

National Taiwan University of Science and Technology

Regulations Governing Research and Development Results

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Article 1 Objectives

To effectively manage and utilize the research and development (R&D) results of faculty and students of the National Taiwan University of Science and Technology (NTUST), encourage innovation and upgrade research standards, and promote industrial development and the welfare of society, these Regulations are adopted pursuant to the Fundamental Science and Technology Act and the Government Scientific and Technological Research and Development Results Ownership and Utilization Regulations.

Article 2 Ownership of R&D results

Unless otherwise stipulated by contract, the moral rights in R&D results achieved by NTUST faculty and students or anyone hired by NTUST to engage in research and development in the course of their duties or utilizing NTUST resources shall be enjoyed by those persons. All other intellectual

property rights in the R&D results belong to and are owned by NTUST. Intellectual property rights in literary works such as academic papers and books are enjoyed by the creators.

Article 3 Responsible Unit

1. The Responsible Unit for the R&D results of NTUST is the Technology Transfer Center, Office of Research and Development. It is charged with the following functions:
 - (1) Applications for intellectual property in, and promotion and technology transfer of, R&D results.
 - (2) Administration of off-campus outsourcing relating to intellectual property and technology transfer.
 - (3) Consultation, assessment, and education and training relating to intellectual property.
 - (4) Planning and administration of the technology transaction platform.
 - (5) Patent analysis and patent portfolio for R&D results.
 - (6) Handling matters before the competent authority in connection with R&D result patent applications, and applications for, and allocation and utilization of, technology transfer incentives and subsidies.
 - (7) Handling complaints regarding the utilization of R&D results.
 - (8) Adoption of mechanisms for managing cases of conflicting interests in R&D results, processing of reports, management of information disclosure, submission of cases for review, disposition of recusal cases, and internal and external reporting of major cases.
 - (9) Disposition and management of equity shares obtained from contribution of technology as an equity investment and from R&D result proceeds.
2. Regulations will be separately adopted to govern the establishment and operation of the Responsible Unit and the above-listed functions.

Article 4 Technology Rights Committee

1. The Technology Rights Committee is jointly composed of regular members and temporary members. The Dean of R&D serves as the convener. The regular members comprise the Dean of R&D, the Director of the Responsible Unit, the Accounting Director, and other on-campus or off-campus experts in technology, patents, or law as appointed by the NTUST president. The Committee will have seven to eleven regular members who will serve terms of one year, and may serve consecutive terms. The temporary members will be appointed by the convener from among relevant college deans and department faculty or on-campus or off-campus experts according to the circumstances of individual cases.
2. The functions of the Technology Rights Committee include the following:
 - (1) Review of application cases for which the expenses amount to NT\$50,000 or more.
 - (2) Review of cases of appeals against resolutions of the Technology Rights Committee.
 - (3) Determination of ownership of R&D results that a creator claims were achieved not in the course of duties or not utilizing NTUST resources.
 - (4) Resolutions on proposals concerning the management and utilization of NTUST R&D results.
 - (5) Review of intellectual property transfers to NTUST.
 - (6) Review of cases of conflicting interests in R&D results.
3. The quorum for a meeting of the Technology Rights Committee is attendance by a majority of the regular members. Resolutions take effect only if passed by a majority of the members in attendance.

Article 5 Patent Review Mechanism

1. The authority and responsibility for reviewing applications to be filed for R&D results shall be divided as follows, based on all the application expenses, and depending on the intended countries for application and the types of patents to be applied for:
 - (1) In cases in which the expenses are less than NT\$50,000, the

- Responsible Unit will process the review of the application.
- (2) In cases in which the expenses amount to NT\$50,000 or more, the Technology Rights Committee will carry out the review.
 - (3) In cases in which the creator is willing to bear all of the application expenses, the creator may submit the application autonomously, and the case will be deemed to have passed review; however, the application shall be submitted in the name of NTUST as the patent applicant.
2. The method for reviewing patent applications for R&D results is as follows:
- (1) A review shall be conducted of the patentability and potential commercial value of the R&D results, based on the content of the creation, the creator's own appraisal, and the prior art search.
 - (2) The Technology Rights Committee may decide whether to consent to submission of the application and the countries for application based on factors such as the commercial value of the invention content, NTUST's relevant budget, the creator's patent application record and past performance in technology transfer, and whether it falls within NTUST's key development areas.
 - (3) If the review is passed, the Responsible Unit may submit its proposal to the NTUST authorities to proceed with the application. An applicant who disagrees with the review outcome may submit an appeal to the Technology Rights Committee.

