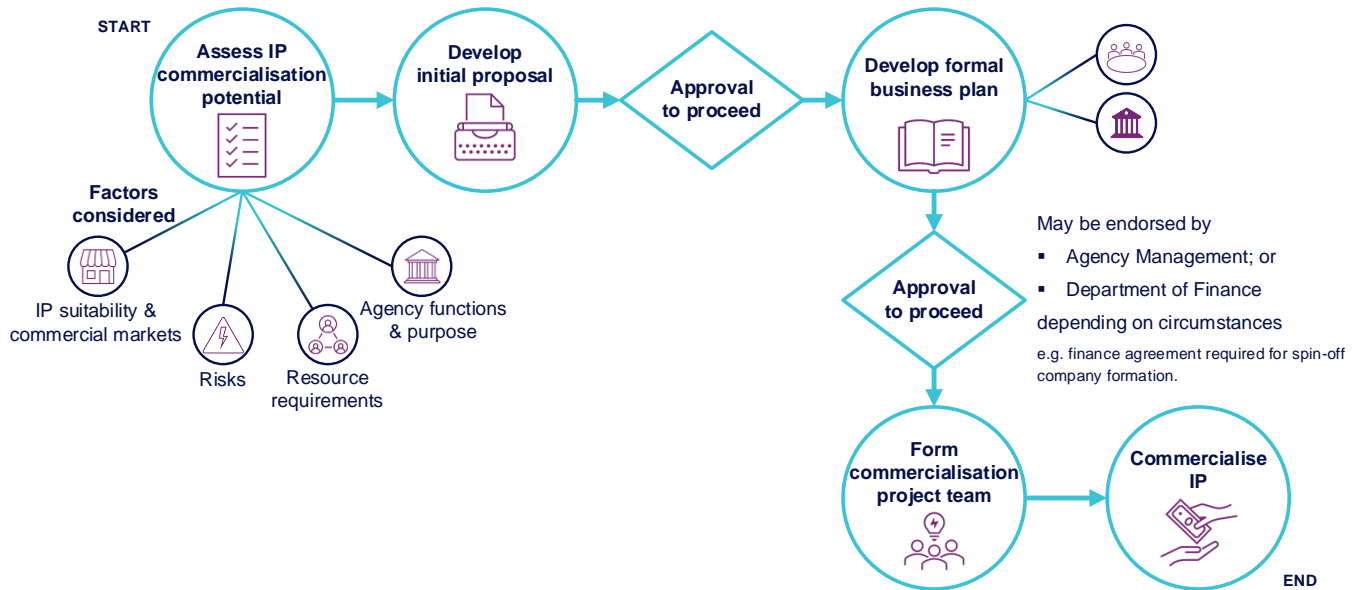
¹⁶ Economic Development and Infrastructure Committee (2009) Parliamentary *Inquiry into Improving Access to Victorian Public Sector Information and Data*, Victorian Auditor-General’s Office (2015) *Access to Public Sector Information*.

¹⁷ State of Victoria (Department of Treasury and Finance) (2019) *Intellectual Property Guidelines for the Victorian Public Sector*, Chapter 4.

¹⁸ Government of South Australia, Intellectual Property Policy (2017), p.3.



Figure 2: Overview of Commonwealth Government recommended commercialisation process



Proposal: Clear commercialisation framework and supporting guidance

- It is proposed that an updated WA Government IP Policy address commercialisation through key guiding principles and specific guidance outlined in the Policy and supporting guidance tools to assist agencies in determining whether to commercialise IP.
- The updated WA Government IP Policy would outline pathways to commercialisation and guidance for agencies in determining the appropriate pathway for the IP in question. It is intended that the updated WA Government IP Policy specifically outline different commercialisation pathways for agencies to consider depending on the type of IP, including the formation of joint venture arrangements or spin-off companies where certain conditions can be met. Any consideration of the formation of spin-off companies or joint venture arrangements will only occur after consultation with and advice from the State Solicitor's Office and other legal and commercialisation experts.
- The approach to commercialisation of IP under the updated WA Government IP Policy will require WA Government agencies to exercise due diligence in the assessment of risks. This will include the consideration of risks in determining whether it is appropriate to commercialise and the management of risks if commercialisation proceeds.
- As an example, the Australian Government approach to commercialisation recommends entities consider whether exposure to commercial risk is consistent with corporate purposes.¹⁹ In addition, agencies should adopt appropriate risk management

¹⁹ Department of Communications and the Arts, *Australian Government Intellectual Property Manual* (2018), p.15.



mechanisms to ensure government is only exposed to an acceptable and managed level of risk throughout the commercialisation.²⁰

- Guidance will be based on models of best practice, including drawing across practices from other Australian states and territories. The updated WA Government IP Policy and supporting guidance tools will include appropriate processes and factors to be considered by WA Government agencies in commercialising IP, including an assessment of risks.
- Under the proposed approach, the updated WA Government IP Policy would provide specific guidance to Western Australian public sector agencies in determining whether to commercialise WA Government IP. This would be based on best practice models of IP development and management and include the following resources to assist agencies:
 - How to conduct a commercialisation pre-assessment;
 - Guidance on undertaking a cost benefit analysis including consideration of the following factors in determining whether to commercialise:
 - Public health & safety;
 - Economic impact;
 - Risks associated with commercialisation;
 - Any impact on the State's innovation or technology ecosystem;
 - Social & community impact;
 - Environmental impact;
 - Commercial markets & competition; and
 - Availability of resources to support commercialisation.
 - Establishing a commercialisation team if proceeding (including technical and legal expertise);
 - Obtaining advice on commercial feasibility and options to manage IP;
 - Preparing a commercialisation plan and business case;
 - Establishing a project team to implement; and
 - Obtaining advice on the appropriate approvals process.

