



science & innovation

Department:
Science and Innovation
REPUBLIC OF SOUTH AFRICA



NATIONAL INTELLECTUAL PROPERTY
MANAGEMENT OFFICE
An initiative of the Department of Science and Technology

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PRACTICE NOTE 5.2 OF 2021

INTELLECTUAL PROPERTY STATUS AND COMMERCIALISATION REPORTS REPORTED TO NIPMO ON AN IP7 FORM

OVERVIEW

The National Intellectual Property Management Office (NIPMO) has implemented the knowledge information management (KIM) system which will be used for the reporting of IP7 forms to NIPMO. The system was designed in a way that it reflects the actual IP7 form as it appears on the Regulations of the Intellectual Property Rights from Publicly Financed Research and Development Act 51 of 2008 (The IPR Act). Therefore, it was necessary for NIPMO to amend this Practice Note to include the procedure to follow when reporting to NIPMO.

The IPR Act came into effect on 2 August 2010. The object of the IPR Act is to make provision that intellectual property (IP) emanating from publicly financed research and development (R&D) is identified, protected, utilised and commercialised for the benefit of the people of the Republic, whether it be for a social, economic, military or any other benefit.

The IPR Act provides that a recipient¹ must **report to NIPMO**² twice a year on all matters pertaining to the IP contemplated in the IPR Act, including all IP from which **it elects to obtain statutory protection** and **the state of commercialisation thereof**, in a manner stipulated by NIPMO.

OBJECTIVE

This Practice Note sets out:

- When and How to complete** an IP7 on the KIM system;
- Groups to consider when updating an IP7 on the KIM system**; and
- Consequences of **failure to report IP** to NIPMO.

Please do not hesitate to contact NIPMO (naomi.ngoasheng@nipmo.org.za and jetane.charsley@nipmo.org.za) should you have any questions with regards to any matter in this Practice Note.

Ms Jetane Charsley
Acting Head: NIPMO
Date: 29 March 2021

¹ Section 1 of the IPR Act: "recipient" means any person, juristic or non-juristic, that undertakes research and development using funding from a funding agency and includes an institution

² Section 5(1)(h) of the IPR Act: A recipient, must report to NIPMO twice a year, on all matters pertaining to the IP contemplated in the IPR Act, including all IP from which it elects to obtain statutory protection.

Lefapha la Saense le Thekenoloji • uMnyango wezeSayensi neTheknoloji • Muhasho wa Saints na Thekinoodzhi • Departement van Wetenskap en Tegnologie • Kgoro ya Saense le Theknolotši • Ndzawulo ya Sayense na Theknoloji • LiTiko leTesayensi ne Theknoloji • iSebe lezeNzululwazi neTeknoloji • UmNyango wezeSayensi neTheknoloji

Batho Pele - putting people first

1. GLOSSARY OF TERMS

Disclosure	Means the provision of full details of potential intellectual property contemplated in section 5 of the IPR Act (as defined in section 1 of the IPR Act)
Guideline 1	Guideline 1.3 of 2019: Interpretation of the Scope of the Intellectual Property Rights from Publicly Financed Research and Development Act (No. 51 of 2008):
Guideline 4	Guideline 4.2 of 2019: Intellectual Property Ownership
IP1 Form or Form IP1 of IP1	Referral of Intellectual Property and Release Form
IP7 Form or Form IP7 or IP7	Intellectual Property Status and Commercialisation Report

LIST OF ACRONYMS USED

HEI	Higher Education Institution
IP	Intellectual Property (see IPR Act and Guideline 1)
IPR	Intellectual Property Rights (see Guideline 1)
IPR Act	Intellectual Property Rights from Publicly Financed Research and Development Act, 2008 (Act 51 of 2008)
NIPMO	National Intellectual Property Management Office
OTT	Office of Technology Transfer
PCT	Patent Co-operation Treaty
R&D	Research and Development (see Guideline 1)
KIM	Knowledge Information Management System

2. INTRODUCTION

2.1. Management obligations and disclosure duties

The IPR Act prescribes certain management obligations and disclosure duties. When dealing with disclosures, sections 5(1)(c), (d), (e) and (h) of the IPR Act are relevant as set out below:

