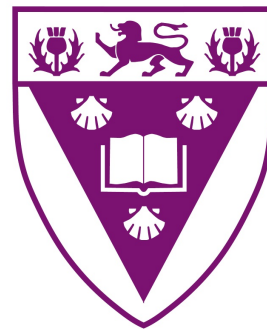


# RHODES UNIVERSITY INTELLECTUAL PROPERTY POLICY

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**RHODES UNIVERSITY**

*Where leaders learn*

Policy Volume	Research and Postgraduate Studies Volume
Policy Chapter	Research Policies Chapter
Author/s:	Written by: Jaime Roberts and Suzanne Wolhuter
Responsible Committee/Unit/ Division/Faculty	The Research Office
Responsible Chairperson/Director/ Manager	Director of Research and Manager of Technology Transfer
Dates of First and Subsequent Council Approvals	Awaits approval by Council
Policy Approval Pathways (e.g. committee, Senex, Senate, Council)	Faculty Boards, Senate and Council
Revision History: Approved Reviews	First Draft
Review Cycle (e.g. every 2/5/7 years etc)	3 years

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# PREAMBLE

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During 2006, the Department of Science and Technology developed a framework to actively secure the benefits derived from taxpayer / government spending on research at *inter alia* South African Higher Education Institutions (HEIs) for the South African population. After a process of consultation, a framework for publicly financed research was approved by Cabinet in May 2007. This led to the development of a Bill, the Intellectual Property Rights from Publicly Financed Research and Development Bill which became the Intellectual Property Rights from Publicly Financed Research and Development Act, 51 of 2008 (IPR-PFRD Act" commonly referred to as the IPR Act). The accompanying Regulations were published and the IPR Act promulgated, bringing it into force on 2 August 2010. Thus IPR Act does not apply retrospectively, so Intellectual Property (IP) created prior to 2010, is not governed by the IPR Act.

All South African HEIs must adhere to legislation set out in the IPR-PFRD Act, 2008 (Act 51 of 2008) and its Regulations.

The overarching purpose of the Act is to ensure that the "Intellectual Property emanating from publicly financed HEIs is identified, protected and utilised to be commercialised for the benefit of the people of the Republic of South Africa. Whether that benefit be for a social, economic or other positive outcome". In other words, the primary objective is economic development, job creation, social upliftment and improving the lives of South Africans.

As with any organisation (by South African common law) all IP created by an employee or student of Rhodes University (RU), within the course and scope of their employment or studies, automatically vests in the in the University. It is important to recognise that the use of University resources to generate any IP also constitutes publicly financed research and development, and thus is also subject to the IPR Act. Thus where IP emanates from publicly financed institutions, IP ownership is legislatively prescribed, and not by contractual agreement.

As a publicly funded institution, and a 'Recipient' of government/public funding as defined by the IPR Act, RU must comply with the provisions of the IPR Act, which has necessitated the development and implementation of a policy governing the manner in which the institution governs Intellectual Property, the "RU Intellectual Property Policy".

HOW DOES THE IPP RELATE TO THE VISION AND MISSION OF RHODES UNIVERSITY

# POLICY STATEMENT

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## The Rhodes University Vision:

To be an outstanding internationally respected academic institution which proudly affirms its African identity and which is committed to democratic ideals, academic freedom, rigorous scholarship, sound moral values and social responsibility.

## The Rhodes University Mission:

In pursuit of its vision RU will strive to produce outstanding internationally accredited graduates who are innovative, analytical, articulate, balanced and adaptable, with a life-long love of learning; and to strive, through teaching, research and community service, to contribute to the advancement of international scholarship and the development of the Eastern Cape and Southern Africa.

This Policy is aligned to the Rhodes Vision and Mission in that:

- Innovation and IP creation arises from rigorous scholarship and research.
- Innovation opens opportunities to create jobs and contribute to local economic growth and development, thereby supporting the development of the Eastern Cape, which reflects the moral values and social responsibilities which RU strives toward.
- All patents and protected IP have the potential to be recognised globally and gain international recognition. By encouraging innovative projects and the generation of novel IP we challenge our staff and graduates to be innovative, analytical and adaptable.

# POLICY PARTICULARS

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Policy Title	The Rhodes University Intellectual Property Policy - RU IPP
What does this Policy Aim to Achieve	<p>The purpose of this policy is to provide an institutional framework for the protection, management, commercialisation and ownership of IP developed by staff, students and other parties at RU; to examine the role of confidentiality and other agreements in the management of IP; and to highlight and comply with national legislation regulating IP.</p> <p>Implementation of the policy will ultimately contribute to the benefit of the people of the Republic of South Africa, with a focus on the citizens of the Eastern Cape. Whether that benefit be for a social, economic or other positive outcomes, thus driving economic development, social upliftment and improving the lives of South Africans.</p> <p>In accordance with the IPR Act, IP creators should benefit from their contribution via Benefit Sharing agreements. This policy should ensure this is done in a manner that is equitable and inclusive. Implementation of the policy also leads to the opportunity for creating a third stream of income for RU, contributing to sustainability and growth of RU.</p>

People Affected by this Policy

This IPP is applicable to all Employees as defined in the employ of RU, to all contract workers of RU, to all Postdoctoral Fellows, affiliation appointments, honorary appointments, and to all registered Students of RU.

The IPP policy applies to all Intellectual Property, as defined. This includes IP that can be legally registered and IP that is not eligible for registration, and includes *inter alia* all inventions, trademarks, trade secrets, copyrights, software, designs and plant breeders' rights.

Thus, all employees and students who:

- conceive or first reduce to practice, actually or constructively, any Patentable Invention;
- prepare a copyright-protected work;
- contribute substantially to the existence of any Tangible Research Property;
- otherwise create an item of Intellectual Property;

while making use of public financing and University Resources.

This Policy **does not apply** to Intellectual Property developed solely in terms of a private contract, outside of the course and scope of employment or contract of service or study with RU, by an Employee and a third party, approved in compliance with the relevant RU Private and Professional Work policies, provided that in the case of any potential conflict of interest (real or perceived), the Employee must notify RU of the Intellectual Property, or possible creation of Intellectual Property. In particular, should any Intellectual Property be created as part of a private contract, or private and professional work that falls within the technical scope of the Creator's employment at RU, the Creator is bound to disclose this IP to the Technology Transfer team. In the **absence of an agreement signed by RU to the contrary, the Intellectual Property will be deemed to be owned by RU.**

