

Intellectual Property Framework

Guidelines for UHI Academic Partners

Introduction

This section is aimed at staff in UHI Academic Partners (AP(s)) responsible for creating or managing intellectual property (IP). It is designed to guide APs through the main issues regarding IP and the policies, procedures and documentation that may be required to effectively manage IP.

It is not intended to be an exhaustive statement of best practice applicable to every situation. Instead, it should act as a guide to general policy in relation to the handling of UHI APs *inventions*.

The term *invention* is broadly defined in this document to include technical innovations and discoveries as well as writings, designs, software programmes, physical prototypes and products as well as other research outputs of APs both tangible and intellectual.

Teaching materials have been excluded from this framework, as they are covered by other UHI/AP policies.

Invention coordination

An invention coordinator should be designated who is responsible for receiving information about *inventions* from the inventors and to work closely with project teams that wish to investigate commercial opportunities. The invention coordinator should be the first point of contact for any questions of guidance related to ownership, distribution and commercialisation of inventions. It is important to establish this dialogue early so expectations are clear and because various actions can have a detrimental effect on the ability to have certain kinds of future impact. For instance, patent protection may not be possible after publishing a paper or a verbally disclosing details containing information about an *invention*.

If required, the UHI Knowledge Transfer team may agree to be contracted to act as the invention coordinator for an Academic Partner.

Ownership policy statement

The general rule is that all *inventions* created by AP employees are owned by the employer. Unless the *invention* created was in the course of a specific agreement duly entered into by the AP that provided ownership rights that varied from this general rule, which may include a programme of contracted or collaborative research.

This general policy also does not apply if the creator can demonstrate to the reasonable satisfaction of the AP that the *invention* was created:

- Other than the ordinary course of their work for the AP; and

- Without conflict of interest; and
- Without breaching any duty to the AP; and
- Without the use of confidential or proprietary information of the AP; and
- Without significant use of AP administered resources.
- All of the above conditions must hold. The issue of whether a significant use of AP administered resources was made will be reviewed by the invention coordinator. In general, use is not considered significant if only a minimal amount of time has been spent using significant AP facilities or only insignificant facilities and equipment have been utilised.

Individuals employed by the AP must accept the principles of ownership of technology as stated under this document. In furthering such undertaking, all regular as well as visiting researchers, staff, students and others will sign invention and proprietary information agreements prior to beginning work or participation in research at the AP. Written approval from the AP is also required if a researcher wishes to use inventions conceived by them prior to the start of their involvement with the AP.

Students

The general guideline is that undergraduates own their own Intellectual Property (IP).

Where IP is generated by post-graduate students working in a UHI AP, the owner of the intellectual property developed and/or generated by that post-graduate student should be the employer of the students' lead supervisor. This must be explained to the student and clearly stated in their studentship contract.

Capturing new inventions

When a new well defined *invention* arises, an invention disclosure form (for example, see appendix 1 for a copy of UHI's invention disclosure form) should be submitted to the invention coordinator by the inventor(s). This disclosure formally initiates action to investigate the ownership, protection and marketing of the *invention*.

The terms of agreement entered into by the AP, in particular with its research collaborators may create obligations with respect to the reporting of the new *inventions*. Therefore all *inventions* in the broadest definition of the term should be reported promptly by submitting an Invention Disclosure Form (appendix 1).

Once submitted changes should only be made in the event of incorrect information and must be agreed by all listed inventors. If a new invention arises that is similar to a previously disclosed invention, a new Invention Disclosure Form should be submitted.

Protecting Inventions

The principal rights governing the ownership and disposition of many types of *inventions* are known as "intellectual property rights" which are derived primarily from legislation granting patent copyright, design protection and trademark. Mechanisms also exist for protecting confidential information, trade secrets, know-how and other intellectual or tangible research property (such as physical prototypes).