SECTION OF THE IPR ACT	MANAGEMENT OBLIGATIONS/DISCLOSURE DUTIES	RESULTANT DOCUMENT
Section 5(1)(c)	A recipient must ensure that personnel involved with R&D make a disclosure to it within 90 days, of identification by such personnel of possible IP and before the IP is made public.	Information disclosure Form (<i>internal document of institution</i>) Not submitted to NIPMO
Section 5(1)(d)	A recipient must assess IP to determine whether it merits statutory protection and, where appropriate , apply for and use best efforts to obtain statutory protection in its name .	IPR application document (<i>e.g. provisional patent application</i>) Not submitted to NIPMO
Section 5(1)(h)	A recipient must report to NIPMO twice a year , on all matters pertaining to the IP contemplated in the IPR Act, including all IP from which it elects to obtain statutory protection.	IP7 Form Must be submitted to NIPMO on the KIM system
Section 5(1)(e)	A recipient must refer disclosures for which it elects not to retain ownership or not to obtain statutory protection to NIPMO within 30 days of it making such an election.	IP1 Form Must be submitted to NIPMO on the KIM system

2.2. When an IP7 MUST be completed and submitted to NIPMO

SECTION OF THE IPR ACT	REQUIREMENT	RESULTANT DOCUMENT
Section 5(1)(h)	A recipient must report to NIPMO twice a year , on all matters pertaining to the IP contemplated in the IPR Act, including all IP from which it elects to obtain statutory protection.	IP7 Form using the KIM system
Regulation 2(2)	Where IP cannot be protected through statutory registration but has potential to: (a) address socio-economic needs; OR (b) be commercialised; OR (c) the recipient elects to retain ownership; the recipient must report to NIPMO.	IP7 Form using the KIM system

2.3. Multiple IP types in one submission

Recipients are requested to submit all IP types relating to the same subject matter on one IP7 Form on the KIM system. In other words, one IP7 Form may have information relating to a patent and trade mark or other combinations of IP types.

2.4. Validation of IP applications in other countries

IP validation is the process of registering a granted patent into individual countries where it will ultimately be enforceable. This happens when an IP has been filed eg. through European Patents Office (EPO), the applicant can eventually obtain patent protection in several countries (up to 40) and extension states.

Validations are regarded as a change in status of the IP. This change should be updated as part of the Group 2 updates (see below) as additional patent application for that specific IP (please remember to include the registration number and associated country in which the validation took place).

2.5. Deadline for submitting an IP7 information to NIPMO

IP status and commercialisation reports (IP7 Forms) must be reported to NIPMO biannually on or before:

- **30 April of every year** (for the previous 6 month reporting period of 1 October to 31 March); and
- **31 October of every year** (for the previous 6 month reporting period of 1 April to 30 September).

3. GROUPS OF INTELLECTUAL PROPERTY ON THE KIM SYSTEM

The IP7 Forms biannual updates request from institutions, to select whether their disclosures are new (group 3), changed (group 2) or whether there was no change (group 1). **Please note:** if you select Group 3 (i.e New Disclosure) no reference number will be on the system as this is still a Group for new disclosures to NIPMO.

By implementing this group approach, it is anticipated that institutions will evaluate their entire portfolio at least twice a year. By classifying all disclosures within the IP portfolio in a group, all disclosures submitted will be regarded as up to date. The table below, sets out the group and description in more detail.

GROUP AND DESCRIPTION	INFORMATION ON THE KIM SYSTEM
Group 1: Previous IP7 Form submissions for which there was no change during the previous 6-month reporting period.	When you select Group 1 on the system the recipient must type in the IP7 reference (CR) number and the IP title (in a slot provided), previously received. Click submit. (This step should be repeated for all IP7/disclosures that have not changed.