<p>Who should read this Policy</p>	<p>People who need this policy to fulfil their duties include:</p> <ul style="list-style-type: none"> <li>• The Vice Chancellor</li> <li>• The Deputy Vice Chancellor of Research and Development</li> <li>• The Director of the Research Office</li> <li>• The Manager of the Technology Transfer, the Manager of Contracts, the Technology Transfer Officer and the IP and Patents Administrator</li> <li>• The staff of the Division of Communications and Advancement, particularly those in Funding roles</li> <li>• Academic staff who produce Intellectual Property</li> <li>• Library staff</li> <li>• Students who produce Intellectual Property</li> </ul> <p>People who should be familiar with this policy include:</p> <ul style="list-style-type: none"> <li>• All academic and administrative and management level support staff</li> <li>• All students</li> <li>• Collaborators, partner and funders of Research and Development projects</li> </ul>															
<p>Implementers of the Policy</p>	<ul style="list-style-type: none"> <li>• The Vice Chancellor</li> <li>• The Deputy Vice Chancellor of Research and Development</li> <li>• The Director of the Research Office</li> <li>• The Manager of the Technology Transfer</li> <li>• The Manager of Contracts</li> </ul>															
<p>Relevant Contact Details</p>	<table border="0"> <tr> <td>Ms Jaine Roberts: Director Research Office</td> <td><a href="mailto:J.Roberts@ru.ac.za">J.Roberts@ru.ac.za.</a></td> <td>+27 46 603 8756</td> </tr> <tr> <td>Ms Suzanne Wolhuter: Manager Technology Transfer</td> <td><a href="mailto:S.Wolhuter@ru.ac.za">S.Wolhuter@ru.ac.za.</a></td> <td>+27 46 603 7334</td> </tr> <tr> <td>Ms Tharusha Naidoo: Manager Contracts</td> <td><a href="mailto:T.Naidoo@ru.ac.za">T.Naidoo@ru.ac.za</a></td> <td>+27 46 603 7635</td> </tr> <tr> <td>Ms Pamella Ntshakaza: Officer Technology Transfer</td> <td><a href="mailto:P.Ntshakaza@ru.ac.za">P.Ntshakaza@ru.ac.za</a></td> <td>+27 46 603 7314</td> </tr> <tr> <td>Ms Nandipha Thotsho: Administrator Patents and IP</td> <td><a href="mailto:N.Thotsho@ru.ac.za">N.Thotsho@ru.ac.za.</a></td> <td>+27 46 603 7315</td> </tr> </table>	Ms Jaine Roberts: Director Research Office	<a href="mailto:J.Roberts@ru.ac.za">J.Roberts@ru.ac.za.</a>	+27 46 603 8756	Ms Suzanne Wolhuter: Manager Technology Transfer	<a href="mailto:S.Wolhuter@ru.ac.za">S.Wolhuter@ru.ac.za.</a>	+27 46 603 7334	Ms Tharusha Naidoo: Manager Contracts	<a href="mailto:T.Naidoo@ru.ac.za">T.Naidoo@ru.ac.za</a>	+27 46 603 7635	Ms Pamella Ntshakaza: Officer Technology Transfer	<a href="mailto:P.Ntshakaza@ru.ac.za">P.Ntshakaza@ru.ac.za</a>	+27 46 603 7314	Ms Nandipha Thotsho: Administrator Patents and IP	<a href="mailto:N.Thotsho@ru.ac.za">N.Thotsho@ru.ac.za.</a>	+27 46 603 7315
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<p>Relevant Legislation and Documentation</p>	<p>The following Acts provide the statutory framework for the protection and commercialisation of Intellectual Property:</p> <p>Primary</p> <ul style="list-style-type: none"> <li>• Intellectual Property Rights from Publicly Financed Research and Development or the South African IPR-PFRD Act, 2008 (Act 51 of 2008), this Act will be referred to as the <b>IPR Act</b> throughout the Policy. <a href="https://nipmo.dst.gov.za/uploads/files/IPR-ACT.pdf">https://nipmo.dst.gov.za/uploads/files/IPR-ACT.pdf</a></li> <li>• Department of Science and Technology White Paper on Science Technology and Innovation <a href="https://www.dst.gov.za/images/2019/FINAL-White-Paper-to-Cabinet_11-March-2019.pdf">https://www.dst.gov.za/images/2019/FINAL-White-Paper-to-Cabinet_11-March-2019.pdf</a></li> </ul> <p>Secondary</p> <ul style="list-style-type: none"> <li>• Patents Act No. 57 of 1978</li> <li>• Designs Act No 195 of 1993</li> <li>• Plant Breeders' Rights Act No 15 of 1976</li> <li>• Trade Market Act No 57 of 1978</li> <li>• Copyright Act No 98 of 1978</li> <li>• Copyright Amendment Bill, No B13 of 2017 - expected to passed by the legislature in 2019</li> <li>• Counterfeit Goods Act, 37 of 1997</li> <li>• Competition Act, 89 of 1998</li> <li>• National Environmental Management: Biodiversity Act No. 10 of 2004</li> <li>• Exchange control regulations (as promulgated by Government Notice R.1111 of 1 December 1961 and amended up to Government Notice No. R.999 in Government Gazette No. 33717 of 1 November 2010)</li> </ul>
<p>Related Policies and Documents</p>	<p>The Intellectual Property Policy of the Republic of South Africa 2018 - Phase 1 <a href="http://www.thedti.gov.za/news2018/IP_Policy2018-Phase_1.pdf">http://www.thedti.gov.za/news2018/IP_Policy2018-Phase_1.pdf</a></p> <p>The IP Policy at RU is aligned to the institution's Policy on Conflict of Interest, Research Ethics Policy, RU Policy on Private Work, Rhodes Plagiarism Policy, RU Policy on Full-Cost, the Community engagement Policy, RU Human Resources Policy and RU Financial Policy. All related Rhodes Policies are available here: <a href="https://www.ru.ac.za/governance/rupolicies/">https://www.ru.ac.za/governance/rupolicies/</a></p> <p>The RU Institutional Development Plan 2018 - 2022 <a href="https://www.ru.ac.za/media/rhodesuniversity/content/digitalpublications/RHODES_UNIVERSITY_IDP.pdf">https://www.ru.ac.za/media/rhodesuniversity/content/digitalpublications/RHODES_UNIVERSITY_IDP.pdf</a></p>



## LIST OF RELEVANT DEFINITIONS

# GLOSSARY

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Author	The creator or originator of copyright protectable material (the author <u>may</u> be the copyright holder, but this cannot be assumed).
B-BBEE	Broad-Based Black Economic Empowerment and the economic empowerment of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies (as defined in section 1 of the Broad-Based Black Economic Empowerment Act, No 53 of 2003).
Benefits	<p>The contribution to the socio-economic needs of the Republic and includes capacity development, technology transfer, job creation, enterprise development, social upliftment and products, or processes or services that embody or use the intellectual property.</p> <p>Benefits can also mean monetary incentives due to the inventors, communities and organisations who are creators of IP in the event of successful commercialisation.</p>
Biological Materials	Any matter, or construct that interacts with biological systems, e.g. tissue, biomass, reagents, cell lines, plasmids, vectors, but not limited hereto.
Commercialisation	This is defined in section 1 of the IPR-PFRD Act to refer to "the process by which any intellectual property emanating from publicly financed research and development is or may be adapted or used for any purpose that may provide any benefit to society or commercial use on reasonable term; and commercialise(d) shall have a corresponding meaning.
Confidential Information	Any information that is treated as confidential by either party, including past, present or future research, trade secrets, technology, information pertaining to business operations and strategies, products, services and technical knowledge, and information pertaining to customers, pricing and marketing, in each case to the extent it is: (a) if in tangible form, marked as confidential; or (b) otherwise, identified at the time of disclosure as confidential and confirmed in writing after disclosure or (c) has been disclosed in such a way that it should be obvious to the receiving Party that it is claimed as confidential.

Conflict of Interest	<p>A conflict of interest is a divergence between employees' private interests and their professional obligation to RU such that an independent observer might reasonably question whether the employees' professional actions or decisions are determined or influenced by considerations of personal gain, financial or otherwise. It includes an action, omission or situation which may or may not appear to compromise the objectivity of an employee's design, conduct or reporting of a project. A conflict of interest will also exist when an employee, a direct family member or associated legal entity of such an employee (e.g. company, closed corporation or trust) has an external economic interest that affects or provides an incentive to affect the employee's conduct and responsibilities at RU.</p> <p>Any situation in which a member of RU has an actual or potential interest that may in acting within the scope of activities of RU impact on the integrity or objectivity of RU, including situations where:</p> <ul style="list-style-type: none"> <li>▪ a position or authority may be used to influence or make decisions that lead to any form of financial or personal gain for that member or for his or her relations; or</li> <li>▪ in which financial or other personal considerations may compromise, or may have the appearance of compromising, a member's professional judgement in conducting or reporting research.</li> </ul> <p>Interest: including but not limited to any</p> <ul style="list-style-type: none"> <li>▪ commercial interest</li> <li>▪ financial interest</li> <li>▪ non-financial interest</li> <li>▪ relationship interest</li> </ul>
Copyright	<p>The right in and to original works of authorship, such as books, text, articles, designs, monographs, glossaries, bibliographies, study guides, laboratory manuals, syllabi, tests and work papers, lectures, musical compositions, dramatic compositions, unpublished scripts, films, filmstrips, charts, transparencies, visual aids of any type, videotapes, audiotapes, cassettes, computer hardware, computer software, computer programmes, live video broadcasts, live audio broadcasts, programmed instruction materials, drawings, paintings, sculptures, photographs and other works of art.</p>
Consultancy	<p>The provision of expert advice (full range of services) to external clients (public and private sector organisations in South Africa and worldwide) by members of RU in their field of expertise, normally for payment.</p>
Contract	<p>A legally binding agreement which recognises and governs the rights and duties of the parties to the agreement. A contract is legally enforceable because it meets the requirements and approval of the law. An agreement typically involves the exchange of goods, services, money, or promises of any of those. In the event of breach of contract, the law awards the injured party access to legal remedies such as damages and cancellation. The basic elements required for the agreement to be a legally enforceable contract are: mutual assent, expressed by a valid offer and acceptance; adequate consideration; capacity; and legality.</p>
Course and Scope of Employment	<p>Means the duties performed by an employee in order to fulfil the requirements of his or her job description.</p>
Creator or Inventor of Intellectual Property	<p>The originator of the IP generally referred to as such if an invention is not registrable. Otherwise the term "inventor" is used. Inventor/creator is used when referring to the person who has invented or created a registrable or non-registrable piece of intellectual property.</p>

Disclosure	Submitting a disclosure to the Technology Transfer team is the important first step in the process of documenting a new IP creation (such as an invention) and facilitating further activities in technology development, IP protection, IP transaction, Marketing Assessment and commercialisation.
Employee	A staff member whose services were obtained through a permanent or contractual agreement (temporary and part-time included) of employment, irrespective of such employee being employed on a part time or full time basis.
Enabler	Those individuals who do not meet established legal standards of inventorship and thus may not be named on a patent application, but who have assisted with the validation of an invention, discovery or advancement of patentable Intellectual Property.
Full-Cost	The entire cost of undertaking research and development as determined in accordance with international financial reporting standards, and includes all applicable direct and indirect costs as may be prescribed. From time to time the Full Cost of research matrix will be determined by RU, in accordance to the guidance of the National Intellectual Property Management Office for the Implementation of the IPR-PFRD Act. Unless the minimum of full cost of research is paid by a third party, it is assumed that the research undertaken is partially publicly financed.
Full-Cost Model	Means the standard RU methodology, as approved by NIPMO, which is implemented in determining whether a research budget has been costed on a Full-Cost basis.
Gross Revenue	Income from Commercialisation of Intellectual Property that includes option payments, upfront and milestone payments, royalties, share of profits, dividends and through disposal of equity;
Intellectual Property Rights from Publicly Financed Research and Development (IPR-PFRD Act)	Is the Intellectual Property Rights from Publicly Financed Research and Development or the South African IPR-PFRD Act, 2008 (Act 51 of 2008) and its Regulations. IP emanating from publicly financed 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 applies to all “recipients” of public funding, received from a funding agency, whom use these funds to conduct R&D. Recipients include Higher Education Institutions (HEIs), Science Councils, State-Owned Enterprise (SOEs), individuals or companies.
	Pre IPR Act All IP generated during research and development activities, conducted using public funds, prior to 2 August 2010. IP produced prior to this date is not subject to IPR-PFRD Act.

