



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

Western Australian Government Intellectual Property Policy

2023





Document control

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Implementation and review

This Policy is effective from 22 May 2023.

This Policy replaces the *Western Australian Government Intellectual Property Policy 2015* and the *Encouraging Innovation by Government Employees: Procedures for the payment of monetary rewards to innovative Government employees*.

This Policy is subject to review at least every five years, or as deemed appropriate.



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1. Introduction

The Government of Western Australia is committed to diversifying the economy and creating avenues to support a knowledge based economy. As part of this, the Government seeks to encourage innovation and to properly manage the valuable assets that result from such innovation.

The Government seeks to attract and retain the best and brightest to the WA public sector. It is acknowledged that those who lead in their field across the WA public sector may seek to research, innovate and invent.

The Government acknowledges its role to support advances that may generate economic and social opportunities for the State. This includes providing appropriate pathways for innovative and inventive public sector employees to pursue research and development, supported by an intellectual property (IP) policy framework that facilitates WA Government agencies pursuing these broader objectives.

Supporting a culture of innovation across the WA public sector will help to ensure that creative works, innovations, inventions and discoveries and other IP generated are used to maximise benefit to the Western Australian community.

Purpose

The purpose of the Western Australian Government Intellectual Property Policy (the Policy) is to provide guidance to WA Government agencies in relation to the creation, protection, management, use and disposal of IP.

The intent of this Policy is to:

- provide a framework relating to IP creation, management, use and disposal of IP in Government;
- assist agencies to identify opportunities related to IP including to facilitate, where appropriate and financially viable, the commercialisation of State owned IP; and
- ensure that State owned IP is used to benefit the Western Australian community and encourage innovation to the fullest extent possible.

In applying this Policy, agencies should consider early in the IP creation process:

- whether an agency or third party is best placed to further develop the IP; and
- the opportunities to facilitate the maximum public benefit, transfer of knowledge or innovation from the IP.

Disclaimer: The guidance in this document should not be interpreted as or relied on as legal advice. Where appropriate, agencies should seek their own legal advice and have regard to any agency specific policies and legislative rights and requirements.



Policy objective and rationale

This Policy seeks to facilitate the capacity of agencies to effectively manage IP and maximise the benefits to the State from IP.

IP refers to the results of intellectual activity (creations of the mind) in the industrial, scientific, literary, artistic, musical and dramatic fields. IP is an intangible asset, and its value comes from the exclusive rights that the law gives to the owner of that asset.

Government agencies create IP when performing their services and functions. This IP includes copyright works, brands/trademarks, patents, inventions, new plant varieties, trade secrets and designs.

IP has significant value to the community, strategic importance and financial value. IP is an important and valuable asset, with potential economic, social and environmental benefits. The effective development, protection, management and use of IP across WA Government can assist in facilitating positive outcomes for the State, including:

- recognising the value of, and maximising the value in, State owned IP and IP licensed to the State;
- maximising benefit to the community by using IP consistent with the public interest;
- encouraging research and development;
- facilitating innovation across the public sector; and
- assisting growth of jobs and industry development.

Significant and valuable IP created in Government, and the appropriate commercialisation of this IP, can facilitate increased research and development, support the innovation ecosystem and have economic benefits for the State.

Legislative framework for IP management

State IP is managed through a framework of State legislation, including:

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

The *Financial Management Act 2006* (WA) and the *Financial Management Act (Net Appropriations) Determination 2022* include provisions that agencies should be aware of in their development and management of IP including for the retention of revenue from the disposal of IP assets.



2. Guiding principles of intent

WA Government agencies should have regard to the following principles when developing and managing State IP:

- Where appropriate and financially viable, consider the commercialisation of State IP;
- Consider public interest and principles of good government including accountability and transparency;
- Identify and facilitate opportunities to obtain the maximum social and economic benefit to the State from the IP;
- Consider where the creation, protection, management, use and disposal of IP can facilitate positive outcomes for the community and the State including through support of:
 - a strong and diversified economy;
 - development and growth of the State's priority sectors;
 - job creation;
 - attracting investment to the State;
 - building the State's reputation for innovation and entrepreneurial activity and establishing new revenue streams;
 - innovation across the WA public sector and enabling agencies to capitalise on opportunities to commercialise IP where they arise; and
 - incentivising, attracting and retaining talent across the WA public sector.



3. Scope and application

This Policy applies to the public sector, as defined by the *Public Sector Management Act 1994* (WA) (PSMA). This Policy does not apply to entities listed in schedule 1 of the PSMA. However these entities are encouraged to consider the Policy in the creation, protection, management, use and disposal of IP.

Where this policy refers to agencies, this includes the public sector as defined under section 3 of the PSMA.

This Policy applies to activities utilising State resources which are undertaken by agencies and their employees, contractors, grant or funding recipients, researchers, collaborative organisations and commercial bodies under the control of agencies (unless otherwise specified in any relevant contract).

Implementing the Policy

Agencies are required to implement the Policy's position statements except for **Section 8 - Employee Recognition for IP Development** which is discretionary and will depend on the particular circumstances of each agency. The Guidance material contained in this Policy provides general information designed to assist agencies to implement the position statements.

