

TSHWANE UNIVERSITY OF TECHNOLOGY POLICY

POLICY ON INTELLECTUAL PROPERTY

6 May 2008

This policy and its rules, guidelines and procedures replace all previous policy and/or circulars pertaining to Intellectual Property

1. POLICY STATEMENT

It is the policy of the Tshwane University of Technology (TUT) to:

- Promote research and innovation, and efficient management and transfer of the resultant intellectual property thus contributing to economic prosperity of South Africa.
- Provide a fair and equitable distribution of benefits accruing from the exploitation of intellectual property.

2. DEFINITIONS

- 2.1. **Aesthetic Design** – any design applied to any article, whether for the pattern or the shape or the configuration or the ornamentation thereof, or for any two or more of those purposes, and by whatever means it is applied, having features which appeal to and are judged solely by the eye, irrespective of the aesthetic quality thereof.
- 2.2. **Background Intellectual Property** – intellectual property conceived and developed prior to a particular event in question.
- 2.3. **Contractual Agreement** – legally binding agreement between two or more parties making provision for intellectual property considerations. Such agreements include Material Transfer Agreements (agreements that deal with the use of materials and products such as biological species that are transferred either from the University to an external party, or from an external party to the University); Non-Disclosure Agreements (agreements that deal with the management of proprietary information including matters pertaining to confidentiality); and Contract, Consortium and Collaboration Agreements (agreements that deal with research and development projects that make provision for intellectual property considerations).

TSHWANE UNIVERSITY OF TECHNOLOGY POLICY

- 2.4. **Copyright** – intellectual property in the form of literary works, musical works, artistic works, cinematograph films, sound recordings, broadcasts, programme-carrying signals, published editions, and computer programs (Copyrights Act, No 98 of 1978).
- 2.5. **Design** – certificate in the prescribed format that exclusively imparts ownerships rights to an inventor for an aesthetic or functional design (Designs No 195 of 1993).
- 2.6. **Employee** – all employees of the Tshwane University of Technology, including permanent, temporary and contract employees.
- 2.7. **Exclusive License** – a licence granted to a party to the exclusion of other parties.
- 2.8. **Exploitation** – the utilisation of intellectual property rights, by putting the same to commercial use or industrial implementation with the view to profit.
- 2.9. **Foreground Intellectual Property** – intellectual property developed after a particular event in question.
- 2.10. **Functional Design** – any design applied to any article, whether for the pattern or the shape or the configuration thereof, or for any two or more of those purposes, and by whatever means it is applied, having features which are necessitated by the function which the article to which the design is applied, is to perform, and includes an integrated circuit topography, a mask work and a series of mask works.
- 2.11. **Intellectual Property** – intellectual capital in the form of any and all technical or commercial information, including, but not limited to the following: chemical structures; computer software programmes; biological or chemical information; manufacturing methods and processes; process optimisation techniques and methods; specifications and formulae; know-how, data, systems and processes; production methods; trade secrets; undisclosed inventions, financial and marketing information; as well as registered or unregistered intellectual property in the form of patents, trade marks, designs and plant breeders' rights (whether granted/registered or applied for), and copyright in any works, including literary works or computer software programmes.
- 2.12. **Invention** – intellectual property in the form of any and all technical information, including, but not limited to the following: chemical structures; computer software programmes; manufacturing methods and processes; process optimisation techniques and methods; residing in the form of unregistered or

TSHWANE UNIVERSITY OF TECHNOLOGY POLICY

registered intellectual property such as patents, designs and plant breeders' rights.