Intellectual Property	<p>Means to any work or creation that emanates from the mental efforts of staff or students that is capable of being protected by law from the use by any other party. It includes trademarkable, copyrightable, patentable, registrable or unregistrable creations or work.</p> <p>Further it shall mean all and any intellectual property, including but not limited to all technical, commercial, financial and marketing information and know-how, including all concepts, specifications, data, diagrams, chemical structures, organisms, cells, manufacturing and production techniques and designs, specifications and formulae, products, systems, methods, processes, formulae, memoranda, reports, manuals, and computer modelling; all inventions, designs, trademarks and other works, whether registrable or the subject matter of an application for such registration or of copyright or not; as well as all statutory intellectual property, comprising all patents, trade mark and plant breeder's rights, whether registered or being or yet to be applied for, and all copyright in any works, including but not limited to, literary works and computer programmes.</p>
	<p>Background Intellectual Property Any existing IP owned or controlled by the originator, prior to signature date on agreements on projects.</p>
	<p>Foreground Intellectual Property IP conceived, created or developed in the execution of a project.</p>
	<p>Joint Intellectual Property Individually and collectively, all IP created jointly by one or more employees/students during a project/contract period.</p>
	<p>Serendipitous Intellectual Property IP conceived, Created or developed that may not fall within the definition of foreground IP, but was created as a result of the the execution of a project. Typically IP which could not reasonably have been foreseen by the principal or the staff member involved in the commissioned work, be it consultation or research.</p>
Intellectual Property Rights	Those rights which apply to intellectual property as defined above, of which the exclusive right of ownership, with the attendant rights and obligations, belongs by law to a natural or legal person.
Invention Disclosure Form	The form which needs to be completed by a Creator(s)/Inventor(s) to document their Invention and provide key information regarding the Creator(s), funding used to develop the IP and the rights of third parties, for submission to the Technology Transfer team for assessment of the Intellectual Property, which can be downloaded from <a href="https://www.ru.ac.za/media/rhodesuniversity/content/research/documents/Rhodes_University_Disclosure_MASTER.docx">https://www.ru.ac.za/media/rhodesuniversity/content/research/documents/Rhodes_University_Disclosure_MASTER.docx</a>
Invention	Includes any discovery, invention or other development of a technical nature, whether or not patentable.
Material Transfer Agreement (MTA)	An agreement that governs the transfer of tangible research materials between two parties. Usually the recipient intends to use it for his or her own research purposes, but the material may also be transferred for commercial purposes. MTAs define the rights of the provider and the recipient with respect to the materials and any derivatives thereof.

National Intellectual Property Management Office (NIPMO)	NIPMO is the implementing office of the PR-PFRD Act, NIPMO encourages the development of intellectual property assets by South African researchers and ensures that South African citizens receive the benefits of publicly funded research.
Nett Revenues	The revenue less the expenses incurred for intellectual property protection and commercialisation of the intellectual property.
Ownership of copyright	Either the copyright holder (owner), which may be the author in the first instance, or the owner of the copyrighted material in terms of section 21 of the Copyright Act.
RU Non-Monetary Resource/s	The deployment of RU personnel, facilities, financial assistance, reassigned time, equipment, buildings, real property, tangible or intangible personal property, and all the use or consumption thereof. This definition is intended to be construed in the broadest possible sense.
Open Source Software	A programme in which the source code is available to the general public for use and /or modification from its original design free of charge, i.e. open. Open-source code is typically created as a collaborative effort in which programmers systematically improve upon the code over the course of time.
Patent	A license conferring a right or title for a set period, especially the sole right to exclude others from making, using, or selling an invention. Can be applied to any new product, process, appliance or composition that involves an inventive step and has application in trade industry (this includes any improvements made to such innovations).
Patentable Invention	Intellectual Property that involves an inventive step and in terms of a patent act is deemed to be patentable and is regarded as novel (i.e. that has not been Publicly Disclosed), inventive (not obvious to a person skilled in the technical discipline and useful (can be applied in trade or industry or agriculture).
Public Disclosure	In the absence of a non disclosure or confidentiality undertaking, the oral or written communication of information relating to Intellectual Property to a person, or people, that are external to RU, for example, but not limited to, by email, web blog, news report, press release or interview, journal article, abstract, poster, conference presentation and through the submission of a thesis for examination. A thesis placed in the library constitutes public disclosure. Note: Public disclosure negates novelty.
Research and Development (R&D)	Work directed towards the novel discovery, innovation, intellectual property and the introduction, and improvement of products/ goods, processes and services.
Revenue	Income and benefits, including non-monetary benefits emanating from intellectual property transactions, and includes all actual, non-refundable royalties, other grant of rights and other payments made to the RU or any other entity owned wholly or in part by it as a consideration in respect of an intellectual property transaction, but excludes a donation and "gross revenues" shall have a corresponding meaning.
University Resources	Include, without limitation, RU's facilities, office space, funds, financial or other administrative support, equipment, Employees, postgraduate students and postdoctoral research fellows, information that is not freely available to the public, contract or other type of award of gift to RU.

Software	Any and all (i) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code, (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (iii) descriptions, flow-charts and other work product used to design, plan, organise and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (iv) all documentation including user manuals and other training documentation related to any of the foregoing.
Student	A full-time or part-time student registered at RU and includes all undergraduate and postgraduate students, as well as postdoctoral fellows.
Technology Transfer	<p>The process of transferring new knowledge and technology to licensees (third parties such as entrepreneurs, new start-up or spin-off companies, existing industry) who can realise value from these by making them available to the market as products and services for commercial gain or social impact.</p> <p>In the case of the RU and the Rhodes Technology Transfer team, we are committed to engendering technology innovation and license agreements in order to contribute towards:</p> <ul style="list-style-type: none"> <li>• Creating sustainable technology-based jobs in the South African economy.</li> <li>• Promoting economic development and the competitiveness of the South African industry.</li> <li>• Generating a return on RU R&amp;D investment and IP generation which can be ploughed back into further R&amp;D, and benefit incentives for inventors.</li> </ul>
Trademark	Any mark that distinguishes products or services from the same kind of products or services connected in the course of trade with any other party. Such marks are signs, designs, names, symbols or devices, or combinations thereof, adopted and used by a party to identify its goods or services and distinguish them from those goods or services made, manufactured, rendered or sold by others.

# RU IPP OBJECTIVES

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The protection and exploitation of intellectual property (IP) has become an increasingly important issue as society in general becomes more technologically driven and participates in the global “knowledge economy”. IP is the currency of this knowledge economy and any activity involving research and development is increasingly being examined for its potential to generate IP and protects the Background IP on which it may draw.

At RU, all interested parties are encouraged to familiarise themselves with the RU IPP and to ensure that all research and related activities that may give rise to IP are in compliance with this policy. In understanding and interpreting the IP Policy particular attention should be directed to the meaning of specifically defined terms.

The objectives of the IP Policy (IPP) are to:

- Comply with the provisions of applicable National legislation, to clearly outline the rights and obligations of all stakeholders and to reduce any potential for conflict between stakeholders.
- Foster and facilitate a research culture that generates new knowledge for the greatest public good and that commercialises the new knowledge generated by researchers at RU.
- Establish guidelines for determining the rights and obligations of RU, the creators/inventors/originators of IP and their sponsors.
- Protect the rights of researchers to control the inventions generated by their research work.
- Ensure that the potential commercial results, financial or otherwise, are distributed in an equitable manner that acknowledges the contributions of the inventors and RU, and that this distribution is guided by the equitable needs of society.
- Examine the role of confidentiality and other agreements in the management of IP.
- Provide information and a framework for stakeholders, collaborators, funders, investors and sponsors in terms of their engagement and interaction with RU.
- Ensure that any conflict of interest that might arise can be identified and managed equitably.

# OWNERSHIP OF IP

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By South African common law all IP created by an employee or student of RU, within the course and scope of their employment or studies, automatically vests in the in RU.

The University asserts legal and beneficial ownership of all IP devised, made, or created:

- by Employees of RU in the Course and Scope of their employment;
- by other persons engaged in study or research (students) in RU who, as a condition of their being granted access to RU premises or facilities, have agreed in writing that this shall apply to them;
- by persons engaged by RU under contracts for services during the course of or incidentally to that engagement.



In addition:

- RU claims the copyright in all examination and test questions and a license for their use, e.g. in a textbook published by an Employee, must be negotiated with the Director: Research Office.
- All inventions, expertise and trade secrets developed by a staff member during the period that he/she is in an employment relationship with RU and that relate to the field of specialisation in which the staff member has been appointed at RU, shall be deemed to have been developed in the normal course and scope of his/her employment at RU, unless the staff member can prove the contrary on the basis of an agreement, logbook or other evidential material.
- RU claims the rights, title and interest in any inventions developed by the staff member during the fulfilment of his/her employment obligations and for which an application for registration of a patent, model or plant breeder's right is filed within one year after termination of the staff member's employment relationship with RU.

RU's rights in relation to any particular piece of IP may be waived or modified by agreement in writing with the third parties concerned (persons, stakeholders, companies, sponsors, government, funders, grantors, investors, industrial/commercial partners), **within the provisions of the IP Rights from Publicly Financed Research and Development Act 51 of 2008**. This Act, *inter alia*, allows for a third party to own IP developed by RU only if the full cost of the research was paid for by the third party.

The IPR Act together with the NIPMO guidelines (Guideline 4.1 of 2015 - IP Ownership) makes provision for 3 positions on IP ownership:

- The Default Position
- The Co-Ownership Position
- The Full Cost Model

A

## DEFAULT



SECTION 4(1)



PUBLIC FUNDING

+



R&D RECIPIENT

=



IP

...



