RESEARCH OUTCOMES

INTELLECTUAL PROPERTY & AUTHORSHIP

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Research & Innovation Portfolio
October 2010
• Introduction to Intellectual Property and IP @ RMIT
• Authorship – Copyright and Moral Rights
• Intellectual Property in Research Contracts
Introduction to Intellectual Property and IP @ RMIT
Intellectual Property

Intellectual Property means intellectual property as defined in Article 2 of the Convention Establishing the World Intellectual Property Organisation of July 1976

Huh?
CONVENTION ESTABLISHING THE WORLD INTELLECTUAL PROPERTY ORGANIZATION

[Stockholm, 14 July 1967    Entry into force generally: 26 April 1970]

THE CONTRACTING PARTIES AGREE as follows:

Article 2  Definitions

For the purposes of this Convention:
(viii) "intellectual property" shall include the rights relating to:
• literary, artistic and scientific works,
• performances of performing artists, phonograms, and broadcasts,
• inventions in all fields of human endeavour,
• scientific discoveries,
• industrial designs,
• trademarks, service marks, and commercial names and designations,
• protection against unfair competition,
and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.
Intellectual Property

• represents the product of your intellect. It can be an invention; work of art, music or text; trade mark; design; or a good idea with practical applications.

• is usually also confidential information (at least at early stages)
Intellectual Property

Intellectual Property includes any rights under (within Australia) the:

- Patents Act,
- Copyright Act,
- Design Act,
- Trade Marks Act,
- Plant Breeders Rights Act,
- and rights under any convention to which Australia is a party; and under the Common Law
## Categories of Intellectual Property Rights

<table>
<thead>
<tr>
<th></th>
<th>Copyright</th>
<th>Design</th>
<th>Patent</th>
<th>Confidential Information (Trade Secret)</th>
<th>Trade Mark</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What is Protected?</strong></td>
<td>Artistic, literary, dramatic, musical works and secondary works such as films and sound recordings</td>
<td>Visual appearance and shape of article</td>
<td>New and inventive industrial process and ideas and other subjects</td>
<td>Commercially important information that is secret and valuable</td>
<td>Sign used to distinguish goods or service by shape, colour, name, scent or sound</td>
</tr>
<tr>
<td><strong>Is Registration Required?</strong></td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Protection Period?</strong></td>
<td>Works for creator’s life plus 50 years. Secondary works for 50 years from publication</td>
<td>16 years from granting</td>
<td>20 years from application for standard patent. 6 years from application for innovation patent</td>
<td>Indefinite – as long as the information remains secret</td>
<td>Indefinite - as long as the mark is used and the renewal fees are paid</td>
</tr>
<tr>
<td><strong>Rights of Owner?</strong></td>
<td>Reproduce, publish, communicate</td>
<td>Right to apply the design to the article for which it is registered</td>
<td>Monopoly right to exploit. Right to prevent others from exploiting the invention</td>
<td>Right to prevent the unauthorised disclosure of the trade secret</td>
<td>Right to use the mark or a similar mark in respect of the registered goods or service</td>
</tr>
<tr>
<td><strong>Cost?</strong></td>
<td>No initial cost. Cost of policing infringements</td>
<td>Registration costs. Cost of policing infringements</td>
<td>Registration costs. Cost of policing infringements</td>
<td>Protection of secrecy costs. Cost of policing infringements</td>
<td>Registration costs. Cost of policing infringements</td>
</tr>
</tbody>
</table>
IP in Practice

What intellectual property can we identify here??
IP in Practice

- Name of Product ("Coca-Cola" and "Coke") – Trade Mark
- Shape of bottle – Design
- Process for production and filling bottle etc. – Patents
  (In USA, Coca-Cola has 863 patents, some 69 associated with "Bottle")
- Contents of bottle – Trade Secret
- Label wording – Copyright
University IP Framework

The existing framework for the regulation of Intellectual Property is contained in:

- IP Statute 7.1
- IP Regulation 7.1.1
- IP Policy
- General Responsibilities of Staff Policy; and in Instruments of Appointment
Ownership of Intellectual Property

Staff

Any intellectual property created by a member of staff in the course of their duties will be the property of the University which may require a member of staff formally to assign to the University their interest in any such intellectual property.