Group 2: Previous IP7 Form submissions for which there was any change during the previous 6 month reporting period. An updated IP7 Form information must be submitted reflecting one or more of the following possible changes (list not exhaustive): 1. Re-filing of IP application and its associated IP number; 2. PCT or National Phase application number/s; 3. Receiving a granted right in a specific jurisdiction; 4. Generating other types of IP for the same subject matter (i.e. filing of a trade mark or design application in addition to a patent application); 5. Validations of the IP in other territories/countries; 6. Addition/deletion of an IP creator; 7. Addition of a funding agency; and/or 8. Entering into any commercialisation venture (including licensing and receiving revenue).	When you select Group 2 on the system the recipient must type in the IP7 reference (CR) number (in a slot provided), previously received. The previously reported IP7 Form will be displayed and the recipient can include the necessary updates/changes.
Group 3: New IP7 Form submissions following new disclosures received by an institution's OTT (actionable disclosures).	When you select Group 3 on the system a "clear" IP7 Form will appear that can be uploaded. The system will allocate a reference (CR) number once the uploaded IP7 information are submitted to NIPMO.
Group 4: Total number of non-actionable disclosures received during the period under review.	Title of IP

***Note to reader:** Recipients should differentiate between actionable disclosures³, which the recipient has elected to act on and which will be reported to NIPMO under Group 3 and disclosures, no matter how comprehensive, received by the OTT and not acted on or not included in the institutional IP portfolio, which are non-actionable disclosures and are reported to NIPMO under Group 4).*

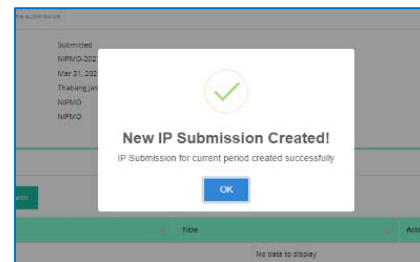
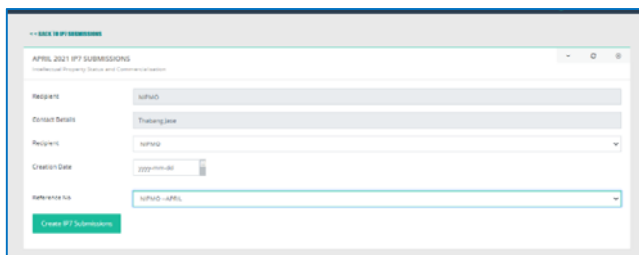
³Actionable disclosures: Disclosures which the institution act on, for example by filing for statutory IP protection during the twelve months following disclosure, bringing IP rights under institutional management, or which otherwise remains active because future action is expected within one year of receipt of the disclosure.

4. CREATING AN IP7 FORM ON THE KIM SYSTEM

4.1. Logging onto the system and creating an IP7 reporting container

The recipient will logon to the system using the logon details provided by NIPMO. Please use the following link: <https://www.kim.nipmo.org.za/>

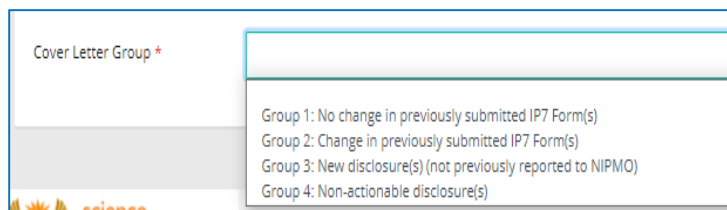
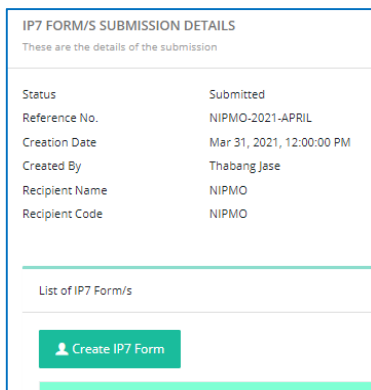
Once you have logged on, select IP Management on the dashboard on the right. A list of all the NIPMO forms will appear. Select IP7 Forms, then click Create a submission. Your screen will look like pictures below with your recipient details appearing on top. Select the IP7 creation date. When selecting the reference number, as mentioned previously, NIPMO has two submission periods namely April and October, select the period for which you want to submit. Select create IP7 submission on bottom left.