RECIPIENT OWNED

IP automatically vests with the University if requirements for co-ownership or a full-cost model are not met.

B

## CO-OWNERSHIP



SECTION 15(2)



PUBLIC FUNDING

+



RESOURCES



JOINT IP CREATION

+



BENEFIT SHARING



COMMERCIAL CONTRACT

...



CO OWNERSHIP

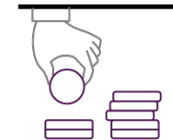
For a private entity or organisation to become the co-owner of IP emanating from publicly funded institutions, all four requirements, a) to d) as illustrated above, must be met.

C

## FULL COST



SECTION 15(4) (a) & (b)



PRIVATE FUNDING

+



R&D RECIPIENT

=



IP

...



IP STATUTES

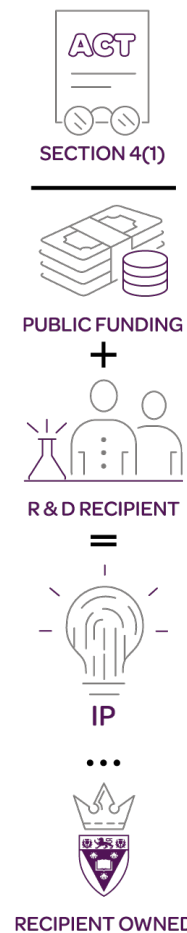


CONTRACTS

If R&D is deemed to not be publicly funded, such as in a full-cost funding scenario, the IPR Act is not applicable and IP ownership is determined contractually via licensing or assignment.

## THE DEFAULT POSITION

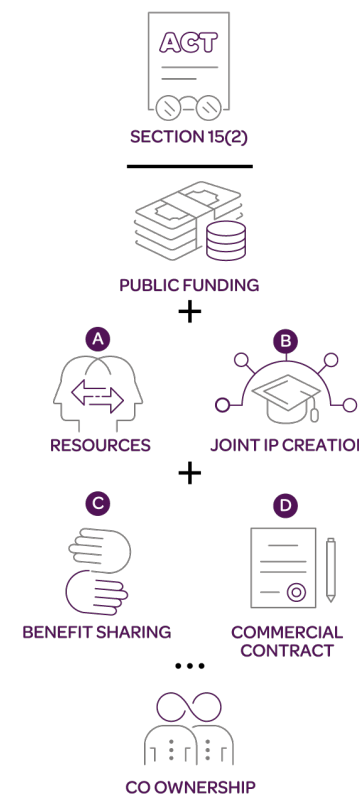
### DEFAULT



In this case, the IP may emanate from projects that are completely publicly funded, or partially externally funded (stakeholders, collaborators, donors, funders or industrial/commercial partners), but it does not meet the requirements of a Shared IP position or the Full-Cost IP position. This the IP is wholly owned by RU and the Benefit Sharing Agreement with the IP creator or creators will be negotiated based on the RU IPP guidelines.

## THE CO-OWNERSHIP POSITION

### CO-OWNERSHIP

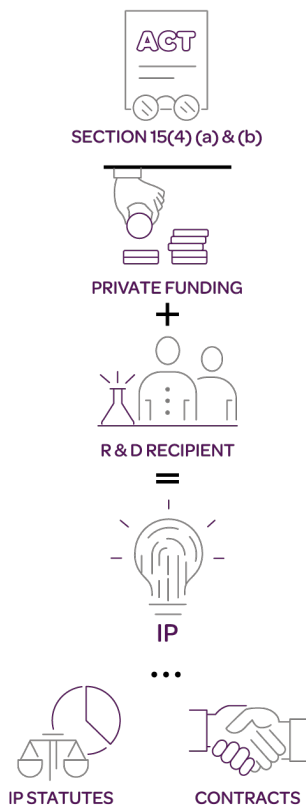


In this case, the IP ownership is shared by the relevant parties (stakeholders, collaborators, donors, funders or industrial/commercial partners), where ownership is assigned relative to contribution only if all four of the following conditions are met:

- The other party contributes resources;
- There is joint IP creatorship;
- An appropriate arrangement for the benefit sharing of the IP is made;
- The parties must conclude an agreement for the purpose of commercialisation of the IP.

# THE FULL-COST MODEL

## FULL COST



The Full-Cost Position applies when the research from which the IP originates is fully funded by an external party (stakeholders, collaborators, donors, funders or industrial/commercial partners), as such the IPR Act does not apply. However, IP ownership does not automatically belong to the full-cost funder. Instead applicable IP statutes and contractual arrangements will be implemented in order to define the ownership and rights of use of the IP.

It should be noted, according to NIPMO’s Guideline 4.1:

“As the IPR Act does not prescribe any apportionment of ownership and other IP legislation provides for a contractual arrangement for that apportionment, the collaborating parties should therefore negotiate and contractually agree on the percentage owned by each party.”

Thus it is the responsibility of RU and its employees to ensure that these IP positions are made clear in all agreements and contracts with external parties.

Further it should be noted that IP is governed by the law in which country it was created. In other words South African law presides over any agreement where the Research and Development of IP is conducted in South Africa.

## OWNERSHIP OF COPYRIGHT

Where work is covered by the Copyrights Act (Act 98 of 1978), the copyright normally resides with the author in the first instance, that is, the individual who has created the work. Ownership of copyright is governed by section 21 of the Copyright Act, i.e. an employer can become the owner of works on which copyright exists in certain cases.

All University owned copyrighted works (literary works, musical works (compositions), artistic works, cinematograph films, sound recordings, broadcasts, programme carrying signals, published issues and computer programs (software) created by staff of RU in the execution of their employment duties must be identified as follows:

Copyright © [year] Rhodes University. All rights reserved.

Terms of RU Copyright ownership include:

- RU automatically assigns to the author(s) the copyright (unless RU has assigned ownership to a third party in terms of a research contract) in copyrighted works such as a thesis, dissertation, article, handbook or any other publication which, in the ordinary course or business, is associated with conventional academic work.

## EXEMPTIONS OF IP OWNERSHIP

The following IP is exempt from this claim of ownership by RU:

If the IP was created prior to the implementation of the IPR Act, thus prior to 2 August 2010

If the research in terms of the IPR Act is regarded as not being publicly funded, i.e. it is funded at or above Full-Cost, then the funder may negotiate with RU to own the IP that arises from the research that they fund.

Note: Even in cases of Full-Cost, IP ownership does not automatically belong to the funder, ownership is negotiated and agreed upon contractually.

- The copyright in a Student's thesis or dissertation shall vest in the Student, with the provision that RU shall have a non-exclusive, royalty-free license to publish the thesis in any form. This will *inter alia* allow RU to make copies for the library and to make the thesis available electronically as part of its collection. An important exception however, if a thesis contains material related to IP or R&D projects which are still in progress or may be commercialised, the relevant thesis and publications may be embargoed until the commercialisation of the IP is either concluded or dismissed as non-viable.
- Course materials shall vest with the originator with the provision that RU retains a royalty-free, non-exclusive license to use, copy and adapt such materials within RU for the purposes of teaching and or research. Except when staff members of RU (including academic, administrative or support staff, or any outside contractor) have been given a specific commission from RU (i.e. re-assigned time, faculty development grants, special project money, or other time or money granted specifically for development purposes) to create or enhance specific course content, the latter shall routinely require that all participants in the project waive in writing financial interest of and any financial interest in the product that might accrue. Further course content may not be sold to students as prescribed text books (i.e. commercial publications), unless the Council has approved such prescribed material. The staff member may in such case not derive any royalties from the prescribed material.

## OWNERSHIP OF COPYRIGHT CONCERNING ARTISTIC WORKS

RU does not lay claim to the IP rights and income pertaining to artistic works (e.g. paintings/sculpture), literary works (e.g. novels or anthologies of poetry) and musical works (e.g. compositions) even when the work in question falls within the Course and Scope of the duties of a staff member.

## PUBLIC DOMAIN DISCLOSURE OR TO RELEASE OPEN-SOURCE SOFTWARE

Should an Employee or Student wish to have IP that will be subject to the IPR Act placed in the public domain (for e.g. open source publication) or to release Open-source software, approval for this must be sought from the National IP Management Office (NIPMO) prior to the commencement of the research. This referral will be made by the Director of the Research Office.

## IP OWNERSHIP BY JOINT STAFF AND VISITING RESEARCHERS

### CLAIMS OF OWNERSHIP BY EMPLOYEES OR STUDENTS

If an Employee claims that ownership of IP vests in him/herself, and can reasonably prove to the Deputy Vice Chancellor: Research and Development and the Director: Research Office that such IP has not been created in the normal Course and Scope of his or her employment, RU shall accept that the staff member is entitled to the ownership thereof. RU shall take into account whether or not the IP originated in the course of consultation work, and if use was made of RU Resources, and/or his/her employment relationship with RU.

If a Student claims that ownership of IP vests in him/herself, and can reasonably prove to the Director: Research Office that such IP has not been created in the normal course and scope of his/her studies and without the use of University resources, RU shall accept that the student is entitled to the ownership thereof.

The ownership of IP of staff who are appointed as joint staff of RU and an outside organisation shall be determined in accordance with the agreement between RU and that outside organisation, it must further be compliant with the requirements of the IPR Act and be recorded in their letter of appointment.

