Intellectual Property Management Plan

This IP Plan sets out how New Zealand's Biological Heritage National Science Challenge (the **Challenge**) intends to manage the intellectual property arising from Challenge Programmes to maximise the benefit of that Project IP for New Zealand. Unless otherwise specified in a subcontract work schedule, Project IP will be managed in accordance with this IP Plan. These terms and conditions apply when a Challenge Member engages a subcontractor which is not a party to the Challenge Collaboration Agreement.

Note: Capitalised terms are defined in clause 27 of this IP Plan.

Intellectual Property Policies and Principles

1. Other Party Collaborators involved in carrying out Projects agree to comply with the intellectual property policies and principles set out in Annex 1 and the additional intellectual property policies and principles at paragraphs 2 to 7 of this IP Plan.

2. Other Party Collaborators acknowledge and agree that they have no right to the Background IP that any other Challenge Member or Other Party Collaborator brings to a Project, other than as expressly set out in this IP Plan.

3. Other Party Collaborators acknowledge that they have no right to mātauranga Māori (indigenous knowledge) that is kept and treated as proprietary by whanau, hapū and iwi, and agree that, where a Project seeks to make use of any such mātauranga Māori, the Other Party Collaborators involved in that Project will consult with the relevant whānau, hapū, and iwi to reach kotahitanga (consensus), in writing, on how that mātauranga Māori is to be used in the Project including as part of any potential Project IP or publication.

4. Creating Parties agree that where they reasonably believe that any Project IP does not have future commercial application, but is of benefit to New Zealand, they will take all practicable steps to make the Project IP openly accessible to the public.

5. Other Party Collaborators agree that, subject to any kotahitanga that may have been otherwise reached as contemplated in paragraph 3, or as otherwise expressly agreed by the relevant Creating Parties and recorded in a subcontract work schedule, any Project IP will be owned:
   (a) by the sole Creating Party, if the Project IP is not Jointly-Developed Project IP;
   (b) either jointly or by the Managing Party, if the Project IP is Jointly-Developed Project IP.

6. Other Party Collaborators agree that Project IP will be dealt with in the best interests of New Zealand and that, where appropriate, they will participate in joint initiatives to publish, present and disseminate Challenge research results.

7. Other Party Collaborators agree that these intellectual property policies and principles will be published on the Challenge website.**Background and Sole Creating Party Intellectual Property**

8. Owners of Background IP and sole Creating Party Project IP will, where it is not in conflict with any express agreement relating to Background IP or Project IP or any intellectual property protection plan to realise potential or actual future commercial application, provide other Challenge Members and Other Party Collaborators with a perpetual, non-exclusive, non-transferable, royalty free licence to use such intellectual property solely for the purposes of meeting the delivery of Challenge Projects. Such licence may be subject to the owner of the Background IP registering a security interest on the Personal Property Security Register.

Jointly-Developed Intellectual Property

9. The Creating Parties of Jointly-Developed Project IP will regularly review that Jointly-Developed Project IP to determine if it has potential or actual future commercial application. Any Jointly-Developed Project IP which is reasonably believed by all the Creating Parties to have no commercial application will be owned by the Creating Parties jointly, and will be dealt with in accordance with paragraph 4, subject to public access considerations. All Creating Parties will have full rights of disposal and use of the Project IP for non-commercial research and teaching purposes as if they owned the Jointly-Developed Project IP individually.

10. Paragraphs 10 to 19 only apply to any Jointly-Developed Project IP that all Creating Parties agree may have future commercial application. If the Creating Parties are unable to agree whether Jointly-Developed Project IP has future commercial application, they will refer the issue to be settled in accordance with paragraph 26 and will keep the subject matter confidential until such decision is reached.

11. Unless agreed otherwise by the Creating Parties, all proprietary rights to Jointly-Developed Project IP with future commercial application will vest or remain with the Managing Party, whether agreed before, during or after the creation and development of the Jointly-Developed IP. The Managing Party will be responsible for meeting IP Protection and Commercialisation Costs.