Congratulations!! An April or October IP7 Container has now been created. These “containers” can be created long before the submission period and recipients can continuously update the IP7 Forms throughout the 6-month period.

4.2. Creating an IP7 Form and selecting the appropriate group

Select create IP7 Form and Group in which your information would fall. As mentioned above, there are four **Groups** to select from. If you select, for example Group 3, an IP7 Form would appear that can be populated. If you select, for example Group 2, previously reported information associated with the CR number will appear that can be updated.



5. SECTIONS TO COMPLETE IP7 FORM ON THE KIM SYSTEM

5.1. Type of Intellectual Property

Please select all types of IP which are reported. Upon selection of that type, the relevant section to complete will appear on the KIM system. In other words, if you select invention/patent, the patent section will open up which needs to be further completed.

5.2. Stages of development

A recipient can select from 4 categories, as describe in the table below.

Under evaluation (i.e. no protection, pending intellectual Property and market assessment)	Disclosed and Protected (i.e. no decision and agreement made to commercialise	Licensed (i.e. license agreement signed with a third party to commercialise but pre-revenue)	Commercialised (i.e. revenue generation stage)
<i>These are IP applications which have been applied for at the relevant IP office but which have not yet been registered/ granted and which are still pending.</i> <i>Please note that provisional patent applications and PCT applications are regarded as pending IP and should therefore be indicated in this section</i>	<i>This is IP that has been registered or granted prior to licensing and/or commercialisation</i> <i>Please note that this can only be selected when there is date of grant.</i>	<i>This is when an IP transaction has been entered into and signed by the parties (prior to revenue).</i>	<i>This is when revenue has accrued to the institution due to the conclusion of an IP transaction</i>

5.3. Summary of description of IP

A brief description of the IP (as it relates to the IP title) should be provided, typically an abstract of a patent application/ registered patent and/or explanatory statement of a design application/ registration and/or the classification description in respect of a trade mark application/ registration. **Please note** that the title of the IP would not be regarded as a sufficient summary description of the IP. Recipients further must **not** include in this section all the claims of the patent or the full patent specification.

5.4. Date of Disclosure

This is the date when the IP creator/s disclosed the IP to the OTT/recipient. **Please note** that the date indicated must be the same in all subsequent reporting periods. Should further IP relating to the subject matter be generated and disclosed to the OTT/recipient, then these further dates must be added.

5.5. IP Creator(s)



The full names of all of the IP creators should be set out in this section. *Please provide the full middle name of the IP creator, providing an initial only will not be sufficient.*

Click on “add IP creator”, a block will appear for the names and surname of the IP creator. Remember to select “Add IP creator” when you

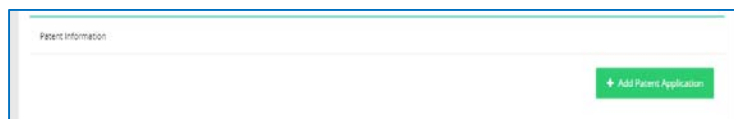
are finished. Should you have more than one IP creator this step can be repeated until all IP creators are captured.

5.6. Funding Agency

Section 1 of the IPR Act defines funding agency as the “*State or an organ of state or a state agency that funds research and development*”. **Please refer** to Guideline 1 which sets out examples of the State, organs of state or state agencies which allocate funds for R&D. If the R&D project was funded using institutional funding recipients must state “*institutional funds allocated for this R&D project*”.

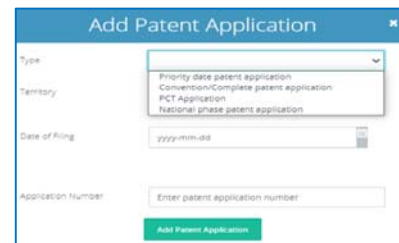
5.7. Patent Applications/Patents (where applicable)

Select “+Add Patent Application”. As mentioned above, this option will only appear if you have selected invention/patent as the type of IP.



5.7.1 Type of IP application

Choose the type of the application⁴ on the drop-down list and provide all the information as required below. Should there be more applications made, the recipient will have to repeat this step until all applications are on the system.



