How is the commercial exploitation of research outcomes compensated?

Research work generates results (e.g. inventions, biological materials, computer programmes) that can be commercially exploited by granting companies use or ownership rights to the results. The University’s principle is to distribute the income from research outcomes between the authors. By paying compensations, the University wants to encourage its employees and research units to also pay attention to the commercial exploitation of research outcomes.

(1) INVENTIONS

Under the Act on the Right in Inventions Made at Higher Education Institutions, the University has rights to inventions made by its employees. The inventor is legally entitled to a reasonable compensation.

The University of Oulu pays compensations according to the following principles:

A. Invention disclosure fee
   - Paid to persons in an employment relationship with the University of Oulu for invention disclosure notifications filed with the University of Oulu. Prerequisites:
     - The invention is patentable in Europe.
     - The invention disclosure contains sufficient information, including a description of the invention, and has been approved by the University Innovation Centre as received.
   - The compensation to be paid is EUR 300, divided by the number of inventors.

B. Patent application fee
   - Paid for a priority patent application filed with a patent office (= for initial patent applications, not for provisional patent applications), in which the University of Oulu is an applicant.
   - The compensation to be paid is EUR 1,000, divided by the number of inventors, in the case of one or two inventors.
   - The compensation to be paid is EUR 1,500, divided by the number of inventors, in the case of three or more inventors.
   - Prerequisites:
     - The inventor(s) take part in the drafting of the patent application.
The inventor(s) transfer the right of ownership to the invention to the University of Oulu by a separate agreement.

**Note 1:** The patent application fee is only paid to inventors who have transferred the rights to the invention to the University of Oulu. Compensation of inventors outside the University of Oulu is the responsibility of their own employer according to the employer’s internal principles.

**Note 2:** If the patent right is licensed/sold to a company where one or more inventors are owners, the patent application fee will only be paid to inventors who are not owners of the company. The view of the University is that inventors who are owners of the company have the potential to obtain the appropriate compensation for the invention laid down in law through their ownership.

**Note 3:** If the licensing/sale of a patent right to a company owned by the inventor(s) takes place after the payment of the patent application fee, the inventors are not obliged to return the fee to the University.

**Note 4:** The patent application fee is only paid for one invention, even if it is decided, for technical reasons, to file multiple patent applications with the patent office, i.e. to split the invention into parts.

### C. Patent award fee

- Paid when the invention is awarded its first patent.
- The compensation to be paid is EUR 1,000, divided by the number of inventors, in the case of one or two inventors.
- The compensation to be paid is EUR 1,500, divided by the number of inventors, in the case of three or more inventors.
- The prerequisite is that the patent is owned by the University and has not yet been commercialised, e.g. by licensing.

**Note 5:** The patent award fee is only paid to inventors who have transferred the rights to the invention to the University of Oulu. Compensation of inventors outside the University of Oulu is the responsibility of their own employer according to the employer’s internal principles.

**Note 6:** The patent award fee is only paid for one invention, even if it is decided, for technical reasons, to file multiple patent applications with the patent office, i.e. to split the invention into parts.
D. Distribution of net income generated by the exploitation of the invention

- 'Net income' means the amount of money paid by the user of the invention to the University less any direct costs arising from the protection and commercialisation of the invention (= fees paid by the University to external parties, such as a patent office).

- Net income is distributed as follows:
  - 50% to the inventor
  - 25% to the inventor's cost unit
  - 25% to the University.

Note 7: Net income is only paid to inventors who have transferred the rights to the invention to the University of Oulu. Compensation of inventors outside the University of Oulu is the responsibility of their own employer according to the employer's internal principles.

Note 8: If the patent right has been licensed/sold to a company where one or more inventors are owners, net income will only be paid to inventors who are not owners of the company. The view of the University is that inventors who are owners of the company have the potential to obtain the appropriate compensation for the invention laid down in law through their ownership.

Note 9: For a single invention, it is possible to receive (A) an invention disclosure fee, (B) a patent application fee, (C) a patent award fee, and (D) a share of net income.

E. Transfer of rights to the invention to a company

An invention can be made in a project involving corporate partners. In such a case, one or more of the companies involved may be interested in redeeming rights to the invention.

A company may decide to want to patent the invention at its own expense. In this case, the persons behind the invention must always mentioned in the patent application as the inventors.

However, a company may also decide that it considers the invention to be a business secret. This is possible if the inventors do not need to publish the invention.

The compensation payable to the University of Oulu for the transfer of the rights to the invention is agreed in a separate transfer agreement. The related revenue is distributed according to the following model:

- 75% to the inventor
- 25% to the University.
Note 10: If the rights to the invention are transferred to a company where one or more inventors are owners, revenue will only be paid to inventors who are not owners of the company. The view of the University is that inventors who are owners of the company have the potential to obtain the appropriate compensation for the invention laid down in law through their ownership.
(2) BIOLOGICAL MATERIALS

Research work may generate biological materials such as antibodies, plasmids, chemical compounds, or transgenic mice. They may be of interest to other researchers. Biological materials can be transferred to another university for academic research purposes by drawing up a material transfer agreement. In many cases, the transfer of material for academic research purposes is done without asking for compensation.

Companies can also be interested in biological materials produced by the University of Oulu. The licence to use such materials may be granted for experimental purposes free of charge, but if the materials are used to manufacture or produce a product sold by the company, the parties agree on a compensation. The University of Oulu distributes the revenue from biological materials according to the following model:

- 50% to the material manufacturer
- 25% to the material manufacturer’s cost unit
- 25% to the University.

If the biological material is part of an invention that the University of Oulu intends to patent, the fees specified in paragraph (1) shall apply.

Note 11: If the rights to the biological material are transferred to a company where one or more manufacturers are owners, revenue will only be paid to persons who are not owners of the company.

(3) COMPUTER PROGRAMMES AND OTHER RESEARCH OUTCOMES (e.g. circuit models)

Use and/or modification rights to research outcomes generated in research work (e.g. computer programmes and circuit models) may also be granted to other researchers or companies. If the University of Oulu generates revenue from the transfer of rights related to research outcomes, it will be distributed according to the following model:

- 50% to the author of the study
- 25% to the author’s cost unit
- 25% to the University.

If the research outcome is part of an invention that the University of Oulu intends to patent, the fees specified in paragraph (1) shall apply.
Note 12: If rights to a computer programme or other research outcome are transferred to a company where one or more manufacturers are owners, revenue will only be paid to persons who are not owners of the company.

These guidelines clarify the invention compensation guidelines that entered into force on 1 May 2013. The compensation amounts or percentages have not been changed. However, a new type of compensation payable for inventions is the invention disclosure fee.

These guidelines are intended to clarify the compensations principles applied, for example, to biological materials, computer programmes and other research outcomes. This update applies to inventions made and biological materials, computer programmes and other research outcomes commercialised after the entry into force of these guidelines.

These guidelines enter into force on 1 June 2020.

The University Innovation Centre is responsible for the payment of compensations for the exploitation of research outcomes. The contact persons are Maarit Jokela, tel. +358 (0)294 488066, and Pekka Räsänen, tel. +358 (0)294 488058.