Article 6 Patent Application Procedures for R&D Results Achieved in the Course of Duties or Utilizing NTUST Resources

- 1. The creator informs the Responsible Unit of willingness to apply.
- 2. The Responsible Unit assists the creator to prepare a specification of the invention content. The creator may choose to bear part or all of the application fees.
- 3. A review is conducted by the review mechanism set out in the preceding article.
- 4. If the review is passed, the Responsible Unit proceeds with the application or engages a patent agent office to do so.

5. If the review is not passed or the Technology Rights Committee determines that the creator must bear part or all of the application fees, the creator may proceed to apply in the name of NTUST at the creator's own expense. The creator, within 3 months from obtaining any patent right, shall notify the Responsible Unit in writing. NTUST will not refund any patent application fees.

Article 7 Procedures for Reporting, Patent Applications, and Re-Review in Connection with R&D Results Achieved Not in the Course of Duties Nor Utilizing NTUST Resources

1. If a creator has an invention, utility model, or design that is achieved not in the course of duties, the creator shall notify the NTUST Responsible Unit in writing at the time of completion thereof. If necessary, the creator shall also inform it of the process of creation.
2. When the Responsible Unit receives written notice from a creator of an invention that was achieved not in the course of duties, it shall convene the Technology Rights Committee. The creator may autonomously apply only after the Technology Rights Committee has made a determination that the patent is an invention achieved not in the course of duties.
3. If the Technology Rights Committee determines that the patent is R&D results achieved in the course of duties or utilizing NTUST resources, the creator shall submit the application in accordance with the NTUST patent application review mechanism.
4. If the NTUST Responsible Unit does not express any objection to the creator within 6 months after the creator gives the written notice, it may not claim that the invention, utility model, or design is an invention, utility model or design achieved in the course of duties.
5. For R&D results achieved not in the course of duties nor utilizing NTUST resources, the Responsible Unit may, subject to the consent of the creator, post information about the patent on the NTUST technology transaction platform to increase opportunities for technology transactions.
6. If the creator disagrees with a determination by the Technology Rights Committee about an invention being achieved in the course of duties, the creator may, one time only, request that the Technology Rights Committee perform a re-review.

Article 8 Pursued Surrender of Patent Rights

If any NTUST faculty or student or anyone hired by NTUST to engage in research and development autonomously applies for and obtains any patent right for any R&D results achieved in the course of their duties or utilizing NTUST resources, without submitting the application in the name of NTUST as required hereunder, the Responsible Unit may take the initiative to pursue the surrender of the patent rights by the creator, and the creator shall bear all expenses and liabilities incurred in such pursuit.

Article 9 Patent Right Maintenance

1. In principle, NTUST shall maintain patents for 5 years following the date of issuance of the patent certificate, unless a government law or regulation provides otherwise, or there is a patent licensing agreement (one that is in the process of being signed or is already signed), or the patent is jointly owned with another unit (in which case it shall be handled in accordance with the relevant agreement), or some special circumstance exists.
2. Pursuant to the preceding paragraph, once NTUST intends no longer to maintain a patent(s), and after it has obtained the consent of the Technology Rights Committee, the Responsible Unit shall notify the creator of the resolution to terminate the maintenance of the patent(s). If the creator agrees to pay the full maintenance expenses at the creator's own expense, the original percentage allocation for the proceeds from the patent(s) shall remain unchanged.
3. If the creator is unable or unwilling to maintain a patent(s) or some special circumstance exists, the creator may request the Technology Rights Committee to review whether to continue maintaining the patent(s).
4. Before terminating the maintenance of a patent(s), NTUST shall publish a notice of availability for assignment. If after 3 months have elapsed no one has applied to receive assignment, maintenance may be terminated.
5. With respect to assignment or termination of patent rights under this article, if there is a supporting entity, the relevant provisions of the rules

of the supporting entity regarding ownership and utilization of R&D results shall be followed.

Article 10 Obligations of the Creator in Connection with R&D Results

1. The creator shall be obligated to disclose in good faith and to fully cooperate in any administrative or legal procedure relating to R&D results including any patent application, defense, administrative appeal, or administrative or judicial litigation.
2. The creator shall assist in the promotion and utilization of the R&D results and patent rights.
3. If the creator has obtained any right by any unlawful means, the creator shall be solely liable for any injury to the rights or interest of any other person.
4. The creator shall take the initiative to notify the Responsible Unit of any change in residential address or contact information.
5. Within 2 months from the date the R&D results are published, the creator shall disclose them to the Responsible Unit for application; if this deadline is exceeded, the Responsible Unit may refuse to take on the case.
6. If the creator breaches an obligation under this article, resulting in any injury to the rights or interests of NTUST, or resulting in any cost being incurred, the creator shall be liable for such loss or cost.
7. If the creator is liable to bear any portion of the expense and refuses to pay, or another circumstance occurs such that NTUST bears the entire expense, the Responsible Unit or the unit to which the creator belongs shall pursue collection of the payment from the creator, and NTUST shall be deemed to have borne 100% of the expense for purposes of the allocation of proceeds.
8. The creator's cooperation in performing the obligations under this article may be incorporated by the Responsible Unit into the creator's application record, to serve as a reference basis in subsequent reviews by the Technology Rights Committee.
9. With the consent of the creator, or if the creator fails to soundly cooperate in the obligations under this article, or if for some other reason it is

obviously meaningless or impossible to continue with relevant administrative or legal proceedings, the Responsible Unit may submit a proposal to the NTUST authorities to terminate such proceedings.