5.7.2 Country/ Territory

The place/country/territory where the IP has been filed must be selected in the drop down box provided. Should a recipient not find the associated country, “other” can be selected for the recipient to be able to type in the name of the relevant country.

⁴ Application for a patent may be made by way of (http://www.adamsadams.com/index.php/africa/africaniplaw/south_africa/) –

- a **provisional application** (with a provisional specification), where the effective date is the date of filing
- a **complete application** pursuant to a provisional application (with a complete specification), claiming priority of the provisional filing date
- a **non-convention complete application** in the first instance (with a complete specification), where the effective date is the date of filing
- a **convention application** (with a complete specification), claiming priority of the first-filed application in a Paris Convention country
- a **national phase application** based on an international application in terms of PCT (with a complete specification), where the effective date

It is of the utmost importance that recipient provide the validation country (and associated grant number), failing to do so may result in claims to the IP Fund being disqualified.

5.7.3 Date of filing

This is the date when the application was submitted to the relevant IP Office.

5.7.4 Application/Publication/Registration number

The allocated IP number/s received from the relevant IP office should be inserted in this section. Failure to provide the correct numbers and countries may affect the institution's IP Fund application. As you are aware, should you select "Priority date application" (provisional patent application) or PCT application, that applications will never be granted. The system will therefore not provide a slot to capture the grant date.

5.7.5 Date of Grant

This is the date when the application has been registered/ granted at the IP office.

Click on "Add Patent Application. Your screen should look like the one below. Should the IP have more applications this process can be repeated until all the applications are on the KIM system.

Patent Information

Patent No. 1

Type: Priority date patent application

Territory: Australia

Date of Filing: 2021-03-03

Application Number: 21099999900XX

Date of Grant:

Grant number:

+ Add Patent Application

5.8. Multiple IP types

A similar process as set out above will be followed for trade marks, designs and plant breeders' rights.

Reminder: If a trade mark was filed in different classes all the classes must be updated on the KIM system as separate trademark applications.

5.9. Commercial activities to be completed annually

Only update the commercialisation section during the October submission. If any product arising from IP has reached the market, this section must be completed.

To be completed annually by Higher Education Institutions during the April submission and Schedule 1 institutions/other recipients during the October submission

Year of First Sale	Year of First Sale
Commercial name of product(s)	Commercial name of product(s)

For the financial year Jan to Dec for Higher Education Institutions and April to March for Schedule 1 institutions/recipients please indicate the following:

Total income received	Income Generated
Number of exclusive licenses awarded	Total Exclusive Licences Awarded
Number of exclusive options awarded	Total Non Exclusive Licences Awarded
Number of non-exclusive licenses awarded:	Total Non Exclusive BEE Licences
Number of non-exclusive options awarded:	Number of non-exclusive options awarded
Number of BBBEE licenses awarded:	Number of BBBEE licenses awarded
Number of SME licenses awarded:	Number of SME licenses awarded:

Save And Continue

6. SUBMITTING THE APRIL OR OCTOBER CONTAINER

Once you have populated the information of a specific IP7 you can click Save and Continue. Please do not click submit until all the updates relating to your institution portfolio are captured on the system.

When all IP7 information have been captured on the KIM system and the institution is ready to submit, click the submit button. The system will ask whether you are sure you want to submit (the specific container). Select yes or no as applicable. Please Note: if "YES" is selected the (April or October) container will be submitted to NIPMO and an institution can no longer make additions for that specific reporting period.

7. FAILURE TO SUBMIT AN IP7 FORM

7.1. Implications in terms of the IPR Act

The IPR Act makes provision, in terms of Section 14(5)⁵ and Regulations 14(1)⁶ and 14(2)⁷, for NIPMO to demand an assignment and acquire ownership, on behalf of the State, of any IP which a recipient failed to disclose to NIPMO as provided for in Section 5(1)(h).