RU claims the IP of visiting lecturers or visiting researchers that was created during their visit to RU, or to a portion commensurate with the use of RU's resources should the creation of the IP be started during the visit, in the absence of any agreement to the contrary agreed by RU and visitor or visitor's institution in writing, before the commencement of the visit.

Upon expiration of their contracts, contract workers are explicitly prohibited from removing or taking with them any material, whether written, stored on computer disk, or in any other format which can be reduced to a recognisable form, unless such use is for private purposes only and has been authorised by RU.

## OWNERSHIP OF PATENTS, PLANT BREEDERS' RIGHTS AND DESIGNS

RU has contractual claim to the ownership of the patent if the work was produced in the normal course and scope of the employee's services. These rights, however, do not automatically reside with RU, as is the case with copyright, but the RU can rightfully stipulate in the employment contract that the ownership of patents be transferred to it (as the employer) as long as the work involved was created in the normal "course and scope" of employment.

Section 59(2) of the Patents Act, (Act 57 of 1978) protects the employee's rights in certain cases and reads as follows:

Any condition in a contract of employment which:

- (a) requires an employee to assign to their employer an invention made by him otherwise than within the course and scope of his employment; or
- (b) restricts the right of an employee in an invention made by them more than one year after termination of their employment, shall be null and void". The right of an employee to claim protection under the Act therefore depends upon whether the invention was made in the normal course and scope of his/her duties; if so, RU has a right to claim ownership.

Students are to be referred to the rules of the institution - acceptance of which they sign for upon registration - that regulate the relationship between themselves and the institution in this regard. RU owns all work that is done, or contributed to, by a registered student in the course of his or her studies or research, should such work lead to the registration of a patent.



## OWNERSHIP OF RU PROPRIETARY TRADE MARKS AND DOMAIN NAMES

RU is the owner the owner of any mark that carries its name, logo, abbreviation or similar indication that is associated with RU (including the name of the institution and logo, and registered or unregistered trademarks)and therefore reserves all its rights in respect of the same.

These include, inter alia, the name of RU, Rhodes colours and logos and the names and logos associated with any of RU's Departments, Institutes, Units or other research groupings as well as all associated domain names, which shall all, if registered, be registered in the name of RU and vest in RU.

The use of the trademarks of RU for private purposes or personal gain by staff, students or members of the public is strictly prohibited.

RU reserves the right to license its name or registered trademarks to commercial partners and permission should be sought from the Director of the Communications.

## PROVISIONS REGARDING CONTRACT RESEARCH, CONSULTING, BURSARIES AND STUDENT COMMISSIONS

### **Contract Research for External Organisations**

In the event that RU partners in research and development with other parties, the IP consequent of such a working relationship may, subject to the provisions of the IPR Act and to negotiation between the parties, be co-owned by RU and such other party.

When negotiating terms of such co-ownership, issues of prior co-investment of resources such as background IP and other forms, the extent of the co-creation of the IP in question, the benefit-sharing arrangement for RU's IP creators, and a means of governing the commercialisation relationship of the co-owners of such IP will be given due regard.

Furthermore, RU will also negotiate the ownership of IP that is generated from any research that is funded by an external organisation:

- If the research is funded at or above Full-Cost, IP is deemed to fall outside the scope of the IPR Act and the external organisation may negotiate with RU to own the IP arising from the research. RU will endeavour to retain a residual royalty-free right to use the IP for research and teaching purposes.

- In all other cases, where RU has contributed any resources, to whatever extent, towards the research, IP ownership will vest in RU, unless the conditions for joint ownership of the IP have been met. But, RU may elect to grant the external organisation a license, compliant with the requirements of the IPR Act in order to access the IP for their use and commercial exploitation.
- Where an Employee or Student of RU is commissioned by an external organisation to conduct research in which existing IP belonging to the external organisation has to be further developed, or where a problem relating to it has to be solved, the IP Rights of RU shall be limited to the incrementally added intellectual value of the research and any patents, designs and copyrights that may originate on account of such research.
- Employees who are approached by external organisations to conduct contract research for such organisations, regardless of the place where the contract research is to be done, must ensure that appropriate agreements regarding IPR are in place.

### **Consulting by Staff**

Since knowledge/expertise is applied when consulting but new knowledge and inventions are not normally created, RU does not lay claim to the products of consulting work, except in the case of serendipitous inventions or IP creation.

Serendipitous Knowledge shall be deemed to have originated within the normal Course and Scope of the staff member's employment at RU and such IP will be owned by RU in the absence of an agreement signed by RU and the external organisation to the contrary.

Otherwise the product of consultation work, whether a report, an opinion, or any other form of product or service, may be delivered by a staff member of RU to an external organisation inclusive of the copyright on the product, if such an agreement is made contractually

### **Student Commissions**

Where a student intends to submit an assignment or thesis or dissertation that corresponds to a commission of his or her employer, the student must disclose his/her intention to RU and his/her employer on registration or as soon as possible after he/she has become aware of the employer's commission. RU and the student's employer shall then negotiate ownership and confidentiality related to the student's assignment/thesis/dissertation.

RU will not keep the assignment/thesis/dissertation confidential for a period of longer than three years and it reserves the right to publish the assignment/thesis/dissertation in any format.

Material Transfer Agreements are entered into with external organisations by RU to control the use of materials that are owned by RU.

All Material Transfer Agreements must be concluded by the Rhodes Research Office. Employees or Students who leave RU and wish to continue to use materials that are owned by RU, should contact the Rhodes Research Office in order to negotiate access via a Materials Transfer Agreement.

Biological materials, are the most frequently transferred materials. Other types of materials, such as chemical compounds and even some types of software or data can also be transferred. MTAs can be used for any type of material, but with biological materials there are usually additional requirements, such as ethics clearance, or permits as prescribed by the Biodiversity Act of 2004.

More specifically, MTAs for live animals or custom antibodies; human tissue; hazardous materials and/or select agents must, in addition to complying with this IP Policy, follow compliancy rules and procedures as prescribed by the RU's Research Ethics Committee, where applicable.

In terms of this Policy materials may only be transfer for research and evaluation purposes, not IP registration, commercialisation or financial exploitation purposes.

In all such cases where material is transferred for commercial purposes such transfer shall be in accordance with the provisions of this Policy, with the additional requirement that the envisaged licence and benefit sharing agreements, containing appropriate material transfer provisions.

Appropriate material transfer provisions include, but are not limited to the requirements as prescribed by the Biodiversity Act.

RU has a standardised MTA template available from the Technology Transfer team.

# THE ROLE OF TECHNOLOGY TRANSFER AT RHODES

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## DISCLOSURE, PROTECTION AND EXPLOITATION OF INTELLECTUAL PROPERTY

Rhodes University has a structured approach towards the development of IP, starting with the compulsory disclosure phase, whereafter due diligence is conducted. If the due diligence report is positive the protection and commercialisation of IP will follow.

## DISCLOSURE OF INTELLECTUAL PROPERTY AND RESPONSIBILITIES OF IP CREATORS

All Employees and Students are required to screen their work and to disclose IP that may have the potential to be registered to the RU Technology Transfer team **within 30 days of identification of such IP and before any public disclosure** (i.e. *inter alia* in scientific periodicals and journals, conference presentations or verbal discussion, on-line blogs or websites, or through the submission of theses and dissertations for examination) of the IP.

Since public disclosure vitiates the possibilities of patenting, functional and aesthetic design registration (when a six-month grace period has been exceeded) and protection of plant breeders' rights, **public disclosure of such research results must be held back, in cases where there is potential for the protection of the IP, until such time as RU has made a decision, together with the IP Creator, about the possible protection of the IP.** RU shall ensure that the period of non-disclosure is as short as possible.

The identification and disclosure of IP must be made to the RU Technology Transfer team. When we indicate novel or saleable IP we refer to IP which is new and potentially useful as a product or process. Most often when such IP is when conceptualised or discovered is it is an unusual, unexpected or non-obvious research result, which is commercially applicable or viable,.

An Invention Disclosure Form is available RU Technology Transfer team and in the website at [https://www.ru.ac.za/media/rhodesuniversity/content/research/documents/Rhodes\\_University\\_Disclosure\\_MASTER.docx](https://www.ru.ac.za/media/rhodesuniversity/content/research/documents/Rhodes_University_Disclosure_MASTER.docx) and must be used for this purpose. NIPMO to be advised, the disclosure shall be submitted to NIPMO by the Technology Transfer team.

## TECHNOLOGY DUE DILIGENCE

It is a function of all academic and research managers to identify IP emanating within RU with a view to eventually protecting and exploiting it. The Technology Transfer team at RU undertakes to render the following services in this regard:

- a technological/creativity investigation to establish whether the IP/invention is original/unique/novel, using the invention disclosure form as a basis/guideline;
- evaluation of the team/researcher(s);
- an estimate of its commercial potential;
- an evaluation of how the IP may be of Benefit and contribute to the socio-economic needs and competitiveness of South Africa;
- a decision on registration of type(s) of IP;
- advice on potential IP registration strategies, by indicating which forms of IP protection, statutory or otherwise, are most appropriate for the IP in question;

- determine the extent to which failure to seek such IP protection will undermine the socio-economic needs of South Africa;
- the extent of readiness of the IP for protection and whether any additional research and development needs to be undertaken before IP protection can be obtained;
- an undertaking of the preliminary and eventually the final registration of the patent, design, trade mark or plant breeders right, as the case may be;
- a market analysis, business plan, methods of exploitation (be it through licensing, sale of rights, establishing of partnerships, spin-off company), sources of financing, the search for partners, buyers, protecting and monitoring, and continuous support of the IP after transfer;
- a decision whether the IP should be placed in the Public Domain;
- any such services as may be prescribed by the NIPMO in terms of the IPR Act;

Once due diligence is completed, the putting in place mechanisms for identification, protection, development, management and commercialisation of IP and process will be undertaken. Academic inventors and explorers who participate in the process of exploitation will be consulted continuously.