²⁰ Department of Communications and the Arts, *Australian Government Intellectual Property Manual* (2018), p.204.



- Previous stakeholder feedback has highlighted the importance of access to expertise on IP, including for commercialisation. Access to expert advice on commercialisation is further considered under proposed implementation measures in **Section 5** of the Discussion Paper.
- The proposed approach to commercialisation of Government IP in the updated WA Government IP Policy would also address potential impacts and benefits in line with broader reform agendas, including the growth of industry, research, innovation and jobs for the State. This is anticipated to assist agencies determine whether it is appropriate to commercialise IP in certain circumstances.
- Other jurisdictions may provide a guide for successful commercialisation frameworks that can be applied in Western Australia. For example, under Ireland's IP policy framework – known as the National IP Protocol - the primary objective of commercialisation is the creation of sustainable jobs, with the policy specifically taking an approach to maximise overall social and economic benefits rather than to the individual entity.

Discussion questions

What threshold test should WA Government agencies apply when considering whether to commercialise WA Government owned IP? If an approach used in one of the above mentioned Australian jurisdictions is preferred, please outline why this model should be considered for Western Australia.

Are there any additional factors or processes that would assist WA Government agencies in determining whether to commercialise that are not outlined above?

How should the assessment of risk be balanced against the potential benefits of commercialisation? What type of guidance would benefit WA Government agencies in assessing and appropriately managing these risks?

Should an updated WA Government IP Policy encourage the formation of spin off companies or joint venture arrangements? What factors or risk assessments should be taken into consideration by agencies in determining whether this is appropriate?

If an alternative approach is preferred to the proposed approach outlined above, please outline what this includes and the rationale.

4.4 Benefit sharing arrangements

- Both the current WA Government IP Policy and the 2003 Rewards Policy do not address arrangements for the sharing of benefits of commercialisation between parties (inventors, business units and the organisation). This Discussion Paper is seeking feedback on appropriate benefit sharing arrangements for the Western Australian public sector.



- Benefit sharing involves the allocation of shares of net revenue from the commercialisation of IP. Generally benefit sharing arrangements take the form of:
 - shares in revenue from the successful commercialisation of IP as agreed by the relevant parties,
 - royalty arrangements where parties are entitled to a share of revenue from the licensing of the IP, or
 - the realisation of equity shares from spin-off companies.
- Benefit sharing is also a form of reward or incentive for parties to develop significant IP. A further discussion on potential models of benefit sharing as a form of reward is included under **Section 4.5**.
- When determining an appropriate allocation of benefit shares, previous stakeholder feedback has highlighted that the one third split between parties (with one third applied to the business area that developed the IP) is understood and supported, particularly by those in the health, medical and research fields as a standard approach to benefit sharing.
- Where the inventor of the IP includes more than one party, generally the approach is that the share is distributed between all inventors by agreement. Where the IP is created through a collaborative research activity, joint venture or similar arrangement with a third party, agencies should ensure the agreed benefit sharing arrangement is specified in a written agreement.
- Where a clear benefit sharing arrangement is provided for in the IP Policy frameworks of other Australian jurisdictions, conditions stipulate requirements to be met and the form of the benefits shared between the relevant parties. In general, where this is stipulated, the approach of up to no more than one third of any net return for the employee has been preferred.
- The New South Wales Department of Health's IP Policy provides that where revenue results from the commercialisation of IP, the net proceeds are distributed as one third to the creator of the IP, one third to the department or section of the public health organisation which originated the IP and one third to the public health organisation.²¹ **Section 4.5** includes a further discussion on this model as a form of reward.
- It has also been suggested in previous stakeholder feedback, that the approach of the university sector to benefit sharing may be a useful guide across the public sector. Noting the differences between the university sector and the public sector more generally, the review is seeking feedback on learnings from the university sector to inform potential benefit sharing models. Generally, Western Australia universities have implemented benefit sharing arrangements that provide for 50 per cent of any net return from the successful commercialisation of IP to the creator of the IP and 50 per cent to the

²¹ Department of Health NSW, *Intellectual Property Arising from Health Research – Policy – NSW Department of Health* (27 January 2005), Policy Directive, p. 12.



university. Where there is more than one creator, the 50 per cent share is divided amongst these parties by agreement. The University of Western Australia provides a differing approach with the share of revenue based on the net proceeds of commercialisation as follows:

- Net proceeds of up to \$100,000 provides for a share of 85 per cent to the originators and 15 per cent to the university;
- Net proceeds over \$100,000 provides for a share of 50 per cent to the originators and 50 per cent to the university.²²
- The Department is considering all options for benefit sharing arrangements, including revenue sharing, royalty streams and equity sharing, to provide an appropriate and fair framework for the Western Australian public sector. While an updated WA Government IP Policy can provide overall guidance and parameters on appropriate benefit sharing arrangements for the Western Australian public sector, it may also be beneficial for agencies to implement a revenue sharing policy that provides how any revenue from the successful commercialisation of IP is to be shared.
- Where IP is successfully commercialised, an appropriate benefit sharing arrangement between all parties can also provide broader benefits. The following case studies illustrate examples of commercialisation models and benefit sharing arrangements that have resulted in positive outcomes for the State.

Case study: Joint venture arrangements to support IP development

The benefits of a collaborative approach to the development and commercialisation of IP in Western Australia is demonstrated by the success of research company OncoRes Medical Pty Ltd. In 2017, the research company was established to develop a hand-held imaging probe in collaboration with the researchers at the University of Western Australia (UWA), the Harry Perkins Institute for Medical Research and surgeons in the Western Australia health system.

To provide OncoRes with the required freedom to operate in the commercial space, the Department of Health established agreements with the parties involved to assign any IP rights that the WA Government Health Service Providers (HSPs) had in relation to the technology to the UWA. In exchange for this assignment of IP rights, the HSPs will receive a share in any financial benefit that might result either from the on-selling of the technology, or from any revenue generated by its commercialisation²³.

²² *Intellectual Property Policy* (28 April 2014), The University of Western Australia (www.uwa.edu.au/policy), p.8.

²³ Department of Health, Government of Western Australia (2019), *Intellectual Property Policy and Management in the WA Health System*.



Case study: Benefits from royalty sharing agreement²⁴

Professor Michael Lawrence Brown, a vascular surgeon and Mr David Hartley, an imaging radiographer developed the Endovascular Stentgraft in the 1990s while employed at Royal Perth Hospital. This invention was successfully commercialised in 1997 and manufactured for the global market.²⁵

The royalties from this device received by the East Metropolitan Health Service provided a funding source to establish two Professorial Chairs of Vascular Surgery and Radiology in 2015 and created the RPH Imaging Researching Fund which provides research grants for radiology related research in Western Australia.

Discussion questions

What is a fair and appropriate benefit sharing arrangement for the Western Australian public sector? Please outline any suggestions and their rationale.

Are there any factors or risks the IP Review should take into consideration in developing an appropriate benefit sharing arrangement?

4.5 Rewards and incentives

- The current WA Government IP Policy does not address the matter of employee rewards for innovative employees. As noted in **Section 1** of the Discussion Paper, currently the 2003 Rewards Policy stipulates the manner in which Government agencies can reward employees for developing or creating commercially valuable IP assets in the course of their work.
- Rewards can take the form of employee rewards or incentives and in addition, arrangements that provide for the sharing of net revenue from the proceeds of commercialisation of IP between the relevant parties. See **Section 4.4** for a broad discussion on benefit sharing arrangements.
- Key features of the current 2003 Rewards Policy include:
 - Rewards are paid via Act of Grace payments as provided for under section 80 of the FM Act and *Financial Management Regulations 2007* (the FM Regulations).
 - Financial rewards for public sector employees may only be awarded once an agency has received revenue from the commercialisation of the IP.
 - Decisions on payment of rewards to employees are made by the relevant Minister.

²⁴ [RPH Imaging Research Fund \(health.wa.gov.au\)](http://RPH Imaging Research Fund (health.wa.gov.au)), East Metropolitan Health Service, Government of Western Australia.

²⁵ www.cookmedical.com.au/history/ (accessed 8 June 2022).



- Rewards may be considered where the proposed recipient:
 - is a permanent or fixed-term Government employee (external contractors, consultants, judicial officers and persons on boards, councils or committees are ineligible under the current 2003 Rewards Policy);
 - is an outstanding innovator; and
 - has made a direct and significant contribution to the creation or further development of the IP asset.
- Current reward options provided under the 2003 Rewards Policy include:
 - Lump sum cash payment
 - Percentage of revenue or royalties
 - Periodic payment of fixed or variable amounts
 - Payment which ceases on termination of employment
 - Combination of fixed and revenue based payments.
- Any employee reward will be by an Act of Grace payment through the Treasurer after approval by the Executive Council. This was previously capped at \$250,000 unless approval of the Governor was obtained (recent amendments via the *Financial Legislation Amendment Act 2021* (WA) will remove the \$250,000 cap and requirement for Governor approval).
- Agencies can also put in place mechanisms for the provision of non-monetary rewards including recognition and public acknowledgement of employees.
- From stakeholder feedback there appears to be little awareness or use of the current mechanism for financial rewards for innovative public sector employees under the 2003 Rewards Policy. In particular, previous stakeholder feedback has noted that the current employee rewards system may not provide the flexibility suited to the IP environment.
- Where employee rewards are provided for in the IP policy frameworks of other Australian jurisdictions, conditions are prescribed for the payment of rewards. For example, the Queensland Government *Rewards for Creating Commercially Valuable Intellectual Property 2007* policy allows for the reward of public sector employees provided that:²⁶
 - certain conditions have been met including the IP was created in the course of employment and the ongoing satisfactory performance of the employee; and
 - positive revenue obtained from the IP asset; and
 - any cash payment is at the discretion of the relevant CEO; and

²⁶ Queensland Government, *Rewards for Creating Commercially Valuable Intellectual Property Directive*, 12 March 2007, p.3.