(IP Statute 7.1, IP Policy)
Ownership of Intellectual Property

Student

Any intellectual property created by a student in the course of their studies at the University will be the property of the student provided that where a student is to be involved in a project or specific commission in respect of which the University has provided funds, equipment, facilities or supervision the University may require the student, before commencing the same, formally to assign to the University their interest in any intellectual property which they may create as a result of such involvement.

(IP Statute 7.1, IP Policy)
Ownership of Intellectual Property

Others working at RMIT

The University owns R&I intellectual property created by adjunct professors, emeritus professors, casual staff and other visitors engaged in research or activities where the R&I intellectual property is created directly through their appointment or responsibilities at RMIT University….

(IP Policy)

(However – having a clear contractual understanding is highly advisable)
University IP Procedures

Intellectual Policy Procedures

• Identification, Management and Commercialisation of University-owned R&I Intellectual Property

• The RMIT Register of R&I Intellectual Property

• Distribution of Net Benefits from Commercialisation of R&I Intellectual Property
Research Intellectual Property

Is it a “goldmine” for Universities??

- ARC figures show that Australian universities earn an average of 3% of their research income from IP licensing.

- Australian universities have to spend between $100-300m of research expenditure to produce one spin-off company that may or may not succeed.
Research Intellectual Property

On average, not lots of $s

So….why create it??
Research Intellectual Property

To underpin our core business:-

Teaching
Research

Financial return is “cream on the cake”
How do Inventors of IP benefit?

• Right to be recognised as a creator/inventor of the IP – “Moral Rights of Authors” upheld by RMIT

• Examples - will be listed as an inventor on any patent owned by RMIT or others and an author on publication

• Try to structure agreements to allow for fairly unfettered academic publication

• Can share in net benefits from commercialisation – negotiation start point is 50% to RMIT and 50% to the inventors
Sources of IP Information
(other than RMIT website)

IP Australia – Australian Government Patent Office
http://www.ipaustralia.gov.au

IP lawyers - Spruson & Ferguson – IP manuals
Authorship
Ownership of Authored Material

The University owns all intellectual property created or developed by staff in the course of his or her duties.

In an Education and Training context this is construed to mean duties pursuant to the work specified in the contract of employment, position description and work plan. The University thus claims ownership of all intellectual property in course material, course material delivery systems and other work-related outputs, regardless of whether material is contained in traditional, digital or any other format.

While the University assigns ownership of intellectual property in respect of:

- Personal notes, overheads and other materials which a staff member produces to assist with student learning
- Commercially published books
- Journal articles
- Conference papers

...to staff, the University retains a non-exclusive licence to use, reproduce and communicate to the public such intellectual property. This licence is irrevocable, royalty-free and world wide. (from RMIT IP Policy)
Moral Rights of Authors

• The Copyright Act protects the economic rights of copyright owners
• The Copyright Amendment (Moral Rights) Act 2000, protects the author’s creativity and personality
• Three Moral Rights:-
  - to be identified with their works (right of attribution)
  - not to have authorship falsely attributed to another (right against false attribution)
  - not to have their works subjected to derogatory treatment (right of integrity)
• Note these are author’s rights and distinct from copyright owner’s rights (the two might be one and the same)
Moral Rights of Authors

Implications

• Authorship of Publications - who is on, and who is not.

• Inventorship of Patents – who is and who is not an inventor.

(Also decided by Patent law – everyone who has made an “inventive contribution”)
Moral Rights of Authors

RMIT Moral Rights Policy

.....it is reasonable to re-use a work with appropriate alterations for another purpose related to the University’s business activities, and that to do so would not breach the moral rights of the author. However, staff proposing to use University copyright work should be sensitive to the honour and reputation of the staff member who originally created the work and avoid making unnecessary or inappropriate alterations to the work. The author should also be attributed unless it is impractical to do. Tensions can be avoided by contacting the author in the first instance and discussing with him/her the proposed use.
Moral Rights of Authors

When does the Commonwealth think it is “reasonable” not to attribute authorship

- Where non-attribution of authorship is a long-standing “industry” practice in the circumstance;
- Where attribution would detract from the official purpose of the work, such as a major speech by a Minister; or
- Where identifying the author or authors, particularly where there is a number of them, would incur unreasonable difficulty or expense.

