

The Chinese University of Hong Kong, Shenzhen
Interim Measures for the Administration of the Commercialization of
Scientific and Technological Achievements

Chapter 1 General Provisions

Article 1 In order to protect the intellectual property rights of The Chinese University Hong Kong, Shenzhen (“**University**”), promote the commercialization of scientific and technological achievements, and regulate the relevant activities, the University, based on its current condition, formulates these measures in accordance with the *Law of the People’s Republic of China on Promoting the Commercialization of Scientific and Technological Achievements* and the relevant policies and regulations.

Article 2 “Scientific and Technological Achievements” (hereinafter “**Achievements**”) as referred to herein means technological achievements, including patents, software copyrights, proprietary rights to integrated circuit layout designs and technical know-how, which teaching /research staff and students of the University have made by undertaking national, local or enterprises’ research projects, or utilizing resources of the University or performing tasks assigned by the University. The University owns the Achievements. The University has the right to use, transfer and dispose of the Achievements.

The commercialization of the Achievements referred to herein means the activities conducted in relation to the follow-up tests, development, application and popularization of the Achievements, thereby developing new technologies, new processes, new materials, new products, and forming new industries, etc.

Article 3 The Achievements may be commercialized by any of the following manner:

- (a) investing or investing their own money in the commercialization by the University or persons having accomplished the Achievements;
- (b) transferring the Achievements to others;
- (c) authorizing others to exploit the Achievements;
- (d) using the Achievements as the conditions for cooperating with others in commercializing the Achievements;

- (e) making investment in the form of the Achievements at their appraised value, which may be converted into shares or capital contributions;
- (f) any other means as agreed.

Chapter 2 Organization and Implementation

Article 4 The University is responsible for the administration of the commercialization of the Achievements. The Research Administration Office manages, directs and coordinates such commercialization. Contracts on the commercialization of the Achievements shall be signed uniformly. No unit or individual may transfer the Achievements without authorization or in a disguised manner. Where significant commercialization occurs, the Research Administration Office shall report to the Executive Board for approval.

Article 5 The Achievements shall be registered with the University. Each unit or person (team) having accomplished the Achievement shall promptly register the Achievements. The Research Administration Office promotes them upon record filing.

Article 6 A person who has accomplished a job-related scientific and technological achievement as well as the unit where he or she works are obligated to assist in commercializing such achievement. No individual or unit may hinder the commercialization of the job-related achievement. No individual may appropriate the job-related achievement and the technical data thereof, infringing upon legitimate interests of the unit.

Article 7 The pricing of the commercialization of the Achievements shall be mainly determined through price negotiations. Alternatively, the price may be determined by listing on a technological market or through auctions.

Article 8 Where a person (team) having accomplished the Achievements carries out the commercialization individually or in cooperation with other units, contracts shall be concluded to specify the rights and interests of each party.

Article 9 Where commercialization of the Achievements occurs in cooperation with an overseas organization or individual, the relevant laws, regulations and provisions of China shall be complied with. Confidential matters concerning China shall be dealt with in accordance with the relevant procedures.

Article 10 Where a graduate student of a person having accomplished the Achievements engages in the commercialization, the mentor professor for such student shall make a prior statement to and obtain written consent from the Graduate School and the relevant school. The Graduate School and the relevant school may form a supervisory committee to ensure that the student's work is related to the research topics of his or her graduation dissertation, the academic standards of the work is high and the rights and interests of the students are protected.

Chapter 3 Rights and Interests Guarantee

Article 11 Where the University cooperates with other units for the commercialization of the Achievements, the parties shall enter into confidentiality agreements to protect technological secrets. The parties shall not disclose or allow others to use the Achievements without authorization in breach of the confidentiality agreements or the requests of rights owners that technological secrets be protected.

Article 12 Where the commercialization of the Achievements takes place via a technological trade intermediary institution, such institution shall sign a letter of undertaking, indicating that it is aware of the obligation to protect technological secrets and assume default liabilities while serving as a technological agent for the University.

Article 13 Participants in the commercialization of the Achievements shall sign agreements stipulating that they shall protect technological secrets of their units when they are on job, or within a specified period of time after they leave their posts or retire. No person concerned may engage in activities of commercializing the same the Achievements as when he was in his original unit.

Chapter 4 Proceeds Allocation

Article 14 Proceeds as referred to herein means all rights and interests generated from the commercialization of the Achievements, including transfer fees, royalties, profit share (commissions), return on technology investment and any other right and interest in relation to the commercialization of the Achievements.

Article 15 Proceeds from the commercialization of the Achievements shall be accounted and managed uniformly by the University. Net proceeds from such commercialization (deducting patent application fees and agent service fees) shall be allocated in the following manner:

1. Where a job-related scientific and technological achievement is transferred to others or others are authorized to use such achievement, 75% of the net proceeds shall be awarded to the person having accomplished the achievement; 10% shall be used as the School Research Development Fund; 15% shall be used as the University Research Development Fund.

2. Where a job-related scientific and technological achievement is used as technology investment, 75% of the share or capital contribution resulting from such achievement shall be awarded to the person having accomplished the achievement (team), 25% shall be owned by the University or a wholly-owned subsidiary of the University, proceeds from which shall be used as the University Research Development Fund.

3. Where a person having accomplished a scientific and technological achievement commercializes the achievement by himself or in cooperation with another person, 30% of the business profit generated from commercializing such achievement which belongs to the University shall be awarded to the person (team).

Article 16 A project responsible person shall determine the allocation of proceeds among different persons (teams) having accomplished the Achievements, including equity distributions and equity forms.

Article 17 The portion of the proceeds reserved as the Research Development Fund shall be deemed as the general research fund.

Article 18 Persons (teams) having accomplished the Achievements shall pay income taxes as required by law.

Chapter 5 Legal Liability

Article 19 As for anyone who obtains awards and an honorable title, cheats another one out of his money, seeks illegal gains by resorting to fraud in the commercialization of the Achievements, the University shall order such person to make correction, deprive of the awards and honorable title, confiscate his illegal gains. If economic losses have been caused to others, he shall bear civil liability for compensation according to law. If a crime has been committed, criminal liability shall be investigated according to law.

Article 20 The University shall pursue liability of any one who violates these measures or confidentiality agreements, divulge technological secrets, transfer the job-related Achievements without authorization or in a disguised manner, or damages the intellectual property rights of the University in any other manner.

Chapter 6 Supplementary Provisions

Article 21 These measures are implemented as of date when the Executive Board reviews and approves them. Any matter not covered in these measures shall be dealt with in accordance with the *Law of the People's Republic of China on Promoting the Commercialization of Scientific and Technological Achievements* as well as the relevant policies and regulations. These measures are interpreted by the Research Administration Office. If there is any objection, the Chinese version shall prevail.