## THE PROTECTION OF INTELLECTUAL PROPERTY

Without authorisation from the Director: Research Office or Deputy Vice Chancellor: Research and Development, no staff member or student may proceed, on their own initiative or via a patent attorney, with the registration of any IP right relating to any University owned IP. The DVC: Research and Development has the final say over the decision to obtain statutory protection for a particular invention.

RU can, at its own discretion, decide to assign ownership of the IP back to the inventor, for utilisation and application as he/she deems fit, in cases where RU decides not to proceed with the patenting of the invention.

Where the IP may be protectable, has commercial potential or societal benefit, is subject to the IPR Act and RU decides not to retain it, RU is obliged to first offer the rights to the National Intellectual Property Management Office (NIPMO). If NIPMO elects not to acquire the rights and a third party who has funded the development of the IP elects not to, then the IP Creator(s) will be offered the IP and can proceed with any IP protection at their own cost.

Where IP can be protected through the filing of a South African provisional patent or through a design registration, or the registration of a trademark, the RU Technology Transfer (as part of the Research Office) will undertake such filing after disclosure by the inventor and adequate due diligence.

In partnership with IP attorneys, the RU Technology Transfer team will conduct evaluations of the scope of the statutory protection of the IP in all geographic territories subject to the Commercialisation potential of the IP;

The RU Technology Transfer team shall take responsibility for: the assessment, in consultation with the IP Creator, the most appropriate form(s) of statutory protection of RU's IP; and the appointment of a patent attorney to attend to the protection.

RU will bear the cost of registering, prosecuting and maintaining any registered IP rights and will decide, in consultation with the IP Creator on territories in which protection will be applied for. If the inventor is of the opinion that the patent, plant breeder's right or functional or aesthetic design, should also be registered in other countries, but this view is not supported by the RU Technology Transfer team (Research Office).

The RU Technology Transfer team, (Research Office) shall assume the responsibilities associated with role of a Technology Transfer Office in compliance with the IPR Act, or if necessary outsource this function to a suitable entity.

In all such cases where RU elects not to obtain statutory protection for the IP, notify NIMPO of such decision. NIPMO may then in terms of Section 4(3) of the IPR Act acquire ownership in the IP and, where applicable, obtain statutory protection for the IP.

In the event where NIMPO also elects not to obtain statutory protection for the IP, NIPMO may then in terms of Section 4(4)(b) of the IPR Act give the inventors the option to acquire ownership in the IP and, where applicable, obtain statutory protection for the IP.

## COMMERCIALISATION OF INTELLECTUAL PROPERTY

The RU Technology Transfer Team and Director of the Research Office will, in consultation with the IP Creator and the Deputy Vice Chancellor: Research and Development, approve a commercialisation strategy for IP owned by RU.

In all such cases where the IPR Act applies:

The commercialisation strategy for new IP will be project specific. Commercialisation is a process by which any IP may be adapted or used for any propose that may provide any benefit to society or commercial use. RU may elect to make, sell, copy, adapt, apply, publish, develop, use, assign, license, sub-license, franchise, establish a start-up company or otherwise utilise the intellectual property for the purpose of generating financial or other commercial gains.

The commercialisation strategy will include confidentiality requirements, options for commercialisation pathways as set out below, risk assessment and management strategies, consideration of ethical issues, due diligence reports on potential or actual commercialisation partners, and, as appropriate, a business plan so as to minimise liability in the marketplace.



## COMMERCIALISATION PATHWAYS

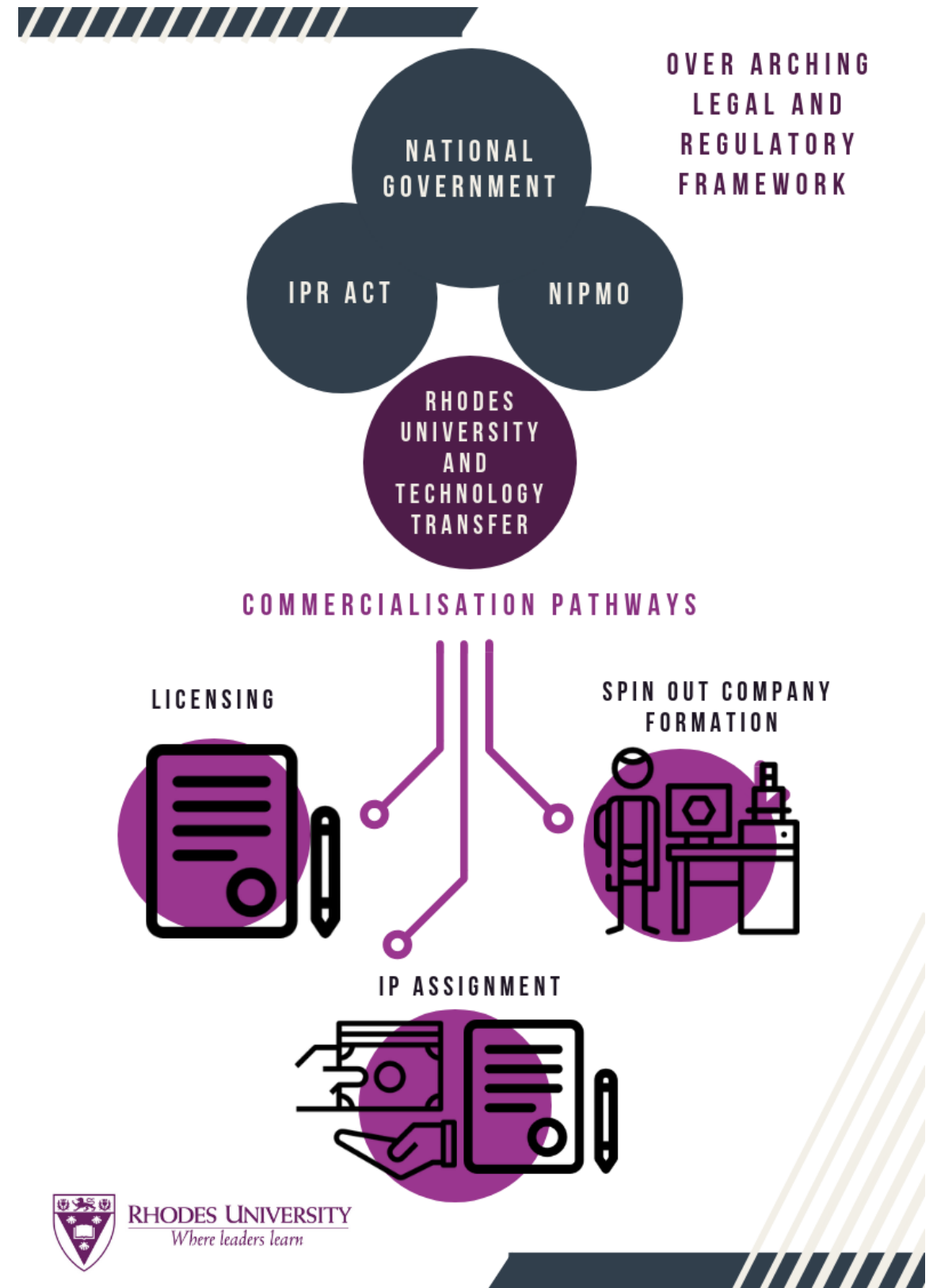
RU will generally (but not exclusively) adopt a Commercialisation strategy that will involve one of the following three routes, as deemed appropriate:

- Licensing the technology to an existing company;
- Starting a new company;
- Assignment.

IP transactions must give effect to the following preferences in respect of the commercialisation of the IP:

- Non-Exclusive licensing;
- BBBEE compliant, transformative and inclusive entities and small enterprises;
- Parties that seek to use the IP in ways that provide optimal benefit to the Republic of South Africa
- Parties that made material contribution to the research and development giving rise to the IP (including groups with indigenous knowledge).

Further to this, vision and mission of Rhodes Technology Transfer is such that we will focus on IP commercialisation processes that will benefit the Eastern Cape as much as possible.



### **Licensing - selling or assigning ownership or rights of the technology to an existing company**

A license gives a company the right to exploit RU IP commercially, and in return RU would receive a royalty based *inter alia* on the nett profit of the product.

RU retains ownership of the IP and if the company does not fulfil its contractual obligations, the license can be cancelled.

All licensing deals must comply with the NIPMO's requirements (see under the section on the Role of NIPMO below).

Furthermore, all license agreements shall comply with the following conditions, as also contained in section 11 of the IPR Act:

- A license may be exclusive or non-exclusive, as indicated above, non exclusive licensing will be given preference.
- Contribution of fair benefit to the parties that made material contribution to the research and development giving rise to the IP.
- In the event that RU elects to enter into an exclusive license agreement, the licensee will be encouraged to use the IP as much as it is practical and possible within the Republic of South Africa. RU will take reasonable measures within its capacity to ensure that the holder of an exclusive licence does commercialise the IP in line with the spirit and terms of the licence agreement and the IPR Act.