- 2.13. **Licence** – a limited right granted to use the proprietary interest of a designated intellectual property holder on agreed terms that is usually subject to a consideration (monetary or other) being made.
- 2.14. **Masked Work** – a functional design which consists of a pattern of an image however fixed or encoded, having or representing at least a part of an integrated circuit.
- 2.15. **Normal Course and Scope of Employment** – Range of duties or activities of the type the individual is hired to perform for the University.
- 2.16. **Non-exclusive Licence** – a licence granted to a particular party, with the option to license to other parties.
- 2.17. **Patent** – certificate in the prescribed form to the effect that a patent for an invention has been granted in a particular jurisdiction, which excludes all but the patent holder from enforceable rights to the invention (Patents Act No. 57 of 1978).
- 2.18. **Plant Breeders' Rights** – certificate in the prescribed format that grants exclusive ownership to the party that has bred, or discovered and developed, a plant variety.
- 2.19. **Reassignment** – the transfer of intellectual property ownership.
- 2.20. **Resources** – time, funding, equipment, staff assistance, administrative support, student involvement, laboratories that are owned or administered by the Tshwane University of Technology.
- 2.21. **Spinout** – a vehicle established by the intellectual property owner for the purposes of exploiting the intellectual property itself.
- 2.22. **Startup** – a vehicle established by parties excluding the intellectual property owner for the purposes of exploiting the intellectual property under a license or reassignment from the intellectual property owner.
- 2.23. **Trademark** – other than a certification trade mark or a collective trade mark, this means a mark used or proposed to be used by a person in relation to goods or services for the purpose of distinguishing the goods or services in relation to which the mark is used or proposed to be used from the same kind of goods or services connected in the course of trade with any other party.

TSHWANE UNIVERSITY OF TECHNOLOGY POLICY

2.24. **Transfer** – the formal transference of intellectual property rights from the University to the private sector, usually for commercial gain or social good.

2.25. **University** – Tshwane University of Technology.

3. RULES

3.1. Disclosure of Intellectual Property

All University employees, students, visiting professors/lecturers, contractors and others participating in University programmes, are obligated to disclose all intellectual property created under the auspices of the University without undue delay. It is the responsibility of the creator/inventor of the intellectual property and the relevant head of department or unit/niche area leader to ensure that such intellectual property is declared promptly and through the prescribed disclosure procedures.

3.2. Ownership of Intellectual Property

3.2.1. University Employees

- (i) All rights and title to any intellectual property developed by a University employee during the normal course and scope of his/her employment and/or through the use of University resources, and in the absence of a contractual agreement (between the University and the employee and/or another interested party) providing for the ownership and rights to intellectual property, will vest in the University.
- (ii) The University however, grants staff members the right to use teaching material created while employed by the University in subsequent employment with another employer. This is limited to use for publication and academic purposes only.
- (iii) The University owns a portion of any intellectual property developed by its lecturers, researchers and developers during a visit to other organisations. However ownership and holding of such intellectual property, and associated benefit sharing arrangements shall be negotiated and approved on a case-by-case basis by the Deputy Vice-Chancellor: Research, Innovation and Partnerships.
- (iv) Should a University employee wish to claim rights to intellectual property developed in the duration of his/her employment, the onus is with the employee to lay forth evidence that the development of intellectual property occurred outside the normal course and scope of employment and without use of University-administered resources.
- (v) All new employees are required to assign the rights to all foreground intellectual property, developed under the auspices of TUT, to the University at the employment contract stage.

TSHWANE UNIVERSITY OF TECHNOLOGY POLICY

3.2.2. University Students

All rights and title to any intellectual property developed by registered students at the University under the supervision of a University employee or with use of University-administered resources will vest in the University. The students assign the rights to all foreground intellectual property to the University upon registration.

3.2.3. Others participating in University Programmes

- (i) The rights, interest and title to any intellectual property developed by lecturers, researchers, scholars and students visiting the University for a limited period shall be governed by the provisions of a contractual agreement between the University and the dispatching institution.
- (ii) The rights, interest and title to any intellectual property developed by lecturers, researchers, and students visiting the University for a limited period shall vest in the University if substantial use of the University-administered resources and funding was made in generating the intellectual property and/or the intellectual property has resulted from use of pre-existing intellectual property owned by the University. For the purposes of this policy, the same benefit sharing arrangement as for University employees will apply to visiting lecturers/researchers and students.
However, if part of the work that resulted in the intellectual property was undertaken at the institution with which the visitor is associated, the University will pursue an agreement with that institution with regards to ownership of intellectual property and associated benefit sharing arrangement from exploitation of such intellectual property.
- (iii) The rights to any intellectual property developed by independent contractors and other persons engaged under contracts of service with the University will vest in the University.