- the reward does not exceed certain limits (up to 33 per cent of the total positive return but cannot exceed \$20,000 per employee per year and \$100,000 total per employee).
- Similarly, the South Australian Government *Intellectual Property Policy* provides discretion to the relevant agency Chief Executive to determine financial rewards for public sector employees responsible for generating, developing and applying IP, provided certain conditions are met.²⁷ These conditions are outlined under **Section 4.5.2, Mechanism 2**.

Proposal: Rewards included at high level

- It is proposed that an updated WA Government IP Policy would see the 2003 Rewards Policy rescinded and the matter of rewards included at a high level. It is anticipated that including employee rewards in the updated WA Government IP Policy will facilitate greater awareness of the rewards framework for employees who create significant, inventive and valuable IP, and the IP commercialisation results in exceptional net revenue (Relevant Employees).
- The rewards model will provide for accountability and governance mechanisms to ensure appropriate safeguards and the mitigation of risks. As is consistent with the current approach, agencies will retain flexibility to determine appropriate non-monetary rewards and incentives for their employees.
- Mechanisms for the payment of rewards and sharing of revenue between the relevant parties will consider how this can be appropriately shared and reinvested to promote further innovation across the public sector.
- This Discussion Paper seeks feedback on the most appropriate reward model for the public sector and mechanisms for payment of rewards to Relevant Employees.

4.5.1 Models for employee rewards

- Three potential reward models for Relevant Employees and agencies are outlined below for stakeholder feedback and will be further informed by best practice.
- The three models outlined below maintain the current requirement that the commercialisation of IP must be completed and net revenue received prior to payment of a reward. This is consistent with the approach taken in Government IP Policy frameworks in other Australian jurisdictions.

²⁷ Government of South Australia, *Intellectual Property Policy* (28 September 2017), p.4.



Model 1: Employee monetary reward

- The provision of monetary rewards based on commercial success of inventions/innovations may assist in retaining and attracting employees.
- Monetary rewards would be limited to an individual or individuals who create significant, inventive and valuable IP and the IP commercialisation results in exceptional net revenue.
- The payment of monetary and other rewards to Relevant Employees will need to be balanced against community expectations regarding what are fair and reasonable rewards for public sector employees, as opposed to financial windfalls from publicly funded activities.

Model 2: Agency level reward – revenue invested in research and development within an agency

- Agencies retain commercialisation revenue which is invested in additional resources including staff time, facilities and extra staff, to enable Relevant Employees and their teams to pursue further research within the Agency.
- This model benefits Relevant Employees as it enables them to focus on research and development rather than this being supplementary to their general employment duties.
- This option may be particularly suited to agencies where IP development is a core element of their operations and business model, and is the result of team effort and agency investment over long periods.

Model 3: Sharing rewards

- This model recognises both individual and agency achievement through benefit sharing.
- Western Australian universities have implemented benefit sharing arrangements in relation to net return from successful IP commercialisation. The benefits are shared between the IP creator/s and a university. **Section 4.4** includes a further discussion on the approach of the university sector to benefit sharing.

A. Benefit sharing - Employee/s, Agency and Department of Treasury

- The 2012 review of the WA Government IP Policy recommended consideration of a net benefits sharing arrangement for employee rewards. Under this model, net returns from IP commercialisation would be shared between the agency, Treasury and relevant employees (eligibility criteria would apply).



- Anticipated benefits of this model include:
 - Providing rewards for extraordinary achievement for Relevant Employees;
 - Allowing for return to the State for investment in IP development; and
 - Encouraging an innovative culture within an agency.

B. Benefit sharing - Employee/s, Business Unit and Agency

- The New South Wales Department of Health's *Intellectual Property Arising from Health Research* provides that where revenue results from the commercialisation of IP, net proceeds are distributed as:²⁸
 - one third to the creator of the IP;
 - one third to the department or section of the public health organisation which originated the IP; and
 - one third to the public health organisation.
- This model stipulates requirements to be met and the form of the benefits shared between the relevant parties.

Discussion questions

What are community perceptions and expectations regarding fair and reasonable monetary and other rewards for Relevant Employees?

Are there any factors or risks the IP Review should take into consideration in developing reward and incentive arrangements?

4.5.2 Mechanisms to effect rewards

- The following is an outline of potential mechanisms to give effect to the payment of rewards to Relevant Employees.

Mechanism 1: Act of Grace Payment

Under this mechanism:

- Current Act of Grace payments provided for under section 80 of the FM Act and the FM Regulations are retained as the financial reward mechanism for Relevant Employees.