Article 11 Principles for Technology Transfer of R&D Results

1. Transfers shall in principle be non-gratuitous.
2. Domestic firms shall have priority, provided that transfers to foreign firms may be permitted on a special-case basis under the following circumstances:
 - (1) Domestic firms are unwilling to put the R&D results into practice.
 - (2) Domestic firms lack adequate ability to put the R&D results into practice.
3. Licensing shall in principle be non-exclusive, provided that permission for exclusive licensing or assignment may be applied for on a special-case basis under any of the following circumstances:
 - (1) For purposes of avoiding unfair competition in the industry that would impede development of the industry.
 - (2) Where the research results are transferred for products that will require long-term review and approval by the government before they can go on the market.
 - (3) Where the research results are transferred for products that will require huge financial investment in the continued development of commercialized technology.
 - (4) Where absent the circumstances under the preceding three subparagraphs, but where the Responsible Unit has submitted a proposal to the Technology Rights Committee and the proposal is passed by a resolution of the Committee.

Article 12 Utilization of R&D Results:

1. The Responsible Unit may utilize NTUST R&D results by methods including licensing, assignment, joint development, or technology investment, according to the nature of the individual case.
2. The creator and the Responsible Unit both shall take measures to protect NTUST R&D results, and shall seek opportunities for

technology transfer and commercialization in accordance with the principles in Article 11.

3. Before NTUST R&D results are utilized, the Responsible Unit may, according to the nature of the individual case and the technical field involved, invite two to three on-campus or off-campus experts to form an Evaluation Team, to jointly determine the utilization method and pricing principles for the R&D results, to provide a basis for contract negotiations between the Responsible Unit and counterparties for cooperation or transfer. Before signing a contract, the Responsible Unit shall submit a proposal to the NTUST authorities for approval of the contract content.
4. After contract signing procedures have been completed, the Responsible Unit shall perform and administer matters related to the performance of the contract stipulations such as collection and payment, progress schedule, and contract renewal. If it discovers any failure to perform any contract stipulation by any party of, or related to, the contract, it shall conscientiously fulfill its duty to remind the party to perform. If during the performance of the contract, because of any change in circumstances, there is any need to add to, delete, or amend any contract content, then after negotiation, the contract may be amended by means of a supplementary agreement.
5. After the Responsible Unit has given the reminder to perform or proposed an amendment agreement but the reminder or proposal have been ineffective, it shall propose to the NTUST authorities a method for handling the breach of agreement.

Article 13 Apportionment of Patent Fees and Allocation of R&D Result Proceeds

1. "Patent fees" in this article means patent agent office fees, patent application fees, issue fees, patent annuities, and any other patent fees payable under applicable laws and regulations.
2. If during the 2 years preceding the application, the creator has a record of successful patent licensing, the creator shall bear a 20% share of the patent fees. If during the preceding 2 years the creator has no record of patent licensing, the creator shall bear a 50% share of the

patent fees.

3. "R&D result proceeds" in this article means income resulting from the licensing or assignment of any NTUST R&D results (including know-how, technology, and patents), including but not limited to signing fees, license fees, rights fees, royalties, rewards, and shares obtained from contribution of technology as an equity investment.
4. R&D result proceeds from patents obtained through applications made in accordance with the prescribed procedures shall in principle be allocated as follows, after deducting the patent application fees and other applicable fees and paying rewards to supporting entities or making allocations to cooperating institutions:
 - (1) If the creator bears a 20 share percent of the patent fees: NTUST 25%, department 5%, creator 70%.
 - (2) If the creator bears a 50 percent share of the patent fees: NTUST 20%, department 5%, creator 75%.
 - (3) If the creator bears a 100 percent share of the patent fees: NTUST 15%, department 5%, creator 80%.

The old system shall apply for any subsidies that have been granted from NTUST before the implementation of these Regulations.