Patents

A patent protects new *inventions* and covers how things work, what they do, how they do it, what they are made of and how they are made. It gives the owner the right to prevent others from making, using, importing or selling the invention without permission within a specific territory for a designated period.

Typically the *invention* is a technical innovation of some kind with a commercial application.

While patents are granted by many different countries; procedures for filing, regulations for patentability and term of patent grant vary from country to country. In the UK a patent affords its owner exclusivity but it must be renewed every year after the 5th year for up to 20 years protection. To be patentable an invention must be new, useful and non-obvious.

Good record keeping is essential for preserving intellectual property rights; laboratory note books should be maintained by AP staff to the required standards (for example, being regularly checked, signed, and dated by the researcher and by a senior colleague).

Filing a patent does not mean that a researcher need delay publishing their work. So long as the invention is disclosed to the KT team as early as possible - a patent application can be prepared and submitted with minimal delay.

It is prudent to engage the services of a patent lawyer to help you file your patent – however, this will significantly increase the overall costs. There are also costs associated with keeping your patent in force for more information see - <http://www.ipo.gov.uk/types/patent/p-manage/p-renew.htm>).

Applying for a patent in the United Kingdom (UK) does not protect your invention elsewhere. You can protect your invention in many international countries using the Patent Co-operation Treaty (PCT) through the World Intellectual Property Organisation (WIPO). You can apply through the European Patent Office (EPO) or WIPO (<http://www.ipo.gov.uk/types/patent/p-manage/p-abroad/p-worldwide.htm>).

If required, you can also apply for a patent in individual countries by contacting the national patent office of each country.

The AP may, to the extent it considers appropriate, seek patent protection on *inventions* where it may intend to pursue or facilitate commercial licensing or to comply with the terms of various agreements, in particular, those with its research collaborators. The invention coordinator may request a literature search of prior art be carried out by an appropriate specialist, with input from one or more of the inventors.

Secrecy

The release of information regarding an *invention* may preclude the ability to protect that *invention* by a subsequent patent application. *Inventions* that are already in the public domain (have been discussed in public (even to a small group (~10 people)), or at e.g., a seminar or conference or published in an academic journal) may not then be patentable. Therefore care should be taken when discussing any *invention* prior to

patent filing. Accordingly, any dissemination where this might be an issue should be discussed with the invention coordinator prior to proceeding.

Where the AP considers it appropriate it may sanction the use of a suitable secrecy agreement. This may be done as a means of ensuring disclosure that would destroy patentability would not occur. In this way, discussions can take place with selected third parties in advance of filing a patent application.

Copyright

Copyright subsists in original work of authorship, whether or not published, which have been recorded in writing or otherwise (including electronic form). Copyright laws protect literary works, artistic works, musical works, films, sound recordings and original databases among other things. Computer programs are protected as literary works.

A copyright owner has the exclusive right (among other things) to reproduce the work, prepare derivative works, distribute by sale or otherwise, and display or perform the work publicly. Copyright protection of a work generally extends for either 70 years after the death of the author or 70 years after the date on which the work is first lawfully made available to the public. The precise duration of protection will depend on the nature of the work.

Copyright protection is important in order for the AP to license copyrightable material and to comply with the terms of various agreements entered into by the AP, in particular, those with its research and teaching partners.

Copyright law does not always require a notice of copyright to be affixed to the material however; such a notice is strongly advised. The following notice should be applied on AP owned works to protect the copyright:

“Copyright © AP’s name [Year(s)] All rights reserved”

The date in the notice should be the year or years in which the work is created. It is suggested that no notice other than the foregoing should be used for AP owned works.

If the work is commissioned or funded by another organisation copyright may belong to them. Any contract should clearly state who will own copyright.

In the UK copyright is not registered and it may be important to be able to prove the date of first production of the work. This can be achieved by lodging the work and recording the date of conception with a third party (e.g., a solicitor, bank manager or patent agent).

For added copyright protection in jurisdictions that provide for registration (e.g., USA) certain works, as deemed appropriate by the AP, may be registered with the appropriate regulatory body (e.g., the United States Copyright Office).