²⁸ New South Wales Department of Health (2005), *Policy On Intellectual Property Arising From Health Research In Public Health Organisations*, clause 5.5 (accessed 27 June 2022).



- Current eligibility criteria will continue to apply and agencies must comply with Western Australian *Treasurer's Instruction 319* for the payment of Act of Grace payments, as follows:
 - When recommending that the Treasurer or a Minister authorise an act of grace payment, an agency must provide adequate justification in writing as to why it is appropriate to make the payment;
 - An agency shall maintain a register of all act of grace payments made by it; and
 - An agency shall disclose all act of grace payments made by it during a reporting period in the annual report of the agency.
- This mechanism is subject to further consideration but may provide for increased flexibility given the removal of the \$250,000 cap on financial rewards and requirement for the Treasurer's approval only.
- Potentially, the existing Act of Grace payment provisions may provide the flexibility to support a variety of payment methods for employee rewards.

Mechanism 2: Greater agency discretion and flexibility

Under this mechanism:

- Key elements from other inter-jurisdictional models, primarily Queensland and South Australia, would be adopted.
- Queensland and South Australia allow for the payment of monetary rewards at the discretion of the relevant agency Chief Executive provided certain conditions are met.
- As an example, prescribed conditions for the payment of employee rewards could include the following:
 - Appropriate expert input is obtained;
 - Rewards do not exceed one third of any net financial returns;
 - Net revenue is received by the agency from the commercialisation of the IP; and
 - Rewards must comply with financial thresholds and approval processes similar to South Australia's *Treasurer's Instruction 8 – Financial Authorisations*.
- As an example of a potential model, both the Queensland and the South Australian rewards models are mapped below:



Figure 3: Overview of Queensland employee rewards model

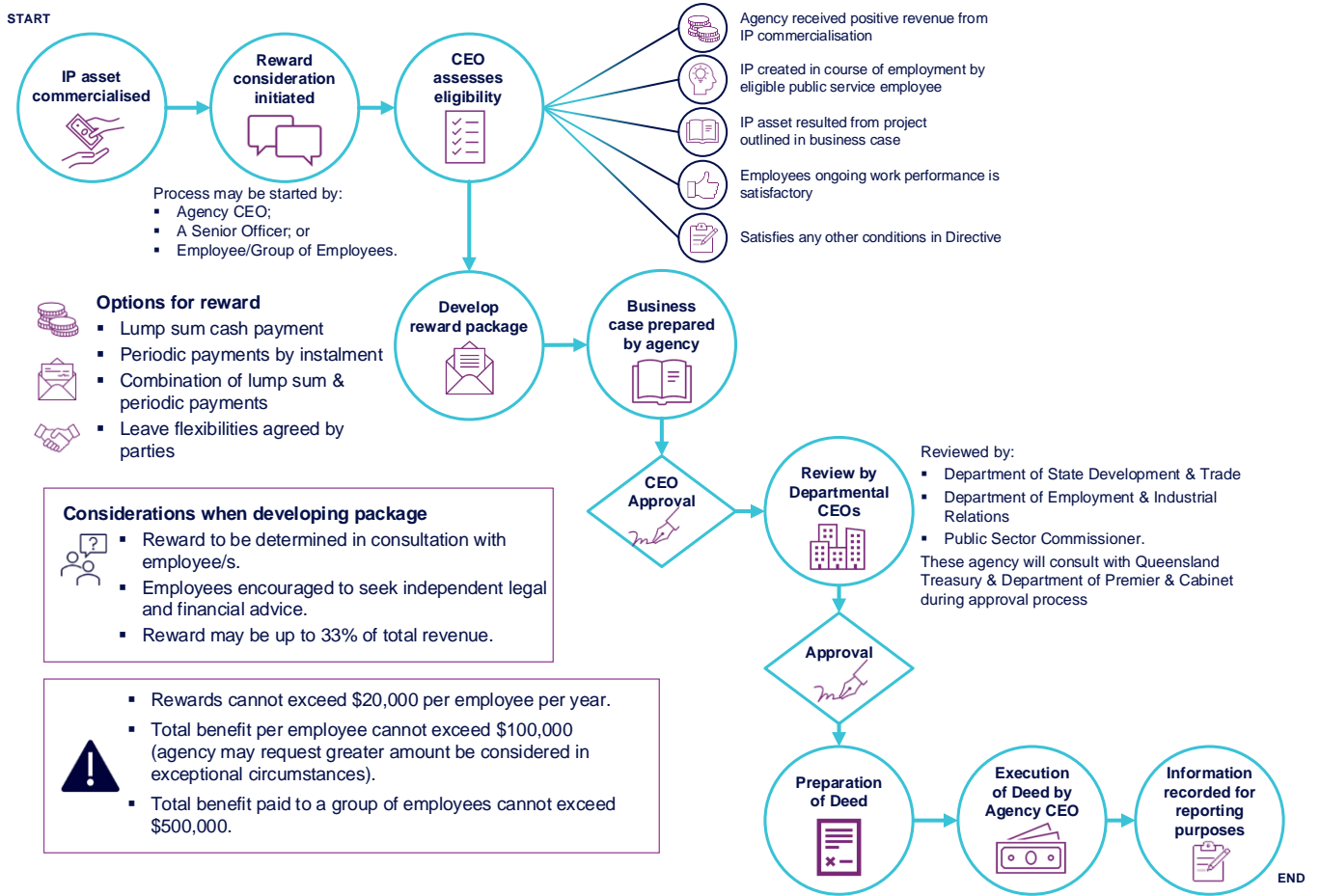
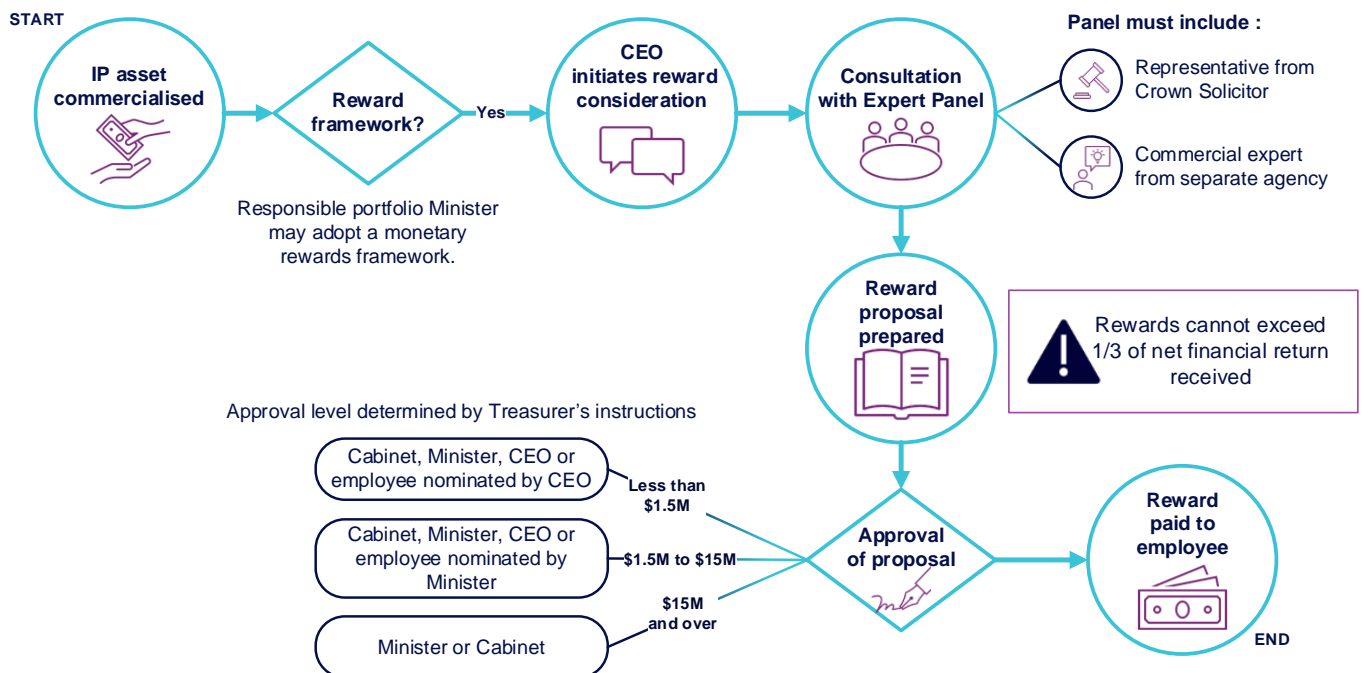


Figure 4: Overview of South Australian employee rewards model





Mechanism 3: Benefit Sharing of IP Commercialisation Revenue

The following mechanism may enable the sharing of net revenue from the commercialisation of IP between parties:

- The revenue from the IP commercialisation may be retained by an agency under their enabling legislation or authorisations under the *State Trading Concerns Act 1916* (WA) and the FM Act.
- An agency may allocate the commercialisation revenue to the agreed parties, including the Relevant Employees and/or business unit using the annual budget resource agreement process under the FM Act.
- The proposed resource agreement requires endorsement by the agency's portfolio Minister and agreement of the Treasurer.

Discussion questions

Are there any concerns with retaining the current Act of Grace payment mechanism to provide for the financial reward of Relevant Employees?

What other reward mechanisms would be suitable to the IP environment, for instance, greater flexibility of agencies to have greater discretion or control over the payment of rewards?

What other rewards mechanisms could be put in place to encourage invention/innovation across the public sector and attract and retain talent?

4.6 Scope and application of the WA Government IP Policy

- It is recommended that the scope and application of the updated WA Government IP Policy remain consistent with the current approach, as follows:
 - Applies to agencies captured under the definition of the public sector under the PSM Act, except for those entities listed under Schedule 1 of the PSM Act (including the Water Corporation).²⁹
 - Applies to activities utilising WA Government resources undertaken by the WA Government, recipients of WA Government grants and, collaborations under the contract (unless otherwise specified in contract).
- In addition, it is proposed that the updated WA Government IP Policy specifically encourages government entities not captured by the PSM Act to consider the WA Government IP Policy in their use, development and management of IP.