It is the responsibility of the Director General and the Chief Executive Officer (or their delegates) to ensure that this Policy is considered in the management of IP within their agency.

Agencies should ensure that this Policy is widely communicated and readily accessible to employees, contractors, funding and grant recipients, collaborators and others.

It is acknowledged that agencies will have different objectives and responsibilities which will impact on their treatment of IP as each have different functions, powers and operational requirements.

Given this, each agency is encouraged to develop its own internal IP policy and procedures. Any such policy should be consistent with this Policy, unless the agency's enabling legislation provides for specific IP rights and obligations, in which case those specific rights and obligations, if inconsistent with this IP Policy, will take precedence. More broadly, the common law and legislation will prevail over this Policy to the extent of any inconsistency.



4. Ownership of IP

Position Statement

The State owns IP rights created by its employees in the course of their employment. However, in some circumstances, agreements may be entered into to vary these arrangements.

Relevant employment, secondment and consultancy contracts should expressly address any research, invention and other such duties of employees.

IP ownership should be addressed in contracts between agencies and third parties that involve pre-existing IP or new IP. This includes procurement, grant, funding, research and collaboration contracts.

Where possible, business critical or IP required for core functions owned by the State should be retained.

The creation of IP by agencies and the acquisition of IP rights from third parties should be consistent with the responsible expenditure of public funds.

Where the State will not own the IP, the State's right to use the IP (licence terms) must be specifically addressed in all relevant contracts. The right to use the IP should be broad enough to cover the State's operational needs.

In determining appropriate arrangements for the ongoing ownership of IP, agencies are encouraged to consider who is best placed to further develop or commercialise the IP for maximum public benefit, and whether licensing, assignment or transfer arrangements will optimise these benefits.

Guidance

General

- Agencies should consider the following:
 - Establish processes to identify, record and clarify ownership of IP.
 - Ownership of IP should be specifically addressed whenever IP may be developed or acquired (for example, under terms of employment or other contractual arrangements).
 - Legal advice should be sought to ensure that ownership is sufficiently addressed early on in employment arrangements, agreements and collaborative projects where IP is likely to be created or developed.
 - Ownership of the IP may be transferred or assigned to the party that is best placed to further develop, release to the public (i.e. made freely available) or commercialise the IP, where this would result in maximum public benefit to the State.



Employees

- Agencies should ensure its employees are provided with information concerning:
 - ownership of IP developed by employees in the course of their employment or pursuant to the terms of their employment;
 - confidentiality obligations relating to IP creation; and
 - the requirement to comply with this Policy and internal policies, practices and procedures relating to IP identification, reporting, protection and management.
- Job description forms should specifically address IP creation aspects of a position and the obligation of confidentiality.
- Review employment contracts and job description forms for those positions which have, or should include, a function, role or duty to create IP.
- Where required, agencies should seek legal advice regarding the inclusion of terms relating to IP rights, confidentiality and moral rights consents in employment contracts, as relevant to their employment framework.

IP created by third parties

- Agencies are to ensure that contracts with third parties expressly address ownership of and rights to both new IP and pre-existing IP.
- If an IP licence would be inadequate for the particular needs of the State, agencies should acquire ownership of the new IP and, if relevant, a broad licence for third party owned pre-existing IP.
- Where the third party, not the State, will own the IP, the State's right to use new IP and pre-existing IP should be expressly addressed in a contract. The IP rights conferred on the State should permit the State to use and exploit the IP rights.

Funding and Grants

- Where a grant or funding is provided, agencies should ensure that all agreements address any rights to the IP that may arise as a consequence of the grants or funding.
- In situations where the recipient of the grant or funding retains ownership of the IP, the State may wish to secure a licensing arrangement where this is appropriate.

Collaboration agreements

- A WA Government agency may create IP by itself or in conjunction with another WA Government agency or other entity. This is typically through collaborative research projects or joint venture arrangements.
- Collaboration agreements with third parties should address ownership of pre-existing and new IP and the purposes for which the parties may use that IP.



- It is recommended that agencies consider licensing arrangements where multiple parties are involved in the creation or development of IP. This enables ownership of the IP to be held by one party who provides rights for the other parties to use the IP via a licence. These rights can be equivalent to ownership where this is required.
- Agencies may still seek to jointly own IP where parties are sharing costs and benefits of the IP or where all parties are seeking mutual rights to the IP.
- However, joint ownership can be high risk and will need to be well managed, with clear exit arrangements included during contract formation.
- Where an agency is considering joint ownership, it is recommended that legal advice is obtained prior to entering into any agreement, particularly where the arrangement is novel or where it is likely that the IP is to be commercialised. Agencies must ensure that all necessary approvals have been granted.

Ongoing ownership arrangements

- When determining appropriate arrangements for the ongoing ownership of IP, agencies are encouraged to consider whether State ownership will maximises the potential benefit of the IP.
- This may include consideration of whether:
 - the IP is strategically valuable or business critical for the agency or Government in general;
 - 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;
 - other parties are better placed to manage the costs and opportunities of IP management; or
 - seeking a licence may be more appropriate in the circumstances.
- Agencies may find it optimal to keep IP ownership but to licence the IP to enable effective commercialisation.
- If transfer or assignment is considered in the best interests of the State, agencies must ensure the process complies with standard WA Government disposal processes.
- Further information on disposal of IP is included under **Section 7** of this Policy.