Despite the statutory provision whereby the copyright in any work produced by an employee in the course of employment belongs to the employer, the AP normally grants a free licence to the copyright in any work to be published in a recognised

academic, scientific, technical, professional, or management journal or book to the author.

Higher Education Institutes generally do not grant such a licence to the copyright in materials created by employees during the course of and related to their employment, comprising:

- Course or training materials;
- Software programs;
- Any design specification or other work which may be necessary to protect rights in commercially exploitable intellectual property

These guidelines do not supersede existing agreements with respect to course and teaching materials. **Teaching materials have been excluded from this framework as they are covered by other UHI/AP policies.**

Design rights

Protection for designs exists for the appearance of a product or part of it. It may arise from the features of a product, in particular, the lines, colour, shape, texture or materials of the products itself or its ornamentation. A design is not protected to the extent it is solely functional.

A design can be registered to provide protection in various countries, whether in the UK alone, throughout the EU or otherwise and protection can be obtained for a period of 5 years, renewable on payment of fees for further periods of 5 years up to a maximum of 25 years. Registered design is intended to protect the appearance of an object where aesthetic appeal of the object is of prime importance.

There is an unregistered design right, which applies throughout the European Union. Like copyright, it is not necessary to register this right but in order for the right to exist it must have been “recorded” i.e. a drawing must have been done or an article made. This right exists for 15 years from conception of the design and for not more than 10 years from the date of first sale. For the first five years you can stop anyone from copying the design. For the rest of the time the design is subject to a “license of right”. This means that anyone is entitled to a licence to make and sell products copying the design.

The AP, as it deems appropriate, will seek to obtain registered design rights, in particular, for those designs that will be used to commercially exploit products. As with patents, a design must be new. There must be no other design identical to it. In addition, the design must have individual character, i.e. it must be different in the eyes of an “informal user” from all other designs available before application to register the design.

Trademarks

A trademark is a word, name, symbol or device (or any combination of these) adopted by an organisation to identify its goods and services and distinguish them from the goods and services of others. Trademark protection may be obtained by registration of the trademark in each of the countries where the goods/services are to be sold.

Unregistered trademarks may sometimes be protected by law, usually where there has been long-standing and substantial use.

A trademark may be used to protect those names and symbols associated with certain AP activities, products or events. Prior to registration for trademark protection, the designation “TM” after a trade mark will give notice of a claim of ownership. The term “registered” or some other description indicating that the mark is registered must not be used unless the mark has actually been registered. The designation “®” is reserved for such use.

The use of trademarks to protect the AP owned properties or to designate the AP as the origin of a product, event, activity, service or the like, may be instituted only at the direction of the invention coordinator.

Confidential information and know-how

In the process of working at the AP, researchers will generate new information and know-how relating to work in progress that must be kept confidential in order to maintain competitive advantage. Since such information and know-how will be captured in written or otherwise reproducible forms from time to time a mechanism is required to ensure it is not misused or released publicly.

Such proprietary information and know-how, whether captured in an archival medium or not, are typically referred to as “trade secrets”. Unlike copyright, there is no trade secret statute. Protection of trade secrets derives from various legal concepts, including breach of contractual obligations not to misuse or disclose information, breach of trust and breach of confidence. All personnel contracts and other relevant agreements for involvement in the AP must include such clauses.

The most important aspect of this type of protection is secrecy. The protection will remain legally valid only as long as the trade secret is maintained as a secret. In order to maintain protection while a trade secret is being used, it is necessary to bind any non-AP staff having access to the secret by a contractual agreement not to disclose it. Such agreements are commonly called confidentiality or non disclosure agreements (NDAs) - standard documents can be accessed directly from the UHI Knowledge Transfer (KT) team.

In addition, the AP may be subject to freedom of information queries which would require the release of certain company information. However, information may not have to be released if it is commercially sensitive or would otherwise damage the competitiveness of the AP.