In view of special circumstances in individual cases, the Technology Rights Committee may adjust the proportions for the apportionment of patent fees and the allocation of R&D result proceeds.
5. R&D result proceeds not from patents shall be allocated at 15% to NTUST, 2.5% to 7.5% to the department and other units, and 77.5% to 82.5% to the creator, after deducting the applicable fees and paying rewards to supporting institutions or making allocations to cooperating institutions.
6. If there is more than one creator, they shall make a written agreement in advance on the proportions for allocation of proceeds. In the event of special circumstances, the creators may make such a written agreement subsequently, but before the income is produced, as a basis for the allocation of proceeds by NTUST.
7. Of the portion of

R&D result proceeds that are allocated to the creator, the creator may choose to leave all or a part in the creator's project funding balance account, the utilization of which shall be subject to the NTUST Regulations Governing the Allocation and Utilization of Project Funding Balances.

8. For intellectual property transferred to NTUST after having passed the review of the Technology Rights Committee, the expenses relating to the assignment and maintenance of such intellectual property will be borne by NTUST, and the proceeds from the intellectual property will also belong to NTUST. In cases involving special circumstances, the Responsible Unit may review and approve the case separately.
9. For intellectual property assigned to NTUST by the NTUST student or students who exclusively own the intellectual property, with the exception of patents applied for under the *mutatis mutandis* application of Article 6, the proceeds, if any, from the NTUST's promotion and utilization of the intellectual property shall be allocated in the percentages of 7.5% to NTUST, 2.5% to the department, and 90% to the creator.
10. To incentivize personnel who promote R&D results, a certain percentage shall be set aside from R&D result proceeds and from the amounts of refunds or reductions of, or exemptions from, rewards to supporting institutions, so as to reward successful personnel.

Article 14 Principles for Accepting Shares in Enterprises

If the R&D result proceeds involve any consideration in the form of shares in an enterprise, the following principles shall apply to accepting those shares:

- (1) If, for those R&D result proceeds, NTUST has any obligation to pay rewards to supporting entities or make allocations to cooperating institutions, except in the case of startup companies, that portion of the proceeds shall be handled by means of cash.
- (2) If royalties are involved, the royalties shall be handled by means of cash.

- (3) In calculating the number of shares, for publicly issued shares, the value of the shares shall be calculated by the average market value of the shares over the preceding 6 months; for shares that have not been publicly issued, the value of the shares shall be calculated by par value, provided that if the net worth of the enterprise is lower than that represented by the par value, the value of the shares shall be calculated by the enterprise's net worth.
- (4) Any exceptions to the above shall be submitted to the NTUST Technology Rights Committee for passage of a resolution.

Article 15 Mechanism for Management of Shares in Enterprises

1. All shares held by NTUST in any enterprise shall be handled in accordance with NTUST's Regulations Governing the Self-Administration of Income and Expenditures of the Endowment Fund.
2. The Responsible Unit may, in a timely fashion, draw up proposals for the disposition of shares obtained from R&D result proceeds, and assess the price and timing for such disposition. The procedures are as follows:
 - (1) For stock listed on a stock exchange or over-the-counter market: it shall produce a disposition proposal after referring to the most recent trade price at the time and taking into consideration the enterprise's net worth per share, technology, and profitability.
 - (2) For stock that is not listed on a stock exchange or over-the-counter market: it shall produce a disposition proposal after taking into consideration the prospective counterparty to which the stock is intended to be sold, the floor price, the number of shares, and the time interval.
3. The equity share disposition proposal shall be submitted to the Technology Rights Committee, which shall review the proposal and produce a recommendation regarding the disposition.
4. The disposition recommendation shall be submitted to the NTUST University Endowment Management Committee.

Article 16 Handling of Violations of Compliance Rules

1. If a third party complains of or the Responsible Unit itself discovers any concrete evidence of a violation of the rules regarding conflicts of interest or other compliance rules, the Responsible Unit shall notify the respondent to provide a written defense, which shall be submitted to the Technology Rights Committee for review.
2. If upon review the Technology Rights Committee determines there indeed has been a violation, it shall impose a penalty appropriate to the seriousness of the violation. If the violation is severe, it will notify the competent authorities and the R&D results supporting entity or entities.
3. In the event of failure to duly make an information disclosure or recusal for a conflict of interest as required, if there is any resultant injury to the property or reputation of NTUST, the party shall be liable for compensation and shall bear relevant legal liability.

Article 17 Education and Training

The Responsible Unit shall conduct education and training sessions on recusal due to conflicts of interest at least once a year to promote the awareness of the rules governing conflict-of-interest cases, with a view toward preventing creators and administrators from unwittingly violating government laws and regulations.

Article 18 Internal Control

The Responsible Unit shall, regularly or at the Technology Rights Committee's request, provide the status of the management or utilization of the NTUST R&D results or the status of conflict-of-interest cases for audit by the Internal Control Task Force, and shall appropriately preserve and manage documents relating to the handling of conflict of interest cases.

Article 19 These Regulations, and any amendments hereto, will be implemented following passage by the Administrative Board Meeting.