5. Management and protection of IP

Position Statement

The effective management and protection of IP recognises the importance of IP as an asset with benefits for the State.

Agencies are to manage IP in a responsible, lawful, efficient and effective manner for the benefit of the Western Australian community.

IP related decisions, actions, procedures and processes of agencies are to be transparent, accountable, auditable and consistent with the law, this Policy and other relevant Government policies.

Agencies are to ensure that internal policies, guidelines and procedures are in place to meet the intent, responsibilities and obligations outlined under this Policy.

Guidance

Agency Responsibilities

State owned IP

- Actively manage IP that is critical to deliverables or core functions, requires risk management or that is registered, or requires registration, in order for the IP to be protected.
- Ensure IP related risks are known, adequately managed or minimised and are acceptable to the State.
- Respond to breaches of State IP rights where appropriate in order to maintain the State's reputation or the value of its IP.
- Ensure that relevant contracts address third party use of pre-existing State owned IP and set out the licence terms governing such use and address ownership of any new IP.
- Ensure that any confidentiality obligations imposed upon the agency or their employees are consistent with section 81 of the *Financial Management Act 2006 (WA)* and any laws and Government policies relating to transparency and accountability in Government contracting.

Third party IP

- Comply with IP licences granted to the agency by third parties.
- Ensure the agency's use of third party IP respects the owner's IP rights, avoids infringement and is consistent with the law and any contractual obligations.
- Ensure relevant contracts address the State's rights to pre-existing IP owned by third parties and also address whether any new IP should vest in the third parties or the State.



Management

- Where possible, reasonable and practicable, grant rights to State owned IP that is not being commercialised with the fewest possible restrictions, except for reasons of privacy, confidentiality, public safety, security and law enforcement, public health and compliance with the law.
- Agency internal policies and procedures should clearly identify the key decision making authority required for IP related decisions and approvals.
- Agencies should adopt a common sense approach to determining the significance of IP and management requirements. Relevant issues for consideration may include:
 - IP value (financial, strategic or public);
 - significance of the IP to the operations of the agency;
 - contribution of the IP to achieving the agency's or the State's objectives;
 - whether the IP is registerable;
 - whether use of the IP infringe third party IP or the law if mismanaged;
 - relevant legislation, policies and standards (including accounting standards);
 - commercialisation, or potential for commercialisation, of the IP;
 - resources and/or expenditure invested in creating, protecting and managing the IP; and
 - risk of loss (including reputational risk) to the State if the IP is not protected or managed appropriately.

Identify and record IP

- Agencies should:
 - establish and maintain processes to identify and record IP owned, controlled or used by an agency;
 - identify IP developed by employees, contractors, collaborative organisations and researchers;
 - record information relating to IP development including IP creator/inventor and the date of creation/invention; and
 - periodically conduct IP audits.
- It is recommended that agencies establish and maintain IP registers. As a minimum, an IP register should include IP that has financial, operational, strategic or public value or requires statutory registration and renewal.
- Information to be recorded in an IP register includes:
 - nature of the IP;
 - registered IP rights;
 - unregistrable rights such as works;



- circumstances relevant to IP creation including:
 - the employees or third party involved;
 - when IP creation occurred;
 - the purpose of IP creation; and
 - funding;
 - details of where the IP material is located and how it is secured;
 - contact person/s details;
 - registration expiry/renewal dates; and
 - if relevant, IP commercialisation or disposal details.
- Refer to *Treasurer's Instructions* or financial management policies, if issued, for information regarding obligations to record or report on IP assets.

Confidentiality, protection and enforcement

- Some forms of IP require registration to create IP rights and to obtain protection for that IP (for example, for patents and registered trade marks) whereas other forms of IP (for example copyright and trade secrets) do not require registration.
- Publicly disclosing or using IP such as an invention, innovation, new plant variety or trade mark before an application for registration of that IP has been lodged could destroy or reduce the value of that IP and may also result in the opportunity to seek protection for that IP being lost.
- Agencies are required to:
 - consider whether the IP rights require registration;
 - take reasonable and appropriate action to ensure that operational or commercially valuable IP is suitably protected which may include registration (and renewal) of trade marks, patents, designs and plant breeders' rights or other protective measures such as confidentiality agreements; and
 - obtain domain or business names rights for an online presence or trading activities, as required.



- Agencies should seek legal advice if:
 - It suspects or becomes aware that it or its employee may have infringed a third party's IP.
 - If State owned IP is infringed by a third party. It is important to act quickly where there is an actual or suspected infringement, particularly where the IP involves confidential information or is a trade secret, to prevent further dissemination or use of that information.

Review

- An agency should periodically:
 - review and evaluate the ongoing use, value and associated risks of State owned IP and third party IP licensed to the State;
 - review IP protections by assessing the need for renewal or whether other protective measures should be implemented; and
 - consider whether third party IP licensed to it is still required (or is no longer required) and follow the relevant process set out in the licence to renew (or allow to expire).

