

**Bills Committee on
The Hong Kong Polytechnic University (Amendment) Bill 2011**

In response to the issues raised at the third meeting on 2 February 2012, The Hong Kong Polytechnic University is pleased to provide the following information:

(a) About exit strategy

The University adopts clear policies in its knowledge transfer (KT) operations for the benefit of the community. There is also a Knowledge Transfer Committee established by the University Council to help set broad-based policies and give recommendations on KT to the management. In particular, there are at least two exit mechanisms for the joint venture and start-up companies set up under the KT effort: (1) by maximum time frame: PolyU will not be associated with such entities for more than 6 years; (2) by stage of development: PolyU will not be associated with those entities that are commercially well-established, e.g. after achieving critical mass in a well-established market with significant comparable competitors, or those facing obsolescence from other disruptive technology, or those that will no longer require PolyU for R&D support. In any regard, the 6-year exit time line in KT, also observed by renowned universities such as Stanford University, will prevail. After the exit, PolyU will cease to be a significant shareholder and will not participate in any strategic development or management decisions in the entity of concern.

(b) About intellectual property rights

PolyU has established policy looking after the intellectual property (IP) rights generated in the course of scholarly pursuit. Academic staff are requested to disclose their invention and discoveries to the administration, which will then be safeguarded by various forms of IP protection, including but not limited to patenting, which involves administrative review and internal/external expert advice on the novelty and commercialization potential of the IP concerned.

PolyU would transfer the IP or knowledge to third parties through established mechanisms such as licensing, consultancy service and contract research, under open access and no cross subsidy. For the

benefit of the community, some KTs can be arranged with minimal or zero cost barrier. Pertinent policies and regulations are listed on the PolyU intranet for the reference of all PolyU staff. Information sessions on KT and IP policies are also held regularly. Relevant KT and IP policies are reviewed at least once every five years under the adopted recommendation of the Knowledge Transfer Committee.

Commercial transactions for KT are managed through a wholly-owned ISO9001-certified subsidiary to assure operational compliance and clear audit trail. More importantly, centralized one-stop management of consultancy and licensing helps to limit PolyU's exposure to potential commercial liability.

(c) Clarification about proposed sections 8(4A) and 8(4B)

It is the University's intention that should the person(s) proposed for appointment as President or Deputy President be serving Council member(s), the person(s) concerned is / are not a member for the purpose of making the said appointment.

In order to make the University's intention clear enough, the following amended sections 8(4A) and 8(4B) are proposed:

8(4A) The President is not a member for the purpose of appointing or removing himself or herself. In case other serving Council member(s) is / are proposed for appointment as the President, he / she / they is / are not a member for the purpose of making the said appointment.

8(4B) The Deputy President is not a member for the purpose of appointing or removing himself or herself. In case other serving Council member(s) is / are proposed for appointment as the Deputy President, he / she / they is / are not a member for the purpose of making the said appointment.

(d) Clarification about the voting right of the acting President for section 8(2) and 8(4)

The Acting President shall have full authority to act on behalf of the President including the right to vote on all Council matters unless there is

conflict of interest. Following the spirit of sections 8(4A) and (4B), if the Acting President is a candidate proposed for appointment as President / Deputy President, he / she shall not be a member for the purpose of appointing himself / herself. In any case, if there is any perceived conflict of interest for the Acting President to vote on the appointment / removal of the President / Deputy President, the Acting President shall make proper declaration and Council shall make a decision on whether the Acting President shall vote on the said matter.

(e) About the appointment of lay members by the Chief Executive and by the PolyU Council

The new composition for the Council, other than enhancing the governance, has adequately taken into consideration the autonomy required by the University Council to appoint lay members in accordance with the needs of the University for expert advice. While the number of lay members appointed by the Chief Executive is more than the number of lay members appointed by the PolyU Council by one, the University is confident that the appointment made by the Chief Executive will be based on the merits of the individuals concerned, taking into account their ability, expertise, experience and commitment to higher education. As such, we do not see the need to further reduce the number of lay members appointed by the Chief Executive.

(f) PolyU's position regarding the appointment of Legislative Council representatives to the PolyU Council, and compliance to the six-year and six-board rules

Under the proposed section 10(1)(d)(ii) of the Ordinance, 8 lay members are to be appointed by the PolyU Council. The PolyU Council will appoint individuals whose expertise and experience will facilitate the long-term development of the University. Legislative Council Members may be invited to serve on the PolyU Council based on their own merit and in their personal capacity, but the University does not see the need to include a designated seat for Legislative Council Members in the PolyU Council. The University will be more able to realize its independency and autonomy, its most important core values, without having to make available a dedicated seat for any constituencies.

It is the University's intention to observe the six-year and six-board rules in making the appointment of lay members in order to ensure a healthy turnover of Council members and a reasonable distribution of workload for the appointees.