- Where feasible, in the case of an exclusive licence, the license holder must undertake to manufacture, process and otherwise commercialise within the Republic of South Africa.
- Each IP transaction must provide the State with an irrevocable and royalty-free licence authorising the State to use or have the IP used throughout the world for the health, security and emergency needs of the Republic of South Africa.
- RU will attempt, as far as possible, to commercialise the IP by any means other than assignment, however, where the IP is subject to the IPR Act, should RU intend to conclude an assignment agreement, the matter will be referred to NIPMO for approval for transactions with either local or offshore entities; the latter will also require South African Reserve Bank exchange control approval.
- Prior to conclusion of any commercial transactions relating to IP, RU will investigate to its satisfaction that the party to whom the IP will be licensed, assigned, or dealt with otherwise is able to commercially exploit the IP in question in line with the terms of agreement and the spirit of the IPR Act.

## Starting New Companies: Spin-Outs

When considering starting a University initiated company, RU shall at least follow a process of consultation with the inventors to jointly develop a suitable strategy, failing which the parties shall revert to a licensing strategy

A spin-out company is the outcome a decisions by RU to start a new venture/company, resulting in a separate legal entity with different (albeit often overlapping) owners. Due to RU being a publicly funded institution, it will initially wholly own the new spin out company. RU may assign (transfer, with due compliance with the IPR Act where necessary) the IP to the spin-off company or may license the IP to the spin-out company. RU will generally receive income from dividends issued by the spin-out company or from sale of shares (equity), but can also receive a royalty on turnover depending on the agreement between RU and the spin-off company.

It should be noted that the University will soon have a specific policy for IP Commercialisation, which will provide more details around the practices of commercialising IP at RU.

Should RU decide to assign the IP outright to a third party(ies), then RU will have completely alienated title to the IP in question and the assignee will then assume full ownership of such IP. RU may be paid either a once-off fee or an ongoing royalty for the assignment of the IP, NIPMO approval will be attained. Commercialisation where the IPR Act DOES NOT APPLY

In all such cases where the IPR Act does not apply, the IP would have emanated from contract or grant research on a Full-Cost basis. The provisions of the research or grant contract will then be used to develop a commercialisation strategy.

## Assigning IP

## NEGOTIATION OF INNOVATION RELATED CONTRACTS

The Technology Transfer team (Research Office) will negotiate the IP clauses of sponsored research agreements in accordance with the objectives of this Policy and the IPR Act and any other applicable legislation after consultation with the Employee leading the research project concerned.

Furthermore, the Technology Transfer (Research Office) will determine any rights of a third party, such as a funder or collaborator, to the IP or a share in the IP and whether the IPR Act or any other legislation is applicable.

# CONFLICT OF INTEREST IN TECHNOLOGY TRANSFER

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Staff members, who may be, or may potentially be, in a position of conflict of interest with regard to technology transfer projects, should promptly disclose any such situations to the DVC: and the Research Office who will negotiate with the staff member and agree on a strategy for resolving the conflict of interest.

Staff members who have economic interests in technology transfer projects of RU are still entitled to any benefit due to them as an IP Creator where applicable.

Staff members who have economic interests in technology transfer projects of RU are not permitted to participate in technology transfer negotiations with those organisations in which they have such interests.

## PRINCIPLES OF TECHNOLOGY TRANSFER PROJECTS

Staff members of RU are expected to accord RU their primary professional loyalty, and to arrange outside obligations, financial interests and activities so as not to conflict with this overriding commitment.

Staff members should not be in a position to influence the commercial decisions of RU or its associated or subsidiary companies in such a way that it may lead to reduced income.

## INVOLVEMENT OF UNIVERSITY STAFF IN EMERGING SPIN-OUT COMPANIES

RU recognises that emerging companies play an important role in national and local economies. Staff members can play a key role in emerging or 'spin-out' companies and exploit the opportunity to participate in a new venture without having to leave University employment. This could be attractive to them and advantageous to RU.

It may lead to a conflict of interest which should be identified, defined, negotiated and agreed at the time that the staff member becomes involved in a company. These negotiations will be led by the DVC: Research & Development, in consultation with the relevant Dean and HoD.

## DISPUTE RESOLUTION

Any internal disputes or questions of interpretation arising under this Policy must in the first instance be referred to the RU Technology Transfer team (Research Office) for resolution, at the request of any interested party.

If the matter cannot be resolved by the RU Technology Transfer team (Research Office), then the dispute or question of interpretation must be referred to the Vice Chancellor or his/her nominee for referral to an appropriate authority or panel for mediation or arbitration.

In the event of an authorship or creatorship dispute arising with an external third party, the matter must be referred to the RU Technology Transfer team (Research Office), and if necessary escalated to the Director of the Research Office for referral to an attorney with suitable expertise.

# ROLES AND RESPONSIBILITIES OF THE RHODES COMMUNITY

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## RESPONSIBILITIES OF EMPLOYEES, STUDENTS AND VISITORS

### RESPONSIBILITIES OF EMPLOYEES AND STUDENTS OF RU

The IP Creator(s) must conclude in a timely manner, all assignments of IP necessary to give effect to the ownership of the IP and to allow for the use and commercialisation of the IP by RU in accordance with this RU IPP.

IP Creator(s) are expected to cooperate with the Technology Transfer team and assist in the preparing, reviewing, signing of and abiding by the terms of all documents necessary for the protection and exploitation of IP (including but not limited to patent specifications, official forms, marketing material, technical descriptions, confidentiality agreements and licence agreements).

As such, the following responsibilities fall to them:

- Both Employees and Students conducting research are required to retain appropriate records of their research, such as through the use of laboratory notebooks and the records of Inventions in the form of original research data.
- Both Employees and Students must disclose the development of any IP to RU Technology Transfer Team as early as possible, but within 90 days of the discovery, by means of an IP Disclosure Form.

- Employees and Students must review their work prior to any Public Disclosure to assess whether it contains any potentially protectable IP, in particular a Patentable Invention, and if so, to timeously disclose it to RU Technology Transfer Team on an IP Disclosure Form ahead of the planned Public Disclosure so that if warranted the IP can be protected.
- Employees and Students must take steps to maintain confidentiality of protectable IP until protection has been obtained. Guidelines as to how confidentiality can be maintained can be obtained from the RU Technology Transfer Team.
- Employees and Students must conclude in a timely manner, all assignments of IP necessary to give effect to the ownership provisions set out below and to allow for the use and Commercialisation of the IP by RU in accordance with this Policy.
- Employees and Students are expected to co-operate with RU Technology Transfer Team and assist in preparing, reviewing, signing, and abiding by the terms of all documents necessary for the protection and exploitation of an Invention (including but not limited to patent specifications, official forms, marketing material, technical descriptions, confidentiality agreements and licence agreements).
- An Employee or Student must ensure that the IP rights relating to their work have been clarified in writing prior to any sabbatical visit or exchange programme and that any contractual arrangements are approved and authorised by RU Technology Transfer Team.
- On leaving RU an Employee or Student must contact RU Technology Transfer Team to negotiate terms for continued access to IP and Tangible Research Property even if they are a Creator of it.
- The onus is upon the Creator, or their heirs, to ensure that RU Technology Transfer Team is in receipt of their current address details for the purpose of revenue sharing.
- Background IP of Employees (and/or previous employers' right thereto) and Students must be declared to RU Technology Transfer Team within 3 (Three) months of arrival at RU.



## RESPONSIBILITIES OF THE STUDENTS OF RU

Where Students are involved in activities that could lead to the development of IP over which RU or a third party may claim ownership, the following conditions will apply:

- The Student's rights in IP in any theses or publications arising from the research will be protected;
- The Student's future career choices will not be closed by the choice to work in a confidential area of research;
- It will be made clear to Students what the nature of the work is before they undertake the activity that leads to the claimable IP;
- Any confidentiality and ownership of IP agreement will only be signed by Students after they have been properly advised by the principal investigator or their supervisor on the contents of the agreement;

Any delays in the publication of the thesis that arise from a confidentiality agreement, will be subject to the approval of the Doctoral Degrees Board for PhD theses, or the Faculty and DVC for MSc theses, for periods of 6 months, up to a maximum of two years.

Where Students of RU may be involved in research at institutions which are affiliated with RU or at institutions other than RU, agreement should be reached with the institution regarding the rights of the Student to IP with a view to ensuring that the Student's rights under this Policy are maintained as far as practicable.

Supervisors electing to supervise a Student in an area likely to lead to the creation of IP to which a funder has been granted rights in terms of a funded research agreement, must ensure that a confidentiality and IP assignment agreement, which may form part of a Student-Supervisor Memorandum of Understanding is completed with the Student before the work is commenced. This may result in some projects not being available to Students who choose not to sign a confidentiality and IP assignment agreement.

## RESPONSIBILITIES OF VISITORS

In the absence of an agreement to any contrary clauses, prior to or on arrival at RU, a Visitor must declare their Background IP relating to work that will be undertaken whilst visiting RU to the RU Technology Transfer Team.

On departure from RU, a Visitor must declare any IP created whilst at RU to the RU Technology Transfer Team.

# THE ROLE OF NIPMO

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The National IP Management Office (NIPMO) being the implementing office of the PR-PFRD Act, encourages the development of IP assets by South African researchers and ensures that South African citizens receive the benefits of publicly funded research. To this end it should be clarified here what their roles and responsibilities are:

## **NIPMO Acknowledgement**

It is required by the IPR Act to include the prescribed statements in all IP transactions that involve: i) local IP transactions in terms of Regulation 11 (4), or ii) Off-Shore IP transactions in terms of Regulation 12(4). "The IP under this transaction was created with the support from the South African Government (under contract number, where applicable), awarded by (identify the funding agency or relevant government department, where applicable) and is subject to the requirements of the South African IP Rights from Publicly Financed Research and Development Act, 2008 and its regulations (Act 51 of 2008). The South African Government has certain rights to the IP in terms of sections 11(1)(e), 11(2) and 14 of Act 51 of 2008."