Training and human resources

- Agencies should:
 - provide suitable training and information to employees regarding IP; and
 - implement measures to ensure legislative, contractual, Policy and internal policy compliance.
- Agencies should be vigilant in relation to conflict of interest issues. This includes ensuring that:
 - Employees are informed of their obligations to avoid conflict of interest, to immediately declare any conflict of interest and to inform their employer if they become aware of any conflict of interest in the workplace;
 - Employees, when commencing or ceasing employment, are informed of their obligations in relation to IP and confidentiality;
 - Employees are required to disclose whether they are the owner or licensee of IP rights which may be relevant to the agency's; and
 - Conflict of interests are assessed and managed appropriately.

Contracting with third parties

- The IP rights required to meet current and future operational needs of an agency and, if relevant, other Government agencies, is a fundamental consideration when contracting with third parties.



- Agencies should ensure that:
 - Contracts are in writing, signed by the parties and clearly address pre-existing IP and new IP ownership and licensing;
 - Moral rights consents are obtained where relevant;
 - Contracts are actively managed and monitored to ensure that contractors vest, assign or licence IP to agencies in accordance with contractual terms;
 - When procuring goods and services which have an IP component, the procurement is consistent with the *Procurement Act 2020 (WA)* and the Department of Finance's guidance materials have been considered; and
 - A contractor has sufficient resources and insurance to meet potential liabilities to the State.
- For the procurement of lower value goods or services where the IP is not considered essential, agencies are encouraged to adopt a position in favour of the IP vesting with the contractor/supplier and the State receiving a perpetual, irrevocable, world-wide (if required), royalty free, fully paid up licence to all IP ownership rights (i.e. a right to sub-licence and where appropriate, a non-exclusive right to commercialise). It is recommended that this also apply for the procurement of Information and Communication Technologies (ICT).
- Agencies are encouraged to consult relevant Department of Finance guidelines and contract terms for new and pre-existing IP in procurement.

Use within Government

- Subject to relevant considerations, agencies are encouraged to share their IP with other agencies and consult regarding access to the IP.
- Considerations relevant to sharing IP with other Government bodies include:
 - legislative and policy restrictions;
 - removing any personal, sensitive and confidential information;
 - ensuring that third party IP rights are not infringed; and
 - suitable arrangements are implemented e.g. a memorandum of understanding between Government departments.

Open access

- Agencies may provide open access to IP assets where this is considered appropriate. This may include where this will generate public value, encourage the transfer of knowledge or lead to innovative outcomes.
- In assessing whether open access is appropriate, the commercial or operational value of the IP should be considered.



- Agencies must ensure the granting of open access complies with relevant laws and policies.

Aboriginal cultural and intellectual property

- Aboriginal Cultural and intellectual property (ACIP) refers to the rights that Aboriginal people have in relation to all aspects of their cultural heritage including, but not limited to, culturally significant designs, cultural practices, traditional knowledge, cultural objects, ceremonial sites, and other forms of cultural expression.
- Agencies are encouraged to consider and recognise ACIP where this is appropriate, including through adopting relevant cultural protocols and culturally sensitive processes, particularly in relation to consent, consultation, attribution and recognition.



6. Commercialisation

Position Statement

The commercialisation of State owned IP rights may contribute to beneficial outcomes for the Western Australian community and the State.

Where there is a clear net benefit to the State, an agency may commercialise its IP rights providing it has statutory power under its enabling legislation or the *State Trading Concerns Act 1916 (WA)*.

Agencies are encouraged to consider commercialisation of IP where it is considered appropriate, lawful and financially viable following an appropriate risk assessment, and where commercialisation will achieve maximum public value.

In considering whether to commercialise IP, agencies should look to achieve the maximum public benefit. This should include a consideration of who is best placed to further develop and commercialise the IP – whether this is within Government, by an employee or third party.

The creation of significant and valuable IP is often a collaborative effort and the result of the time and resources of various parties. Where IP created in Government is successfully commercialised, the agency may provide for an appropriate benefit sharing arrangement between all relevant parties.

Guidance

- The benefits of IP commercialisation may include raising revenue, enhancing local industry opportunities, reducing risk, improving national and international competitiveness and promoting a reputation which attracts further development of innovative and inventive solutions to Western Australia.
- Agencies are required to consider the following to determine whether it is appropriate to commercialise State IP:
 - Benefits of commercialisation must outweigh the benefits to the public of open access to State owned IP.
 - Commercialisation must not be to the detriment of service delivery or the exercise of an agency's functions.
 - Competitive neutrality principles and the potential impact on the industry relevant to or affected by the commercialisation is undertaken by Government.
 - Commercialisation aligns with the agency's strategic priorities.
 - The IP has sufficient commercialisation potential to support necessary investment of resources.



- The agency either owns the IP or has the legal right to exploit the IP under a licence from the owner.