Section 14(2) of the IPR Act further provides that NIPMO must conduct reviews of non-commercialised IP in consultation with the recipients and that if it comes to the attention of NIPMO that any IP falling under the IPR Act was not disclosed, NIPMO may in accordance with the following procedures demand the assignment of the IP. The procedure is set out in Regulation 14 and summarised as follows:

- (a) Prior to demanding an assignment of the IP, NIPMO must first issue a written notice to the affected recipient and any co-owner(s) and request a written response why such action should not take place.
- (b) If the recipient and any co-owner(s) of the IP do not provide a written response within 30 days, NIPMO may demand that the IP be assigned to NIPMO.
- (c) Upon receipt of a response NIPMO must consider the response and make a determination. Any determination will, upon application by the recipient or any co-owner(s) of the IP be subject to review by the Dispute Panel, in accordance with the Dispute Panel's rules of procedure.

7.2. The release/ abandonment of an IP reported to NIPMO

Should the recipient decide not to retain ownership of an IP disclosure previously reported to NIPMO, a submission of an IP1 Form is required (please refer to Practice Note 4).

⁵ Section 14(5) of the IPR Act: NIPMO may, on behalf of the State, demand the assignment of rights to any intellectual property if a recipient fails to make a disclosure to NIPMO as provided for in this Act.

⁶ Regulation 14(1) of the IPR Act: It is a specific objective of the Act to ensure that intellectual property governed by the Act is disclosed, appropriately protected and commercialised for the benefit of the Republic. Accordingly -

(a) in terms of Section 5(1)(h) of the Act, a recipient must unless directed otherwise, provide NIPMO with status and commercialisation reports in prescribed Form IP7 twice a year, detailing the intellectual property governed by the Act fully or co-owned by the Recipient or with co-owner(s) as well as the state of commercialisation thereof, in accordance with regulation 3(1); and

(b) NIPMO may on a periodic basis, but no more than once a year, unless reasonably required, conduct reviews, in terms of section 14(2) of the Act.

⁷ Regulation 14(2) of the IPR Act: (2) If it comes to the attention of NIPMO that any intellectual property falling under the Act was not disclosed as required in terms of sections 5(1)(c), 5(1)(e), 5(1)(h) of the Act, NIPMO may, in accordance with the following procedures enforce the provisions of section 14(5) of the Act, subject to due notification of any co-owners of the intellectual property -

- a) Prior to demanding an assignment of the IP, NIPMO must first issue a written notice to the affected recipient and any co-owner(s) and request a written response why such action should not take place.
- b) If the recipient and any co-owner(s) of the IP do not provide a written response within 30 days, NIPMO may demand that the IP be assigned to NIPMO.
- c) Upon receipt of a response NIPMO must consider the response and make a determination. Any determination will, upon application by the recipient or any co-owner(s) of the IP be subject to review by the Dispute Panel, in accordance with the Dispute Panel's rules of procedure.
- d) Any determination in terms of paragraph © will, upon application by the recipient or any co-owner(s) of the intellectual property be subject to review by the Dispute panel, in accordance with the Dispute panel's rules of procedure
- e) Should the Dispute Panel rule in favour of the recipient or any co-owner(s) of the intellectual property, the proceedings will be deemed to have been terminated and thereafter NIPMO may not exercise the rights upon which the proceedings were based, unless it issues a new notice based on different fact.

Should an institution decide to abandon only specific IP applications but **still retain ownership of the technology/ IP** for further developments or for use within the institution, this information can be provided on an IP7 update (select Group 2). This includes the abandonment of IP applications in certain countries/territories while maintaining it in other countries/territories.

7.3. Implications in terms of the IP Fund (NIPMO Guideline 2)

Guideline 2 provides that all rebate claims which fall within the scope of the IPR Act must have a **corresponding IP number** as reported on an IP7 during the biannual submission dates. Failure to submit the **updated** IP7 (with corresponding IP numbers/jurisdictions) within the prescribed deadlines; will negatively affect an institution's IP Fund application.

Furthermore, should the recipient decide to remove an IP disclosure that was previously reported to NIPMO stating that it should not have been reported to NIPMO as it does not fall within the scope of the IPR Act, NIPMO will verify if any IP Fund payment(s) (on a determined percentage) were made towards such IP and recover the amount paid by way of deducting it from the next IP fund amount claimed.