

Guidelines for Research Licenses for
Intellectual Property Rights Stemming From
Government-Funded Research and
Development at Universities, etc.

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Council for Science and Technology Policy

1. Basic Understanding

- (1) Intellectual property promotes the commercialization of the achievements of industry-academia-government collaboration and R&D through the creation, protection and exploitation thereof, and plays an important role in returning these achievements to the people and society through innovation. Universities, etc.¹ have also been promoting development of systems and rules to manage and exploit intellectual property.
- (2) It is important to further vitalize activities so as to create intellectual property through the appropriate operation of such intellectual property systems while maintaining a balance between protection and exploitation. Not only those engaged in business activities but also those engaged in research activities are required to exploit intellectual property rights in deference to others' intellectual property rights² and with proper consideration thereto.
- (3) Universities, etc. represent both users of others' rights in research activities and right holders that create intellectual property themselves. Under circumstances where universities, etc. are diversifying their research activities and are supposed to conduct research activities against which patent rights are effective,³ universities, etc. are required to ensure proper management and exploitation of patent rights from the vantage point of the two above-mentioned roles.
- (4) The intellectual creation cycle, consisting of the creation, protection and exploitation of intellectual property, is based on the presumption

of vigorous creative activity, and universities, etc., which represent the bases for intellectual creation in Japan, form the backbone of this cycle. Universities, etc. that play an important role in this process have to promote sharing of understanding of the smooth use of intellectual property rights and the promotion of free research activities, as well as promoting commercialization, etc. through the exploitation of intellectual property rights.

2. Purpose of the Guidelines

- (1) The guidelines aim to facilitate the use of intellectual property rights in research at universities, etc. by expressing the basic idea in regard to the case where universities, etc. use the intellectual property rights of other universities, etc., which are based on the achievements of government-funded R&D,⁴ for research for nonprofit purposes.^{5 6}
- (2) Holders of intellectual property rights, including universities, etc., or researchers at universities, etc. who use the intellectual property rights of other universities, etc. in research are expected to avoid disputes involving intellectual property rights, facilitate mutual use of intellectual property rights, and ensure the flexibility of research by establishing practical operational procedures in line with the guidelines.
- (3) It is preferable that the guidelines be disseminated to wide-ranging research communities, thereby promoting a shared understanding on the smooth use of intellectual property rights in research. In

addition to universities, etc., private businesses, etc. that are not covered by the guidelines are also expected to implement operational procedures in line with the guidelines at their own discretion if they can agree to this basic idea.

- (4) Furthermore, it is left to the judgment of parties concerned, based on the circumstances surrounding an agreement, whether the agreement is to be concluded in line with the basic tenets of the guidelines.

3. Basic Notions Regarding Research License

When universities, etc. request permission to use intellectual property rights based on the achievements of government-funded R&D from other universities, etc. for research for nonprofit purposes, the requested universities, etc. are to respond based on the following notions, in light of the role of universities, etc. as bases for intellectual creation and the importance of ensuring the flexibility of research at universities, etc.⁷

- (1) Provision of research licenses

When the holders of intellectual property rights, including universities, etc., are requested by other universities, etc. to provide nonexclusive licenses for intellectual property rights for research for nonprofit purposes (hereinafter referred to as the “research licenses”), they shall accept these requests and provide the research licenses without suppressing the research in question. Incidentally, with regard to the provisions of the research licenses, due consideration is to be given to the points indicated in the Attachment.

(2) Research license royalties

Research licenses are to be in principle provided royalty-free (at actual cost without any additional royalties) or with a reasonable royalty. In determining whether a royalty is “reasonable” as mentioned here, the fact that said licenses are being provided for research for nonprofit purposes should be taken into consideration.

(3) Compliance with- and management of research licenses

Universities, etc. that receive research licenses shall recognize that said research licenses are provided for research for nonprofit purposes, and those who conduct research based on said research licenses shall work towards the management of the said licenses so as to comply with the scope and terms, etc. thereof from the standpoint of respecting intellectual property rights.

(4) Simple and speedy procedures

Universities, etc. shall endeavor to ensure that research licenses are provided through simple and speedy procedures. In this case, it is preferable to utilize simple formats for research licenses or systems of mutual comprehensive research licenses between universities.

(5) Sharing of understanding with researchers

To ensure the smooth utilization of research licenses in research activities at universities, etc., understanding and cooperation on the part of the researchers who are inventors are indispensable. For this reason, universities, etc. are expected to promote the sharing of understanding with researchers through publication in formulating policies for research licenses and confirmation of researchers’

wishes.

(6) Supply of tangible materials

Regarding the supply of tangible materials between universities, etc., efforts shall be continuously made to assure the smooth use thereof so as to ensure the flexibility of research, based on the basic notion of the “Guidelines for the Handling of Tangible Materials as Achievements of Research and Development” (July 31, 2002).

4. Dissemination of Research Licenses

(1) Publication of the guidelines

The ministries concerned shall endeavor to publicize and disseminate the basic tenets of the guidelines among universities, etc., so as to ensure the appropriate implementation thereof in research at universities, etc. They shall also prepare and release simple templates for the provision of research licenses and collections of prior cases, when the need arises.

(2) Development of licensing policies, etc.

Universities, etc. are expected to endeavor to develop policies and procedural/management regulations for research licenses and prepare and release simple templates for research licenses, as well as disseminate the guidelines throughout research circles from the standpoint of preventing disputes and facilitating the implementation of procedures.

(3) Follow-up surveys

The ministries concerned shall conduct follow-up surveys on the

status of the development of policies and regulations for research licenses at universities, etc. and the status of utilization and management of research licenses, and report findings in such surveys to the Council for Science and Technology Policy.