Risk and viability assessment

- If considering commercialisation of State owned IP rights, agencies should conduct a commercialisation pre-assessment to determine whether the commercialisation is appropriate and financially viable. This pre-assessment should include:
 - comparison of the benefits of commercialisation against the benefits to the public of open access to State owned IP;
 - whether the agency owns the IP or has the legal right to exploit the IP under a licence from the owner;
 - whether the agency has the statutory power and relevant Government approvals;
 - whether the IP has sufficient commercialisation potential to support the necessary investment of resources by the agency;
 - a thorough cost benefit analysis;
 - evidence of a commercial market for the IP;
 - consideration of commercialisation models;
 - a thorough consideration of risks (including minimisation of risk);
 - the estimated costs of commercialisation (direct and indirect, initial and ongoing);
 - resource requirements;
 - development of a business plan; and
 - project management and implementation.
- Additionally, agencies should, preferably in the pre-assessment stage, undertake:
 - a thorough assessment of the skills and management capability of employees and any third parties who may be involved in IP commercialisation and address any shortfalls or risks in those capabilities;
 - seek relevant expert and legal advice; and
 - engage with other agencies that may have specialised knowledge, expertise or experience which could be of assistance.

Commercialisation pathways

- Commercialisation pathways have different benefit and risk profiles. Agencies should obtain legal advice on IP commercialisation.
- There are a variety of IP commercialisation pathways ranging from undertaking the commercialisation in-house to disposal. Options that agencies may pursue include through joint venture arrangements, spin off companies and assignment or licensing to a third party.



- Alternatives to an agency undertaking commercialisation include:
 - appointing a third party to provide commercialisation services;
 - licensing the IP to a third party to commercialise;
 - assigning the IP to a third party.
- Where the IP is assigned or licensed, agencies must ensure:
 - assignment or licence is for valuable consideration; and
 - associated risks and costs are borne by the third party to the fullest practicable extent.
- If commercialisation opportunities will be offered to third parties, agencies should consider an open, fair and competitive process to obtain the best outcome for the State. As part of this process, agencies may consider potential arrangements that will enable ownership of IP to be returned to or purchased by the inventing party in circumstances where the original commercialisation is not successful.
- **Section 7** of this Policy set outs further information on disposal of IP including assignment and licensing.

Agency Responsibilities

- When undertaking commercialisation of IP, agencies should:
 - ensure that all required approvals for the commercialisation activity have been granted by the appointed decision making authority;
 - undertake rigorous project planning and management;
 - conduct the IP commercialisation in a timely and competitive manner;
 - ensure confidentiality is maintained prior to and during the commercialisation process, including through the use of confidentiality agreements, before disclosing any information regarding the relevant IP rights;
 - ensure that employees make conflict of interest declarations at regular intervals and that conflicts of interest are identified and mitigated;
 - ensure that commercialisation rights and obligations are clearly and exhaustively addressed in written contracts; and
 - maintain adequate records to enable internal and external scrutiny including records concerning the actions taken by an agency to commercialise IP and the details of expected benefits from that commercialisation.
- To maximise opportunities to commercialise IP, agencies should ensure they establish processes to support public sector employees to correctly identify and manage IP.
- Agencies must seek relevant expert and legal advice early in the commercialisation process, including when selecting a commercialisation pathway. Expert advice can include advice from the State Solicitor's Office an agency's in-house legal counsel, consultants or other agencies with specialised knowledge or expertise. Agencies may



also seek advice from patent attorneys, commercial advisors or consultants, technical advisors at the protection and management stage.

Revenue retention

- Revenue from the disposal of IP including commercialisation may be retained by agencies that have specific legislative rights. Currently, the *Financial Management (Net Appropriations) Determination 2022 (WA)* allows for the retention of an amount less than \$15,000 annually. The Treasurer can authorise an agency to retain additional revenue.
- Agencies should discuss the retention of income and distribution with their budget analysts at the Department of Treasury in the first instance and do so early in the commercialisation process.
- Agencies should develop procedures for the treatment of commercialisation revenue and the seeking of net appropriation approvals.

Sharing benefits

- Agencies should consider in advance how they might share any benefits arising from the potential commercialisation of IP with relevant parties. Benefit sharing may take the form of royalty payments, equity shares in a spin out company or joint venture arrangement or licensing revenue.
- Prior to the distribution of benefits to the relevant parties, agencies should deduct any establishment costs and protection costs from the net proceeds of commercialisation. This may also include any other agreed costs and shares paid out to any external parties in accordance with prior agreement.
- Before entering into a benefit sharing arrangement, agencies should seek expert advice and ensure that all necessary approvals have been granted.
- An agency may seek, as an option, to distribute revenue shares via a revenue sharing arrangement or via a licensing arrangement with the creator/s of the IP.

Agreements with Third Parties and contractors

- Commercialisation agreements with third parties should include best commercial terms for the sharing of any potential benefits from the successful commercialisation of IP.
- Agencies should consider the relative contribution to the successful commercialisation made by the relevant parties, and ensure the State receives a fair and effective share.
- Where the agreement is to share benefits with contractors, it is recommended that agencies could consider a benefit sharing model that provides for a share of up to one third of the benefits from the commercialisation of IP.