12. The Managing Party will hold on trust and agree to pay each other Creating Party such Net Returns as are in proportion to that other Creating Party's Inventive Contribution towards the creation of that Jointly-Developed Project IP in accordance with the terms agreed by the Managing Party and the other Creating Party.

13. Each Creating Party will agree to do anything that the Managing Party reasonably requests (including signing any documents) in order for the Managing Party to obtain full ownership and, where possible, to become the registered owner of the Jointly-Developed Project IP. Any out of pocket and reasonable costs of the Creating Parties arising under this clause will be met by the Managing Party as part of the IP Protection and Commercialisation Costs of commercialisation.

14. If the Creating Parties cannot agree on which of them should be the Managing Party, or on the proportions in which Net Returns are to be paid to the other Creating Parties, then any Creating Party will be entitled to refer either of those two issues to be settled in accordance with paragraph 26.

15. Each Creating Party will agree not to transfer, assign, encumber, mortgage, pledge or otherwise alienate, or grant a licence or right in respect of, any or all of its rights in and to Jointly-Developed Project IP that they have developed prior to the identity of the Managing Party being agreed or determined in accordance with this IP Plan.

16. If commercialisation of any Jointly-Developed Project IP by the Managing Party will require access to any other Creating Party's Background IP, then, to the extent that the other Creating Party holds the legal rights to do so, they will negotiate with the Managing Party in good faith with the aim of reaching agreement on a licence to use the Background IP for that purpose on arms-length commercial terms and conditions.

17. If the Managing Party:
    (a) determines, after reasonable attempts to exploit the Jointly-Developed Project IP, that the Jointly-Developed Project IP has no commercial application; or
    (b) does not take reasonable steps to commercialise Jointly-Developed Project IP within 2 years of the Creating Parties agreeing on which of them will be the Managing Party (as contemplated under paragraph 10 or as determined under paragraph 26); or

(c) after commencement of commercialisation, fails for a continuous period of 1 year to use all reasonable endeavours to exploit the Jointly-Developed Project IP so as to maximise the Net Returns to the Creating Parties,

then, upon request in writing by any other Creating Party, the Managing Party will at its own cost assign or reassign, as the case may be, ownership of that Jointly-Developed Project IP to the Creating Party next best placed to commercialise that Jointly-Developed Project IP for the benefit of New Zealand and the mutual benefit of the Creating Parties. That other Creating Party may then commercialise the Jointly-Developed Project IP on the same basis as set out in this IP Plan. The initial Managing Party will be entitled to a share of the Net Returns from any commercialisation of the Jointly-Developed Project IP at a reduced rate (to be determined by the Governance Group on the recommendation of the Challenge Director) to that at which the Creating Parties had agreed, or had had determined under paragraph 26, would go to the initial Managing Party, and the proportion due to the other Creating Parties will increase pro rata. If the other Creating Party to whom the Managing Party role is assigned fails to action commercialisation as described in (a) and (b) of this paragraph 17, the Governance Group will determine which other Creating Parties or Challenge Members may take the role of Managing Party.

18. The Managing Party will not transfer, assign, encumber, mortgage, pledge or otherwise alienate any of its rights in and to the Jointly-Developed Project IP, nor enter into any contracts with any third party in relation to the Jointly-Developed Project IP, without the prior written consent of the other Creating Parties, which consent will not be unreasonably withheld or delayed. In any event, any such consent will be subject to those terms and conditions as are necessary to protect the other Creating Parties' rights under this IP Plan, including the granting of a security interest as contemplated under paragraph 20.

19. Paragraphs 10 to 18 will be subject to any agreement to the contrary reached by the Creating Parties or other Challenge Members for any Jointly-Developed Project IP.

Security Interest

20. If the other Creating Party or Parties require it, the Managing Party will enter into a specific security agreement granting a security interest over the Jointly-Developed Project IP and any right to receive a share of the Net Returns from its commercialisation. The specific security agreement will include the other Creating Party or Parties right to receive the assignment or reassignment of Jointly-Developed Project IP as contemplated in paragraphs 13 and 17 respectively.