3.2.4. Contractual Arrangements

- (i) All University contractual agreements for commissioned work that may result in the generation of Intellectual Property have to be referred to Legal Services, the Innovation Manager and to the Deputy Vice-Chancellor: Research, Innovation and Partnerships for consideration and approval.
- (ii) Where research or a related activity between the University and an external party is governed by a contractual agreement that contains restrictions or prescripts as to the disposition of intellectual property, any resulting intellectual property shall be handled in accordance with the provisions of such contractual agreements.
- (iii) The University shall not claim rights and title to intellectual property emanating from research and development commissioned and funded on a full-cost plus margin basis by a private sector party. All rights to such intellectual property shall be ceded to the private sector party which shall

TSHWANE UNIVERSITY OF TECHNOLOGY POLICY

- dispose of these rights without any obligation to consult with the University prior such disposition. The University shall not be entitled to proceeds accruing from exploitation of the intellectual property.
- (iv) If the research and development work is co-financed by the University and a private sector party or parties, the rights to intellectual property shall ordinarily vest in the University.
- The University and the private sector party or parties may negotiate joint ownership of the rights to the intellectual property. In which case, the parties have to enter into a contractual agreement detailing the rights, responsibilities and expectations of the parties with regards to use and exploitation of the intellectual property.
 - A private sector party can qualify as the designated intellectual property holder if the University can be shown that the financial and intellectual contributions of the private sector party exceed the collective intellectual contribution of the University and the input of public funds, and/or if there is a compelling business case to do so. This will be approved on a case-by-case basis by the Deputy Vice-Chancellor: Research, Innovation and Partnerships. The University shall however, enjoy a royalty free, non-exclusive, irrevocable licence for further research and development, and commercialisation in fields not applicable to the designated intellectual property holder.
 - The sharing of royalties/income accruing from exploitation of the intellectual property shall be determined by the relative contributions of the parties to the total costs of development and protection of such intellectual property.
- (v) In instances where research and development is co-financed with the University and another publicly-funded institution, the intellectual property ownership and benefit sharing arrangements will be negotiated and approved on a case-by-case basis by the Deputy Vice-Chancellor: Research, Innovation and Partnerships.

3.2.5. Reassignment

- (i) Intellectual property is an asset of the University and has intrinsic economic value. Therefore its reassignment shall be in accordance with University policies and procedures governing the disposal and transfer of assets with due consideration to incumbent national legislation relating to protection and disposal of intellectual property. Reassignments can only be approved by the appropriate governing authority as prescribed in the applicable policies of the University in consultation with the appropriate authorities as envisaged in the National Framework on intellectual property Rights arising from Publicly Funded Research and/or related national legislation and regulations.
- (ii) The South African Government reserves march-in-rights to intellectual property developed with public funds in times of emergency or national need, including all rights, interest and title to such intellectual property. The

TSHWANE UNIVERSITY OF TECHNOLOGY POLICY

University will cooperate with the South African Government in exercising these rights, should such a situation arise at the University.

3.3. Benefit Sharing

3.3.1. Inventions (including patents, computer software programmes, designs and plant breeders' rights)

Unless otherwise agreed, revenues derived from commercial exploitation of inventions (including patents, computer software programmes, functional designs and plant breeders' rights) created/developed by a University employee, contractor, student or any other person participating in University programmes, and the ownership of which vests in the University, shall be distributed as follows:

- (i) The direct costs associated with protection and transfer of intellectual property shall be deducted from the gross royalty revenue.
 - (ii) 50% of the net revenue is allocated to the inventor as a personal cash reward. In the event of more than one inventor, each inventor will receive an equal percentage distribution, the accumulative amount of which will not exceed 50% of the net revenue. The revenue accruing to the inventor(s) will be subject to applicable tax regime. The responsibility is on the inventor(s) to declare the income and settle any tax payable with the South African Revenue Services.
 - (iii) 25% of the net revenue is allocated pro rata to the faculty, for further promotion of research and innovation activities within the faculty. In the event of more than one inventor associated with different faculties, each faculty will receive an equal percentage distribution, the accumulative amount of which will not exceed 25% of the net revenue.
 - (iv) 25% of the net revenue is allocated to the University for services rendered and to aid in the recovery of indirect expenses incurred by the University, to be administered by the Executive Management Committee.
- Net revenue is determined as gross revenue less direct costs.*