Public Sector Employees

- In cases where employees are outstanding innovators or inventors, and have made a direct and significant contribution to the creation of original and commercially valuable IP, agencies can consider some form of financial or non-financial benefit as a form of employee reward.
- The payment of a financial reward, including a benefit share, to a public sector employee may be authorised as an act of grace payment by the Treasurer (or Minister under delegated authority up to \$250,000) under section 80 of the *Financial Management Act 2006* (WA).
- If such payments are appropriate, agencies could consider recommending to their Minister sharing the proceeds between the parties on a one third basis between the relevant parties. Under this suggested approach, proceeds are shared between the relevant parties on a percentage basis, for example as follows:
 - Up to one third to the inventor/s of the IP;
 - Up to one third to the business unit which originated the IP; and
 - The remainder (at least one third) to the agency.
- Other employee reward options are discussed in **Section 8** of the Policy.
- Any benefit sharing arrangement that involves a monetary payment to a public sector employee would need to adequately acknowledge that the Treasurer or relevant delegated Minister retains discretion on the final payment in accordance with the *Financial Management Act 2006* (WA).
- **Note:** There is no legal entitlement for benefit sharing with employees and this Policy does not create any legal entitlement. Agencies should consider the individual circumstances of each commercialisation opportunity and the merits of different benefit sharing arrangements.



7. IP Assignment, Licensing and other forms of Disposal

Position Statement

Agencies may dispose of State IP where appropriate and where it provides a clear benefit to the State.

Disposal of IP rights must comply with relevant legislation including an agency's enabling legislation and the *State Trading Concerns Act 1916 (WA)*.

Disposal of IP rights should be in a manner that is lawful, open, accountable, ethical, efficient and where practicable, competitive and maximise a value outcome for the State.

Guidance

Application

- This section of this Policy relates to IP rights which:
 - are owned by an agency; or
 - an agency has the legal right to exploit under a licence from the third party owner.

Considerations

- It may be appropriate for an agency to dispose of State IP in certain circumstances and where the disposal will result in benefits to the State including reduced costs, management of risk, revenue to the State and community access to IP.
- In considering whether it is appropriate to dispose of IP rights, agencies should consider:
 - whether the IP rights are being used by any Government bodies;
 - the impact of disposal of IP rights on its functions and operations, other Government agencies and the Western Australian community;
 - whether disposal of the IP could have anti-competitive consequences including where the disposal may have the effect of substantially lessening competition;
 - competitive neutrality issues;
 - whether the agency is likely to pursue the further development or commercialisation of the IP;
 - whether disposal will maximise public benefit and be in the public interest;
 - whether there is another party best placed to further develop or commercialise the IP;



- the value of the IP rights; and
- the likely benefits, risks and costs of disposal.
- In determining whether assignment, licence or transfer will be for the benefit of the State, agencies are encouraged to consider whether it will:
 - Facilitate and support development of the IP for the benefit of the community.
 - Support development and growth of the State's priority sectors.
 - Facilitate job creation.
 - Attract investment to the State.
 - Assist to build the State's innovation ecosystem.
 - Provide other economic, social and/or environmental benefits.

Assignment and licensing considerations

- Subject to law and legal requirements agencies may assign IP or grant a licence to commercially exploit the IP to current or former WA public sector employees or other third party, subject to certain conditions and considerations, including where doing so:
 - will be for the benefit of the State, including where it will maximise public value or increase innovation;
 - provides for an appropriate return to the State;
 - conflict of interest are managed where the assignment or licence is to a current public sector employee; and
 - provides for the associated risks and costs to be borne by the third party to the fullest extent possible.
- Agencies should assess whether a proposed assignee or licensee of State IP rights is a suitable recipient. This assessment should take into account all relevant factors including:
 - a recipient's past performance;
 - whether the recipient will be able to make effective use of the IP for the purpose for which it is proposed to be assigned or licensed; and
 - the recipient's ability, skills, management capability and financial standing.
- IP which contains confidential or personal information, is strategic, sensitive or incorporates third party IP rights should not be disposed unless:
 - relevant approvals have first been obtained; and
 - it accords with legal advice.



- IP which is required for operational or other purposes of an agency or which could be used by other Government bodies should not be:
 - assigned; or
 - licensed to a third party without the agency first obtaining legal advice.
- Where IP commercialisation is inappropriate and the State owned IP is not required for operational purposes or does not have strategic or other importance, disposal may be in the least restrictive legal manner suitable in the particular context. For example:
 - assignment to a not-for-profit organisation to improve services in Western Australia; or
 - Creative Commons or other licensing platform where an agency wishes to encourage widespread use of literary works.

Disposal of IP

- Agencies should ensure that:
 - disposal meets a standard at least consistent with Department of Finance guidelines relating to disposal of State assets;
 - all required approvals for the disposal have been granted by the agency's authorised decision makers;
 - the terms of the disposal are detailed in written contracts; and
 - IP registers are updated and adequate records are maintained.
- Agencies should have processes in place to ensure that employees involved in disposal are required to make conflict of interest declarations and also raise any conflict of interest concerns immediately.

Retention of Revenue from Disposal

- See 'Revenue retention' in **Section 6 – Commercialisation**.



8. Employee recognition for IP Creation

Position Statement

The successful commercialisation of significant and valuable IP can facilitate increased research and development, support the innovation ecosystem and provide economic benefits for the State.