²⁹ The WA Government IP Policy applies to the 'public sector' as defined by the *Public Sector Management Act 1994* (WA) (PSMA) which includes all agencies (departments and SES organisations), ministerial offices and non-SES organisations. Health service providers under the *Health Services Act 2016* are included as non-SES organisations. Entities listed in Schedule 1 of the PSMA are excluded from its application.



Discussion questions

Does the proposed scope and application of the updated WA Government IP Policy pose any issues or concerns for stakeholders?

Are there any alternatives to the proposed scope and application of the updated WA Government IP Policy?

5. Proposed implementation measures

- A key recommendation of the previous 2012 review of the WA Government IP Policy was the development of guidance resources and tools to support WA Government agencies managing IP.³⁰ A web-based toolkit was proposed including checklists, standard templates, and training resources. The implementation of these guidance tools was not progressed at that time.
- This review seeks to remedy this issue and ensure supporting resources are available to WA Government agencies. A two-phase implementation plan is proposed to support the introduction of the updated WA Government IP Policy as follows:
 - Phase 1 will include a selection of web-based guidance tools and supporting resources for WA Government agencies. This 'best practice toolkit' will provide clarity to WA Government agencies on key processes including where seeking to commercialise IP and assist in implementing any agency level requirements under the updated WA Government IP Policy. This is likely to include checklists, standard templates, typical IP system descriptions and guidelines for staff induction, training and moral rights information.
 - Phase 2 will build on key learnings of the review to consider the recommendation of training and ongoing support resources for WA Government agencies.
- The Department is seeking stakeholder feedback on the proposals being considered as part of Phase 2 of the implementation plan.

5.1 Proposals for ongoing support of WA Government agencies

- Stakeholder feedback has highlighted a need to provide greater assistance and clarity for WA Government agencies about IP management issues, particularly when considering commercialisation opportunities. Feedback identified that provision of ongoing support for agencies will address long-standing barriers including the lack of:
 - An effective platform and associated programs to show case State innovations and licensing opportunities.

³⁰ Department of Commerce, *Review of the Western Australian Government Intellectual Property Policy 2012*, Recommendation 8, p.ii (released May 2012).



- Outward facing procurement experts to engage and negotiate commercial terms with potential IP licensees.
- Access to legal and IP expertise.
- A central IP management office to provide ongoing guidance to stakeholders.
- The following outlines the potential options under consideration by the review to support agencies working with IP. The options outlined are for stakeholder feedback and are subject to further consideration.

5.1.1 Proposal: Online training and resource hub

- Building upon the 'best practice toolkit' developed during Phase 1 it is proposed to establish a dedicated online IP training and resource hub. In addition to housing the 'best practice toolkit' the hub will:
 - provide e-learning and training courses specifically tailored to WA Government agencies;
 - publish case studies demonstrating common IP issues encountered by WA Government agencies;
 - provide opportunities for collaboration with industry innovators via online events and seminars;
 - include links to other useful IP resources and the WA and Australian Government's policies and initiatives.
- The online hub would also include links to a dedicated agency portal for a proposed IP community of practice. The Department has previously applied a similar online hub model successfully to support emerging businesses through the [New Industries Fund: Innovation hubs](#).

Discussion question

Are there any additional features that could be included in the online training and resource hub?



5.1.2 Proposal: Establish IP Community of Practice

- To build knowledge and expertise across the Western Australian public sector it is proposed to establish a community of practice comprised of WA Government agencies involved in research, innovation, and the development of IP. This community of practice would:
 - Promote IP development and innovation in the Western Australian public sector;
 - Provide a forum for public sector employees to network and share their knowledge, experiences and information; and
 - Foster best practice within agencies and facilitate potential cross agency collaborations.

Discussion questions

Would the establishment of a community of practice assist WA Government agencies developing and managing IP? Are the components of the proposed community of practice appropriate, or are there other factors that need to be considered?

Should membership of the community of practice be limited to WA Government agencies or include non-government stakeholders with an interest in research and innovation?

5.1.3 Proposal: Facilitate greater access to IP expertise

- The management and development of IP is a complex and specialised field. Feedback from WA Government agencies suggests that lack of access to expertise and legal advice is a significant barrier to IP commercialisation and contributes to opportunity loss by the State.
- The State Solicitor's Office currently has arrangements with law firms which provide agencies with access to specialist advice and expertise however introducing more pathways for agencies to obtain appropriate advice may allow the State to better capitalise on opportunities to develop and commercialise IP.
- The review of the WA Government IP Policy is exploring opportunities for providing WA Government agencies with increased access to IP expertise.
- One option would be to establish a panel contract of commercialisation experts and patent and trademark attorneys for use by WA Government agencies.
- In Victoria a specialist legal services panel has been established, providing Victorian Government agencies with an approved list of firms specialising in IP management.³¹

³¹ Department of Treasury and Finance, *Intellectual Property Guidelines for the Victorian Public Sector* (version 1), p.5 (March 2015).