But rather that face a legal challenge, the Commonwealth regularly requires authors to waive their moral rights, except, sometimes, the right with respect to false attribution.
Moral Rights of Authors

In general, RMIT finds it has little room for negotiation when faced with a contract where the other party wants RMIT authors to waive their Moral Rights – usually to supplement the assignment of IP rights to that party. Government will often agree, if asked, to not falsely attribute authorship. Authors are asked to give their agreement to such a waiver, before RMIT signs.

RMIT will often want other authors of IP, which is to be owned by RMIT, to waive their Moral Rights.

There is a defense against infringement – that the infringement is “reasonable in all the circumstances”.

Note that Moral Rights is not an intellectual property issue, though it is closely related.
Policy on Authorship and Publication

www.rmit.edu.au/research/integrity

Procedures:-

• Publication and dissemination of research results procedure
• Authorship of research outputs procedure
Intellectual Property in Research Contracts
Why have Research Contracts?
Why?

- Maximising Research Income
- Confirming other benefits
  - Publication
  - Exploitation of Intellectual Property
- Clarity of tasks/deliverables/timelines
- Minimising risks to RMIT
and, in particular, to:

**Enhance your RELATIONSHIPS**

- The Research and Innovation Section provides coordination support for R&D contracts to enable you to turn your research relationships into more fruitful and lower stress activities and to build successful longer-term collaboration.
What is covered?

• Any research contract:
  – can be associated with commercial research, research consulting, postgraduate funding, research grants etc.
  – not just income-related, but may be confidentiality agreements, materials transfer agreements, intellectual property and licencing agreements etc.

• R&I support provided up until contract is signed. Management beyond that resides with the Schools, except we remain available to advise on issues and particularly to arrange for formal variations if one or more become needed. In some cases, reporting to the external party is arranged through R&I.
HOW? Research Contract

Negotiation of Terms & Conditions:

- Tasks and Deliverables
- Pricing (after costing the work) & Payment Schedules
- Intellectual Property/Commercialisation
- Confidentiality
- Publication
- Termination
- Warranties/Liabilities/Indemnities/Insurance/Notices
- etc

(Note our legal name is the “Royal Melbourne Institute of Technology”)
IP Rights - Contractual Issues

IP Clauses may cover:

• the IP the parties bring to the project - “Background IP”

• the IP produced in the project which is specific to the project aims - “Project IP”

• the IP produced incidentally in the course of the project - “Improvements to Background IP” and “Serendipitous IP”

cont.
IP Rights - Contractual Issues

IP Clauses may cover (cont.):

• the need to be able to use other party’s background IP in commercialising or using the product

• the requirement/desire of the University to be able to use the Project IP in its academic endeavours

• rights of party to purchase other’s share of IP Rights

• The requirement/desire of the parties to patent Project IP
IP Rights - Contractual Issues

• May document Background IP in contract - “includes but is not limited to….”

• Carefully document Project Deliverables so Project IP can be identified

• Confidentiality and Publication Clauses to support and reflect IP intentions

• University contractual arrangements with its staff, casual/contracted staff, consultants
IP Rights - Contractual Issues

Ownership - proportions

• 100% to one party or shared ownership?
• relationship to background IP brought by each party.
• relationship to $s invested by parties
• percentages can be hard to determine early in project

Pros and cons of determining early or late
IP Rights - Contractual Issues

Shared Ownership – type (regardless of proportion of share)
  • joint
  • tenants-in-common

Joint ownership is where a party must get agreement from the other owner(s) before disposing of their share.

Tenants-in-common ownership is a situation where a party may dispose of their share without reference to the other owner(s).

Pros and cons of each type.
RMIT University Delegations Authority (Approved by RMIT Council, 23 March 2009 - extract)

LEGAL DELEGATIONS SCHEDULE - AGREEMENTS

If an agreement ostensibly covering a matter included in an officer’s delegation also includes subject matter within a higher delegation, or exceeds their financial/capital delegations, then the agreement must be signed by the person with the higher delegation.