21. The Managing Party will undertake to execute any documents and authorisations, and depose to or swear any declaration or oath as may be necessary to effect the registration of the security interest set out in paragraph 20 under the Personal Property Securities Act 1999 in New Zealand and any similar rules or legislation in any other country in which IP rights are sought.

Publication

22. Except in respect of information that is released pursuant to paragraph 4, formal statements to the media, or publications or presentations relating to any Project IP to be released or published in any way, must in all cases be submitted to the Managing Party, and/or any Creating Parties, as the case may be, and cleared in writing by them before release or publication, such permission not to be unreasonably withheld or delayed.

23. If a Challenge Member or Other Party Collaborator produces any media release, publication or presentation relating to any Project IP, then they will acknowledge any contributions from Challenge funding and the Ministry of Business Innovation and Employment as well as each other Challenge Member's contribution towards the Project. The moral rights of staff who have contributed towards that publication will be respected.

Reporting

24. Each Creating Party will report Project IP that it creates within a reasonably practicable timeframe to the Challenge Director, who will keep a log of Project IP for reporting purposes – subject to any such confidentiality restrictions as are reasonably prudent given the nature of the Project IP concerned and any likely avenues for its commercialisation.

Other Party Collaborators' Access to Project IP

25. Project IP will be made available under a perpetual, royalty free, non-exclusive, non-transferable licence to all Challenge Members and Other Party Collaborators for the purposes of the Project and educational or related non-commercial activities, subject to any such confidentiality restrictions as are reasonably prudent given the nature of the Project IP concerned and any likely avenues for its commercialisation. Such restrictions are to be agreed by the Creating Party or Managing Party (as the case may be) prior to the licence in this clause being granted.

Dispute Resolution

26. If a dispute arises in respect of any matter under this IP Plan, then any affected Challenge Member or Other Party Collaborator will be entitled to refer the dispute to be settled in accordance with the disputes resolution provisions of the Other Party Subcontractor Terms and Conditions.

Definitions

27. In this IP Plan:

'Background IP' means any Intellectual Property owned by or licensed to a Challenge Member that is made available for use in the Challenge Programme.

'Challenge' means New Zealand's Biological Heritage Challenge *Ngā koiora tuku iho*.

'Challenge Members' means those research providers and other entities who are parties to the Challenge Collaboration Agreement, whether as initial signatories or by deed of accession at a later date, and are involved in delivering a Challenge Programme Agreement.

'Challenge Programme' means a work programme of research, science or technology or related activities which is described in a Challenge Programme Agreement.

'Challenge Programme Agreement' (CPA) means an agreement between Landcare Research New Zealand Limited and the Ministry for Business, Innovation and Employment entered into as a result of the NSCIC.

'Challenge Collaboration Agreement' means the Agreement signed by the Challenge Members in March–April 2015.

'Creating Party' means each Challenge Member that makes an Inventive Contribution towards the creation of any Project IP.

'Inventive Contribution' means a contribution to the development of Intellectual Property that would create an entitlement to a joint ownership share of the Intellectual Property concerned.

'IP Plan' means this Intellectual Property Management Plan and any variations to it agreed by the Challenge Members and Other Party Collaborators.

'IP Protection and Commercialisation Costs' means all fees, costs and expenses (including patent attorney and legal fees, travel expenses and out of pocket expenses) incurred in managing the Project IP or obtaining of grants of patents or other forms of registered intellectual property protection in relation to the Project IP and maintaining the same. These include, without limitation, all costs and expenses incurred in making, prosecuting and registering patent applications and dealing with any

opposition to any application for such registrations, any challenge to the validity of any such registrations, and any action taken in relation to infringement of Project IP.

'Jointly-Developed Project IP' means Project IP that is jointly created and developed by two or more Challenge Members and Other Party Collaborators.

'Managing Party' means the Creating Party that all Creating Parties agree is best able to commercialise Jointly-Developed Project IP for the benefit of New Zealand and the mutual benefit of the Creating Parties.