Non-Commercial Dissemination

Inventions owned by the AP may be distributed for research and other non-commercial purposes subject to appropriate conditions. Such distribution might normally be made to other educational, scientific and research institutes or to the AP’s academic and research partners.

Any such distribution is subject to an agreement by the recipient that the commercial development or commercial use or further transfer of the invention in question is not

to be undertaken. In addition, the AP may wish to control subsequent use, for example, by requiring recipients to follow a specific research protocol.

Distribution may be possible in advance of securing protections (such as patents or design rights) by using some form of contractual agreement.

Inventions may have potential commercial value as well as scientific value. Advice should be sought from the invention coordinator about how to make inventions available for scientific use in a manner that does not diminish their value or inhibit their commercial development.

If the invention in question was developed under an agreement with a research partner of the AP, the invention coordinator will advise on possible contractual obligations with respect to the invention prior to its distribution for non-commercial purposes.

Commercial Development

Where it considers it appropriate to do so, the AP may pursue the commercial exploitation of *inventions*. It is recommended that the AP has a mechanism in place in order to decide which inventions will be commercially exploited.

Commercial exploitation may include without limitation:

- researching the market for the invention;
- entering into discussions with potential licensees;
- negotiating appropriate licenses or other agreements;
- considering spin-outs or company formation;
 - the AP may accept an equity position in lieu of cash royalties and fees
- identifying third parties to commercialise it, if appropriate;
- monitoring progress;
- distributing revenue to inventors in accordance with the AP's revenue sharing policy;
- selling the *invention* or the rights associated with it.

The main internal as well as external contact for all of the activities mentioned above should be the invention coordinator, who will involve the original inventors as closely as possible in any commercial activities as this is a proven approach to maximise the chances of success.

In some instances distribution and commercialisation of *inventions* may be accomplished by the transfer or licensing of intellectual property rights such as patent or copyright. In other instances distribution and commercialisation of inventions may be aided by or depend upon access to the physical or tangible embodiment of the *invention* as is the case with computer software or physical prototypes or products.

Receipt and distribution of revenues

Revenue as the result of commercialisation of AP *inventions* (royalties, license fees, sale proceeds, realised equity considerations, etc.) will be calculated on a case by case basis and distributed to all relevant collaborators at the close of that financial year as follows:

- Deduct costs that are directly attributable to a specific case (e.g., cost of filing/maintaining a patent application, prosecution and maintenance of such, materials and manufacturing costs, specific staff costs, marketing costs and so on). Only staff specifically hired to carry out the revenue generating activity are included in these deductions
- Distribute any amounts required by agreements that may be in place between the AP and its collaborators.

Revenue Sharing

- Of the remaining sum, after these deductions, distribute according to the revenue sharing policy of the AP. It is recommended that when the policy is decided the AP recognises the innovator for their role in the revenue generation and rewards them accordingly.
- UK universities and research institutes have many different types of reward scheme. The AP must consider the options and choose what they think most appropriate in order to meet their, and for HE activities - UHI's strategic priorities.
- As an **example**, UHI's revenue sharing policy is to distribute:
 - **One third** directly to the inventors as named on the invention disclosure form covering the invention in question (if multiple inventors are listed and equal share will be distributed unless the inventors themselves have agreed to another distribution as specified on the invention disclosure form)
 - **One third** is distributed directly to the department/unit in which the inventor was/is located when the disclosure was made
 - The remaining **one third** to be retained by the institution.

Revenue sharing distributions may be considered taxable income and it is the responsibility of the recipient to properly report and pay tax on this income to any relevant authorities.

It may be necessary to distribute revenues to former staff several years after they have departed. It is the responsibility of each member of staff to keep their contacts details up to date with the invention coordinator after departing. If the former staff person cannot be contacted using the details on file 6 months following the date of distribution, their revenue share will be retained by the AP to be invested in future activities.