Any services related to Crown copyright issues are provided by the Victorian Government Solicitor's Office.

- The establishment of a Western Australian panel for specialist skills such as patent and trademark attorneys and commercialisation services may:
 - assist agencies with respect to the development, management and commercialisation of IP; and
 - reduce the administrative burden for any agencies currently maintaining an individual panel contract for similar services.

Discussion questions

Would the establishment of an expert panel of patent and trade mark attorneys and commercialisation experts facilitate better outcomes for WA Government agencies?

What options could be considered to improve WA Government agency access to appropriate IP expertise?

5.1.4 Proposal: Establish central IP and commercialisation management office

- There are a variety of government services and programs to support and guide IP development and commercialisation by emerging businesses and private sector innovators. For example, the advisory service provided by IP Australia (Australian Government agency that administers IP rights and legislation) while applicable to government is targeted primarily towards private sector businesses.
- International jurisdictions such as Singapore and Ireland, have dedicated agencies (or departments within agencies) to support public sector agencies managing IP. These organisations partner with agencies to:
 - develop IP policies and strategies;
 - establish processes aligned with government objectives and best practice; and
 - support commercialisation projects and maximise benefits to the State.
- Currently, no Australian state or territory has established a centralised IP office to provide services to public sector agencies.
- To facilitate the growth and development of WA Government IP for the benefit of Western Australia it is suggested further support for agencies be provided in the form of a centralised IP and commercialisation office.



- The functions of this office could include:
 - Providing support and guidance for WA Government agencies with respect to the development, management and commercialisation of IP.
 - Assisting in the registration of IP protections by agencies.
 - Developing and maintaining guidance resources for the online training hub.
 - Managing training programs and the IP Community of Practice.
 - Collecting and publishing statistical information regarding WA Government IP.
 - Acting as an independent panel member in agency commercialisation and employee reward assessment processes and or dispute resolution.

Discussion question

Should access to the proposed advisory services be limited to WA Government agencies or expanded to include non-government organisations involved in the development of IP such as WA universities?



6. Summary of Discussion Questions

6.1 Agency responsibilities

- Are there any concerns or potential unintended impacts from the approach to agency responsibilities proposed for the updated WA Government IP Policy?
- If an alternative approach is preferred, please outline what this includes and the rationale.

6.2 Ownership of IP

- Does the proposed policy approach for an updated WA Government IP Policy provide sufficient guidance for WA Government agencies regarding IP ownership?
- Are there any concerns or potential unintended impacts from the proposed approach?
- If an alternative approach is preferred, please outline what this includes and the rationale.

6.3 Commercialisation pathways

- What threshold test should WA Government agencies apply when considering whether to commercialise WA Government owned IP? If an approach used in one of the above mentioned Australian jurisdictions is preferred, please outline why this model should be considered for Western Australia.
- Are there any additional factors or processes that would assist WA Government agencies in determining whether to commercialise that are not outlined above?
- How should the assessment of risk be balanced against the potential benefits of commercialisation? What type of guidance would benefit WA Government agencies in assessing and appropriately managing these risks?
- Should an updated WA Government IP Policy encourage the formation of spin off companies or joint venture arrangements? What factors or risk assessments should be taken into consideration by agencies in determining whether this is appropriate?
- If an alternative approach is preferred to the proposed approach outlined above, please outline what this includes and the rationale.

6.4 Benefit sharing arrangements

- What is a fair and appropriate benefit sharing arrangement for the Western Australian public sector? Please outline any suggestions and their rationale.
- Are there any factors or risks the IP Review should take into consideration in developing an appropriate benefit sharing arrangement?



6.5 Rewards and incentives

- What are community perceptions and expectations regarding fair and reasonable monetary and other rewards for Relevant Employees?
- Are there any factors or risks the IP Review should take into consideration in developing reward and incentive arrangements?
- Are there any concerns with retaining the current Act of Grace payment mechanism to provide for the financial reward of Relevant Employees?
- What other reward mechanisms would be suitable to the IP environment, for instance, greater flexibility of agencies to have greater discretion or control over the payment of rewards?
- What other rewards mechanisms could be put in place to encourage invention/innovation across the public sector and attract and retain talent?

6.6 Scope and application of the IP Policy

- Does the proposed scope and application of the updated WA Government IP Policy pose any issues or concerns for stakeholders?
- Are there any alternatives to the proposed scope and application of the updated WA Government IP Policy?

6.7 Proposed implementation measures

- Are there any additional features that could be included in the online training and resource hub?
- Would the establishment of a community of practice assist WA Government agencies developing and managing IP? Are the components of the proposed community of practice appropriate, or are there other factors that need to be considered?
- Should membership of the community of practice be limited to WA Government agencies or include non-Government stakeholders with an interest in research and innovation?
- Would the establishment of an expert panel of patent and trademark attorneys and commercialisation experts facilitate better outcomes for WA Government agencies?
- What options could be considered to improve WA Government agency access to appropriate IP expertise?
- Should access to the proposed advisory services be limited to WA Government agencies or expanded to include non-government organisations involved in the development of IP such as WA universities?