WA public sector employees who create original, significant, inventive and valuable IP contribute to the State's prosperity.

Agencies may recommend that a WA public sector employee be recognised for their outstanding achievements and extraordinary outcomes.

Providing appropriate recognition or reward encourages a culture of innovation and will help attract and retain talented employees.

Rewards to employees who meet the eligibility criteria are wholly at the discretion of the Treasurer or delegate Minister.

A reward must not be given as an entitlement or included in the terms and conditions of employment.

Rewards need to be balanced against community expectations.

Guidance

Recognition and rewards

- Agencies are encouraged to recognise and, as appropriate, and subject to the law and all legal requirements, reward outstanding achievement by employees who create original, significant and valuable IP.
- Rewards are not to be given to contractors or consultants or persons in the judicial arm of Government or persons on boards, councils or committees (unless those persons are otherwise employees).
- Rewards are not suitable for IP created through the application of repetitive processes involving little creativity or inventiveness on part of the creator.
- Rewards may be made to an individual or individuals in the team that created the IP.
- Agencies are encouraged to consider whether they can also recognise the contribution of IP inventors through appropriate benefit sharing arrangements or through agreement to assign or licence the IP to further develop or commercialise the IP.
- If the agency has its own fund into which revenue is paid, the rewards are to be paid from that fund. If the agency has net appropriation arrangements with Treasury under



the *Financial Management Act 2006* (WA), it may seek to have the arrangements varied so that it may utilise the retained revenue for the purpose of any reward payments under section 80 of the *Financial Management Act 2006* (WA).

Non-monetary rewards

- Non-monetary rewards for eligible employees may be considered by agencies for an outstanding achievement by an employee for the creation of significant, original, inventive and valuable State owned IP rights.
- Non-monetary rewards for IP development may include:
 - public acknowledgement;
 - opportunities to engage in further research and development and the allocation of resources to facilitate this;
 - funded study programs or other professional development opportunities.

Monetary rewards mechanism and process

- Monetary rewards for eligible employees may be considered where State owned IP has been successfully commercialised resulting in extraordinary outcomes and exceptional and realised net revenue for the State.
- Monetary rewards may take the form of:
 - lump sum payment; or
 - periodic payment of fixed amounts over a set number of instalments.
- The recipient of a reward should obtain independent financial and tax advice in advance of payment of a reward.

Act of grace payment

- A reward would be in the form of an act of grace payment under section 80 of the *Financial Management Act 2006* (WA). The Treasurer or delegate Minister must be satisfied that there are 'special circumstances'.
- The process for an act of grace payment is outlined in *Treasurer's instruction 319 Act of Grace Payments*.
- A discretionary decision by the Treasurer or delegate Minister regarding an act of grace payment does not establish a precedent for the granting of rewards to other employees.
- Agencies should seek legal advice regarding a deed of gift in respect of a reward. The deed between the agency and the employee would cover the terms and conditions for the reward.



Eligibility for monetary reward

- Employees may be considered for a monetary reward by the Treasurer or delegated Minister where they meet the following criteria:
 - the employee is engaged on a permanent or fixed-term basis;
 - the employee has made a direct and significant contribution to the creation of original IP rights (and not simply modifications, adaptations and improvements of existing IP rights);
 - there has been outstanding and extraordinary achievement by the employee far exceeding that generally expected from a person with the same or similar duties;
 - the creation of significant, inventive (not simply innovative) and valuable State owned IP by the employee;
 - extraordinary outcomes; and
 - the successful commercialisation of the State owned IP rights resulting in exceptional Net Revenue for the State..

Guidelines, procedures and polices

- Agencies may develop their own guidelines, procedures and policies in relation to recognition and non-monetary rewards.
- Any agency specific procedures or policies must be consistent with this Policy and must not limit the decision maker's discretion.
- Agencies should establish and maintain a register of employee recognition and rewards.



9. Copyright, IP legislation, Government policies and professional advice

Position Statement

Agencies are to create, manage, protect, use and dispose of IP rights in accordance with State and Federal legislation and to consider relevant Government policies and strategies.

Guidance

Copyright

- Copyright is the form of IP most commonly created and used by agencies.
- Works include correspondence, internal reports, publications, advertising, infrastructure design, artwork, photographs, film, sound recordings, music, education and training materials, websites and software including 'apps'. Some databases may also be protected by copyright.

Crown Copyright

- Subject to the *Copyright Act 1968* (Cth), the State is the owner of copyright in original works made by, or under the direction or control of, the State. 'Crown Copyright' includes:
 - Works created by employees;
 - Works which have been created under the direction or control of the State; and
 - Works which have been vested in or assigned to the State.
- In relation to works which constitute Crown Copyright, agencies should:
 - display copyright notices on Works to alert third parties to the State's copyright ownership;
 - use watermarks and technological measures where relevant to discourage copying, reproduction and communication; and
 - ensure licence terms are brought to the attention of users of Crown Copyright Works.

Works owned by third parties

- Most agencies have a special statutory licence under the *Copyright Act 1968* (Cth) to use third party owned copyright works for the services of the State.
- Reproduction (e.g. printing and photocopying) of works by most agencies will not infringe copyright provided that this is done for the services of the State. The State pays collecting societies and licensors for particular reproductions.