(4) Utilization of patent information, etc.

Universities, etc. are expected to recommend to researchers that they conduct advance searches on patent information, etc. in order to prevent disputes and avoid redundant research and applications.

(5) Development of an environment conducive to the retrieval of patent information, etc.

The ministries concerned shall promote the development of a patent information retrieval system, etc. in order to promote the utilization of patent information, etc. at universities, etc.

(6) Responding to disputes

Universities, etc. are expected to endeavor to strengthen their legal functions and develop a system facilitating consultation with experts so as to ensure the smooth settlement of disputes, should they arise, as well as to prevent disputes involving intellectual property rights.

¹ In the guidelines, the term “universities, etc.” shall include universities, inter-university research institutes, colleges of technology, national institutes engaged in R&D, public test and research institutes, and special corporations and incorporated administrative agencies engaged in R&D in Japan.

² In the guidelines, the term “intellectual property rights” shall refer to patent rights, utility model rights, design rights, breeder’s rights, and rights of layout-designs of integrated circuits, which are rights based on the Patent Act, the Utility Model Act, Design Act, Seeds and Seedlings Act, and the Act on the Circuit Layout of Semiconductor Integrated Circuits.

³ Regarding the relationship between the effect of a patent right and experiment and

research, Article 69(1) of the Patent Act provides that “a patent right shall not be effective against the working of the patented invention for experimental or research purposes.” “Experimental or research purposes” as set forth in this provision are construed as being limited to experiments for improving or upgrading patented inventions per se. In addition, it is considered that the scope of the effect of a patent right will not differ depending on whether a party who works a patented invention is a company or a university (See the report by the Working Group on Patent Strategic Plan Issues under the Patent System Subcommittee, Intellectual Property Policy Committee, Industrial Structure Council, entitled “Issues on Facilitating the Use of Patented Inventions” (November 2004)). On the premise of this interpretation, there is an undeniable possibility that research for nonprofit purposes may incur accusations of patent right infringement and be subject to an injunction. On the other hand, no court decision has yet been made on whether or not the effect of a patent right extends to experiment and research conducted at universities, etc., and there is no established judicial precedent regarding this provision. Moreover, there are various opinions on the exercise of rights against research activities. For example, some say that right holders should not be allowed to exercise their rights of injunction against research merely for nonprofit purposes, and others say that patented inventions essential for new research activities, like research tools, should be made available for wide-ranging research activities. In addition, others say that a review of the aforementioned provision in the Patent Act should be considered.

⁴ In the guidelines, the term “government-funded R&D” shall refer to R&D in which direct expenses are covered by government funds, irrespective of the form of agreement. Such funds include contract project expenses to be provided indirectly via the New Energy and Industrial Technology Development Organization (NEDO), Japan Science and Technology Agency (JST), etc.

⁵ In the guidelines, the term “research for nonprofit purposes” shall refer to basic research conducted at universities, etc. and research prior to the commercialization stage. However, from the standpoint of ensuring the flexibility of research, it is not prohibited to apply the tenets of the guidelines to research other than that for nonprofit purposes, based on an agreement between universities, etc.

⁶ Regarding facilitation of use of research tool patents in research in the field of life sciences, it is necessary to give consideration according to the particularities of the field.

⁷ Research licenses as mentioned in the guidelines shall include those for intellectual property rights possessed by universities, etc. but shall not include those for intellectual property rights of which part or whole is possessed by parties other than universities, etc.

Attachment

Points to Keep in Mind Regarding Research Licenses

- (1) In order to promote practical application and effective utilization of R&D achievements, the holders of intellectual property rights, including universities, etc., are expected to reserve the right to provide research licenses to other universities, etc. to the greatest extent possible, even if they provide exclusive licenses.
- (2) Holders of intellectual property rights pertaining to a researcher's invention, including universities, are requested to promptly provide a research license to the researcher upon request so that said researcher can continue to conduct his/her own research for nonprofit purposes even after he/she moved to another university, etc.
- (3) Holders of intellectual property rights, including universities, etc., can demand the payment of expenses necessary for preparation and supply of tangible materials covered by intellectual property rights and other reasonable values, irrespective of whether royalties are paid for relevant research licenses. Additionally, holders of intellectual property rights, including universities, etc., can impose restrictions on the use of tangible materials, such as limitation of subdivision, and are not prohibited from imposing injunctions against acts which contravene such restrictions.
- (4) Any person who conducts research based on a research license should in principle be granted the freedom of publication of the achievements of subsequent R&D activities. Restrictions on publications shall be imposed only when there are reasonable grounds, such as when there is a need to protect unpublished inventions.
- (5) Regarding royalties for a research license, the view indicated in 3(2) shall be respected. It is preferable to refrain from including provisions that impose obligations relating to the achievements of subsequent R&D activities^{Note} in research licensing agreements

between universities. In the case of not only including such provisions but also imposing other obligations in providing a research license, due care must be taken so as to prevent the occurrence of problems under the Antimonopoly Act in light of the “Guidelines for Patent and Know-How Licensing Agreements under the Antimonopoly Act” (July 1999).

Note The following are envisioned examples of such provisions.

- (i) If a licensee obtains an intellectual property right as a result of R&D activities based on a research license, he/she shall provide a nonexclusive license to the holder of the intellectual property right subject to the research license (licensor).
- (ii) If a licensee obtains an intellectual property right as a result of R&D activities based on a research license and makes a profit through the licensing and commercialization thereof, he/she shall return part of the profit to the holder of the intellectual property right subject to the research license (licensor).