3.3.2. Licensing of Copyright Material (excluding computer software programmes)

- (i) Unless otherwise agreed, in the event that the University licences copyrights material, excluding computer software programmes, to the creator of such copyrights material, the University shall receive 30% of the gross revenue accruing to the creator of the copyrights material.
- (ii) In the event of the University licensing its copyright material to an external licensee, the royalty received by the University, as per contractual agreement with the external licensee, shall be distributed as follows:
 - a) 60% shall accrue to the University, and
 - b) 40%, to the creator(s) of the copyright material.

3.3.3. Specific Conditions for Benefit Sharing with Inventors

TSHWANE UNIVERSITY OF TECHNOLOGY POLICY

- (i) In the event that an employee inventor retires, resigns or is retrenched from the services of the University, payment of the employee's share of revenues will continue as long as the University receives royalty payments from technology transfer activities related to the employee's invention. In case of death, the employee's share of the revenues will continue to be paid into the estate of the deceased employee until the University ceases to receive royalties from the employee's invention. The same provisions shall apply to student inventors.
- (ii) Inventors/creators to intellectual property on which spinout and startup companies are founded, who are eligible to hold equity in such spinout and startup companies and opt to do so, waive the right to be rewarded through the benefit sharing arrangements outlined in Sections 3.3.1.
- (iii) The University shall, as far as possible, ensure that all intellectual property developed by its staff, students and others participating in its programmes is exploited for public good. The University shall determine the most appropriate mechanism of effecting the transfer of technology to the public taking cognisance of the national context and existing legislations. The commercial exploitation of the University's Intellectual Property shall be conducted through the Innovation Manager and will be authorised by the Deputy Vice-Chancellor: Research, Innovation and Partnerships.

3.3.4. Special provisions

(i) Copyright Material

The University will license its copyright material (excluding computer programmes) preferentially to the creator(s) on the following conditions:

- a. there is no registrable intellectual property residing in the copyright material;
- b. no third party claims to the intellectual property rights;
- c. and no immediate external licensee willing to take up a licence at the time of disclosure

In the event of the University licensing its copyright material (excluding computer programmes) to an external licensee, the proceeds derived from successful exploitation of the copyright material will be shared between the University and the creator(s) in accordance with the guidelines provided under Section **3.3.2** of this policy.

(ii) Trademarks

The University is the owner of various registered and unregistered trademarks and therefore reserves all its rights with regard to any marks that include its name, coat of arms, abbreviation or similar indications, or that otherwise suggest an association with the University.

3.4. Governance

TSHWANE UNIVERSITY OF TECHNOLOGY POLICY

The Deputy Vice-Chancellor: Research, Innovation and Partnerships is the custodian of this policy and therefore assumes ownership and overall responsibility for its enforcement.

Waiver of any of the provisions of this policy can only be approved by the EMC. Written applications for such waivers have to be submitted to the DVC: Research, Innovation and Partnerships for endorsements and onward transmission to the EMC.

3.5. Dispute Resolution

- 3.5.1. Disputes that arise as a result of the implementation of the Policy on Intellectual Property should be brought to the attention of Legal Services.
- 3.5.2. The Head: Legal Services will arrange a meeting with the relevant parties and facilitate a discussion on the dispute.
- 3.5.3. If the parties fail to resolve a dispute, then the matter will be referred to the Deputy Vice-Chancellor for a final determination.
- 3.5.4. If either party is still not satisfied with the determination, then the dispute may be deemed a legal matter.

4. DOCUMENTS

4.1 Procedures

Disclosure of Intellectual Property

Procedures for disclosure attached

Protection of Intellectual Property

Procedures for protection attached

Licensing

Procedures for licensing attached

New Venture Creation

Procedures for new venture attached

4.2 Forms

Copyright Disclosure

Invention Disclosure

5. SIGNATURES