- Agencies should seek legal advice on the application of the statutory licence before:
 - communicating (e.g. emailing, displaying on an intranet or posting material on social media) third party owned works in whole or part; or
 - providing reproductions, in whole or part, of third party owned works to persons who are not employees.

Moral Rights

- Moral rights connect a creator to their work.
- When using Crown Copyright and works owned by third parties, agencies are to consider the moral rights of creators of works.
- An agency can seek the written consent of the holder of moral rights to enable the agency to use a work without regard to moral rights if this is required.



Legislation

Western Australia

- *Industry and Technology Development Act 1998*;
- *Financial Management Act 2006, Treasurer's instructions and Financial Management (Net Appropriations) Determination 2022*
- *State Trading Concerns Act 1916 and State Trading Concerns (Authorisation) Regulations 1998*
Public Sector Management Act 1994
- *Freedom of Information Act 1992*
- *State Records Act 2000*
- *Procurement Act 2020*
- Statutory authorities' enabling legislation

Commonwealth

The owners of IP have exclusive rights granted under the following legislation:

- *Circuit Layouts Act 1989*
- *Copyright Act 1968*
- *Designs Act 2003*
- *Patents Act 1990*
- *Plant Breeder's Rights Act 1994*
- *Trade Marks Act 1995*

State Policies and strategies

- DiversifyWA
- WA Jobs Plan
- Western Australian Science and Innovation Framework 2018 – 2022
- WA Innovation Strategy
- Western Australian Whole of Government Open Data Policy
- Information and guidance is available from Department of Jobs, Tourism, Science and Innovation website at www.jtsi.wa.gov.au.



Professional advice

- Legal, commercial and technical advice should be sought where appropriate.
- Legal advice regarding IP is available from in-house counsels, the State Solicitor's Office and law firms via the panel managed by the State Solicitor's Office.
- Commercial and specialist assistance may also be required in particular circumstances. This could include assistance from patent attorneys, commercial consultants and technical advisors.



10. Glossary

Term	Definition
Aboriginal cultural and intellectual property and ACIP	The rights of Aboriginal people in respect to their cultural heritage including traditional knowledge, traditional cultural expression, culturally significant designs, cultural practices, cultural objects and ceremonial sites.
Agency	A department or a SES organisation as defined in section 3 of the <i>Public Sector Management Act 1994</i> .
Assign, Assigned and Assignment	Transfer of ownership of IP rights, in whole or part, from an assignor to an assignee.
Commercialisation and Commercialise	The exploitation of IP rights for valuable consideration and commercial returns and benefits. Commercialisation is a form of disposal of IP rights.
Competitive Neutrality	Government businesses should not enjoy a net competitive advantage as a result of their public ownership.
Create, Creating, Creative and Creation	To bring into being, author, compose, invent, breed, design, produce, innovate, develop, improve, adapt or modify or any combination thereof, as the context requires.
Creative Commons	Standard form copyright licences for works, primarily literary works.
Dispose and Disposal	Dealing with IP rights including: <ul style="list-style-type: none">• vesting or assignment of ownership of IP;• grant of licences to IP; or• fee for access to IP. Commercialisation of IP rights by an agency, or by a third party on behalf of a Public Sector Body, constitutes disposal of IP rights.
Employee	A person employed by an agency.
Guidance	Parts of this Policy which provide general information to guide and support agencies.
Government	Government of Western Australia



Term	Definition
Intellectual Property and IP	<p>The legal rights which result from intellectual activity (creations of the mind) in the industrial, scientific, literary, artistic, musical and dramatic fields.</p> <p>IP is an intangible asset and its value comes from the exclusive rights that the law confers on the IP owner. IP includes:</p> <ul style="list-style-type: none"> • patents, copyright, resale royalty rights for visual artists, rights in circuit layouts, plant breeders' rights, registered designs, trade marks, geographical indications and the right to have confidential information (information which is capable of being protected by way of an action for breach of confidence) kept confidential; • any application or right to apply for registration of any of those rights; and • any rights which may be introduced or come into existence through international and national laws.
Licence and Licensed	Permission granted to a licensee to exercise specific IP rights. The licensor retains ownership of the IP rights.
Moral Rights	<p>The personal rights of authors, performers, directors and others being:</p> <ul style="list-style-type: none"> ▪ right of attribution of authorship; ▪ right to prevent false attribution of authorship; and ▪ right of integrity of authorship.
Net Revenue	<p>IP rights Commercialisation revenue less all costs associated with the Creation, protection, Commercialisation, Disposal and enforcement of IP rights.</p> <p>Note: This definition is for the purposes of this Policy only.</p>
Policy	Western Australian Government Intellectual Property Policy
Position Statement	The Government's policy principles relating to IP which apply to all agencies.
Public Sector	The Western Australian public sector as defined in section 3 of the <i>Public Sector Management Act 1994</i> .
State	State of Western Australia
Work	Literary, dramatic, musical or artistic material or cinematograph film as defined in the <i>Copyright Act 1968</i> (Cth).