<table>
<thead>
<tr>
<th>Role</th>
<th>FORMATION SHAREHOLDING MEMBERSHIP IN COMPANIES (includes Affiliation Agreements and CRC’s)</th>
<th>CONFIDENTIALITY AGREEMENTS</th>
<th>INTELLECTUAL PROPERTY LICENCE DISTRIBUTION AND ROYALTY AGREEMENTS</th>
<th>DOMESTIC MEMORANDUM OF UNDERSTANDING</th>
<th>INTERNATIONAL AGREEMENTS - MOU concerning international student agreements. Contract offshore agreements</th>
<th>RESEARCH GRANT AGREEMENTS AND APPLICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  VICE-CHANCELLOR AND PRESIDENT</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2  DEPUTY VICE-CHANCELLOR AND VICE-PRESIDENT RESOURCES</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3  PRO VICE-CHANCELLORS</td>
<td>PVC RESEARCH AND INNOVATION</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>PVC INTERNATIONAL AND DEVELOPMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4  EXECUTIVE POSITIONS that report to Deputy Vice-Chancellor, Vice-President Resources or Pro Vice-Chancellor</td>
<td>DIRECTOR ITS, PROPERTY SERVICES</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DIRECTOR FINANCE</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5  OFFICER SPECIFIC DELEGATIONS</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Subject to financial delegation limit – for DVC (R&I) this is $500,000
WHO?

RMIT’s Authorised Signatory (our Delegated Authority) is:-
DVC(R&I) or VC
(or Acting)
WHO? Tasks of DVC(R&I)

• That the work is consistent with the strategic direction of RMIT's research and that RMIT has both the capability and the available resources to undertake the proposed research.

• That the other party is one with which we are happy to collaborate.

• That the income we will receive for the work is appropriate to the costs RMIT will incur and the non-income benefits RMIT will receive.

• That all intellectual property, commercialisation, student and author's moral rights issues are understood and acceptable.

• That all legal risks are understood and are acceptable.

• That all business risks are understood and are acceptable.
WHO?

General Support:
- Lorraine Bridger, Clare Leporati – DSC
- Elaine Saunders, Ken Yi, Philip Grant & Sarah Dods – SEH
- Eric Kingston, Nola Miles – R&I, BUS, general enquiries, records and issues for DVC (R&I)

Specialist Support:
- Manager Technology Diffusion (Mark Littlejohn)
  - Commercialisation & IP exploitation
- Legal Services Group – Legal and general advice
- Financial Services Group – Foreign Currency, GST, Invoicing/Payment
- Insurance & Risk Mgt Officer (Warren Grant)
  - Insurance
What can go wrong?

• Is the proposed document sufficient to be a “contract” suitable for this project?
• Assess needs and risks on a case-by-case – previous text, even with the same organisation, may not be suitable.
• The whole arrangement can fall over at the last moment – Company or Government Department can change their mind! Don’t expend or commit unconditionally to staff appointments, prior to signature.
• Not enough time allowed for review, getting specialist advice, negotiation and arranging for signature. Couriers should not be needed! Note, however the end of year and end of financial year rushes!
• Tasks, deliverables, timelines and price are not all that may have to be agreed in a research contract.
• Additional agreements may be needed – confidentiality, subcontracts, student agreements.
• The correct other party (legal entity) and correct authorised signatory.
• Variations required later and problems encountered later – get advice.
Student Participation Agreements

• Can be required for every student.

• When essential?

• When recommended?

• When not needed?

(The nature of academic supervision)
When Essential? When Recommended?

• RMIT already has an agreement with an organisation with respect to IP and therefore has to own or control project IP to meet its contractual obligations.

• The student project is part of a larger project involving RMIT staff and perhaps students which may have been undertaken for previous years. It makes no sense for IP to be fragmented.

• RMIT decides that this particular project may have useful or valuable outcomes and chooses to require that the student assign the IP to RMIT in order to be approved to undertake the project.
More Questions......?