'Net Returns' means the total consideration , in any form, including equity, receivable by the Managing Party from third parties based on exploiting the Project IP minus all IP Protection and Commercialisation Costs incurred by the Managing Party, but excluding research funds received from third parties for further development of the Project IP.

'NSCIC' means the investment contract entered into by the Ministry of Business, Innovation and Employment and Landcare Research New Zealand Limited on 9 October 2014.

'Other Party Collaborator' means a subcontractor which is not a party to the Challenge Collaboration Agreement.

'Project' means a research project carried out under a Challenge Programme Agreement by any combination of Challenge Members and Other Party Collaborators.

'Project IP' means any intellectual property, excluding Background IP, that is created by Challenge Members and Other Party Collaborators, either solely or jointly, during the course of carrying out any Project.

Annex 1

NSCIC Appendix 2 – Intellectual Property Policies and Principles

In the following principles, "should" indicates a non-obligatory best practice.

1. The Challenge Contractor (Landcare Research New Zealand Limited) must use its best endeavours to maximise the benefits to New Zealand of each Challenge Programme through its management of any Challenge Programme Intellectual Property Rights.

2. The Challenge Contractor must, before a Challenge Programme Agreement commences, have a set of Intellectual Property Policies and Principles in place in respect of that Challenge Programme which may not be inconsistent with these policies and principles.

3. The Intellectual Property Policies and Principles must:
   (i) determine the ownership and/or assignment, if any, of Challenge Programme Intellectual Property Rights and require employees, or grant holders using the Challenge Contractor for that purpose, to acknowledge the relevant ownership and rights associated with Challenge Programme Intellectual Property;
   (ii) ensure that researchers are advised of the potential value of Challenge Programme Intellectual Property Rights and of the options available to them to add value to those rights;
   (iii) ensure that researchers are advised of any actual or potential confidentiality issues relating to Challenge Programme Intellectual Property Rights;
   (iv) make clear and binding to the Challenge Contractor's staff the separate and mutual obligations of the staff and the Challenge Contractor in relation to Challenge Programme Intellectual Property Rights management and protection;
   (v) set out a review process to identify protectable and potentially valuable Challenge Programme Intellectual Property Rights and associated commercial activities and to prevent the infringement of existing protected Challenge Programme Intellectual Property Rights and associated commercial activities;
   (vi) provide guidance on the prompt disclosure and resolution of potential conflicts of interest concerning the generation, ownership, management and use of Challenge Programme Intellectual Property Rights, such as on:
      - staff members' financial interests in external firms that contract with the Challenge Contractor, particularly where these entail research contacts and the exchange of Intellectual Property Rights;
      - the nature and terms of institutional support for start-up companies and the equity holdings of the Challenge Contractor and its staff;
   (vii) satisfy all legal and regulatory obligations with such amendments promptly incorporated as may be necessary to comply with all changes or additions to legal or regulatory obligations that may be made during the term of the relevant Challenge Programme Agreement; and
   (viii) cover good scientific conduct, including sound record keeping and human and animal experimentation ethics.

4. The Intellectual Property Policies and Principles should ensure that cultural, Treaty of Waitangi, and Māori issues are properly taken into consideration.

5. The Challenge Contractor should give preferential access to competent New Zealand-based firms to develop the Challenge Programme Intellectual Property Rights. Where a Challenge Contractor believes that it is best to commercialise the Challenge Programme Intellectual Property Rights outside of New Zealand, the Challenge Contractor should seek to retain ongoing research, science, and technology in

New Zealand and reinvest any net income derived from the commercialisation of the Challenge Programme Intellectual Property Rights in research, science, and technology in New Zealand.

6. The Challenge Contractor should, wherever possible:
   (i) provide assistance to researchers in fulfilling Challenge Programme Intellectual Property Rights obligations and responsibilities;
   (ii) encourage participation by researchers in any subsequent commercialisation process of any Challenge Programme Intellectual Property Rights; and
   (iii) develop policies that incentivise staff and other stakeholders to generate benefits to New Zealand from the work.