## **Offshore Transactions**

It is a requirement of the IPR Act that RU must inform (and where applicable, obtain permission) NIPMO of its intention to conclude an IP transaction offshore. Any such transaction (or those involving non-South African entities and persons) must be in accordance with the regulations and guidelines provided by NIPMO.

### **NIPMO approval for certain licensing agreements**

NIPMO approval must be obtained for any licence in terms of which:

- a) The consideration payable by a licensee to RU is not determined on an arms-length basis,
- b) RU grants a licensee rights to commercialise its IP on a royalty-free basis, or;
- c) The licensee falls into the categories referred to in paragraphs (a) and (b), and is granted a right to sub-licence on a consideration determined on an arms-length basis in the case of paragraph (a) or for a royalty in the case of paragraph (b).

### **NIPMO approval for assignment of IP**

In all such cases where RU wishes to assign IP governed by the IPR Act to an entity in the RSA, RU must obtain the prior approval of NIPMO, using Form IP4, as prescribed in the Regulations of the IPR Act. In such application for approval the RU must:

- a) Demonstrate that such assignment is in the public interest, or
- b) Provide reasons as to why the IP cannot be commercialised through other means such as an exclusive licence.

### **Exclusive licences**

The following conditions shall apply in the event where the RU intends to grant an exclusive licence:

- a) The prospective licensee must be capable of developing IP further where required and of undertaking the commercialisation thereof,
- b) The commercialisation of the IP by the prospective licensee must be used for the benefit of South Africa,
- c) The irrevocable and royalty-free right of the State to use or have the IP used on behalf of the Republic, for health, security and emergency needs of the Republic in terms of the IPR Act is entrenched in the licence agreement, and;
- d) NIPMO's rights in terms of section 14 (4) of the IPR Act, if the IP is not commercialised within reasonable period set out in the exclusive licence agreement.

### **March in Rights**

In addition to the Government's march in rights as mentioned in paragraph (c) above for exclusive licences, the Government also retain march in rights for local licensing agreements (Regulation 11(5)(b) and off-shore transactions (Regulation 12(6)(c).

## DISTRIBUTION OF COMMERCIALISATION INCOME

# BENEFIT SHARING

A Creator may at their sole discretion elect and make provision for an Enabler(s) to receive a share of the Creator portion of the revenue. This arrangement will be agreed to by all Creators should there be more than one, reduced to writing, signed and lodged with RU.

RU's share of any revenue will be allocated to a Strategic Research Fund for the promotion and development of research.

A portion of revenue going to the RU Strategic Research Fund is preferably to be used for further research, to support Technology Transfer activities, patenting and IP protection costs, innovation and Commercialisation, training in entrepreneurship and IP management.

Net Revenues apportioned to the Creator's group research fund, a department or faculty should be used to support further research activities. The relevant Faculty's share of any revenue will be allocated to the Faculty Research Committee. The Faculty Research Committee, in consultation with the Dean of the Faculty, must determine the distribution between the Faculty and Department as appropriate. These funds must be applied in the interests of research and may not be allocated to any individual for personal gain.

RU will not lay any claim to income that staff derives from copyrights (e.g. royalties) in the case of the publishing, printing or development of academic/aesthetic works such as textbooks, paintings or other copyrighted material.

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### GENERAL PRINCIPLES

IP Creator(s) or their heirs are granted a right to a portion of the revenues that accrue to RU for as long as revenues are derived from such IP, and until such rights expire. This encompasses all IP that is owned by RU, whether registered or not.

The income that accrues to an IP Creator in their personal capacity is taxable.

The benefits granted to IP Creators will be shared in equal proportions unless otherwise agreed in writing by the IP Creators and RU, this arrangement must be reached by written agreement. Where IP is co-owned by RU and an external organisation, the division of revenue from commercialisation of the co-owned IP will be agreed in writing by the joint owners. RU's share will, however, still be allocated in accordance with section guidelines below.

RU does not lay claim to income derived from copyrights in the case of scientific or popular books, articles and other publications in journals, or other works of a scholarly or aesthetic nature created by a staff member.

Note:

- If a Creator, who is an Employee, moves within RU or if the Creator's group is dissolved, then the Technology Transfer team (Research Office) shall determine to which entity the Creator group's portion will be allocated.
- If a Creator, who is a Student, moves within RU, the Creator group's portion of the revenue will remain with the original group.
- If a Creator leaves RU, then the Creator group's portion of the revenue and any residual research funds will be dealt with according to RU Finance Policies and Procedures in consultation with the Technology Transfer team (Research Office).
- If a Creator cannot be located using reasonable efforts by Technology Transfer team (Research Office), then the portion accrued to that Creator or his/her heirs will after a period of 5 years from the time when the amount became due to the Creator, be paid to an Technology Transfer fund to be used to support Technology Transfer activities.

## NIPMO REVENUE DISTRIBUTION GUIDELINES

IP product emanating from publicly financed research and development Revenues that accrue to the RU shall be distributed in accordance with section 10 of the IPR Act of 2008. Section 10(2) of the Act provides that inventors and their heirs are entitled to the following benefit sharing:

- (a) at least 20% of the Revenues accruing to RU from such IP for the first million Rand of revenues, or such higher amount as the Minister may prescribe, and;
- (b) thereafter, at least 30% of the Nett Revenues accruing to RU from such IP.

## DISTRIBUTION OF REVENUE DERIVED FROM IP COMMERCIALISATION

A separate account will be kept for each IP product commercialised by RU.

Any revenue received by RU from the successful commercialisation of any IP, be it registered or not, shall, within one year of receipt of the revenue, be distributed, cumulatively.

Note: All revenue distributions is subject to the Commercialisation Policy and will be calculated on a case by case basis. The below is a guideline only.

### Estimated Revenue Distribution for Commercialised IP Emanating from PFRD Institutions:

Gross Income Revenue:	a) Less than R50 000	b) Revenue of up to R1 million	c) Revenue in excess of R1 million
As a percentage of Nett Revenue:			
Rhodes Central Fund (University)	5%	30%	30%
Faculty	5%	30%	30%
Research Office (Technology Transfer)	5%	7%	7%
IP Creator	85%	33%	33%
	<ul style="list-style-type: none"> <li>The IP Creator(s) is entitled to 85% Nett Revenue (Gross less Commercialisation Costs), provided that the IP Creator(s) receive a minimum of 20% of Gross Revenue.</li> <li>Should the income become greater than R50 000 at any point, reverts to scenario b) or c) and the income already distributed will be offset against the amounts owed</li> </ul>	<ul style="list-style-type: none"> <li>33% of the revenues accruing to the University for the first one million rand of revenue will accrue to the IP Creator(s)</li> <li>After revenue due to the IP Creator(s) is deducted from the nett revenue, the remainder will be split between the Faculty (45%), the University (45%) and the Research Office (10%)</li> </ul>	<ul style="list-style-type: none"> <li>Any Commercialisation Costs not recovered will be deducted from any revenue above one million rand to determine nett revenue.</li> <li>The nett revenue will be split between the IP Creator(s) (33%), Faculty (30%), the University (30%) and the Research Office (10%).</li> </ul>

## Estimated Revenue Distribution for IP Product Emanating from Private Funding on a Full-Cost Basis:

RU undertakes to firstly ascertain that the project was indeed conducted on a Full-Cost basis and that article 15(4) of the IPR Act apply, in which case the following benefit sharing principles shall apply, unless otherwise agreed to on a project-by-project basis, also taking into account;

- a) the non-monetary benefits that the parties may accrue or contribute, and;
- b) the specific provisions of the research agreement with the research partner, where applicable.

Gross Income Revenue:	Any amount
Rhodes Central Fund (University)	20% allocated to indirect expenses
As a percentage of Nett Revenue:	
Rhodes Central Fund (University)	33,3%
Faculty	33,3%
Research Office (Technology Transfer)	0%
IP Creator	33,3%
	<ul style="list-style-type: none"> <li>20% of the gross Revenue is allocated to RU for indirect expenses and services rendered by the Technology Transfer team (Research Office).</li> <li>All direct costs relating to the process of protection are recovered (legal costs for registering a patent, etc.). The balance of the income, after execution of the above, constitutes the Nett Revenue. 33.3% of the Nett Revenue is allocated to the inventor(s)/author(s) as personal income.</li> <li>A further 33.3% of the Nett Revenue is allocated to the environment(s) where the inventor(s) resides, as follows: 15% of the Nett Revenue is allocated to the researcher's research account for use by the inventor(s) in his/her research work; 10% of the Nett Revenue is allocated to the department/centre in which the inventor(s)/author(s) resides; 8.3% of the Nett Revenue is allocated to the dean/departmental head of the faculty/department in which the inventor(s)/author(s) resides. These funds must be applied in the interest of research and may not be allocated to any individual for personal gain.</li> <li>33.3% of the Nett Revenue is allocated to RU's Institutional Fund. Where there is any bona fide justification for a deviation from this formula (e.g. non-monetary benefits), a suitable agreement will be concluded beforehand by the relevant parties.</li> </ul>

## REVENUES IN NON-MONETARY FORMS

- RU will, wherever possible, endeavour to receive commercialisation benefits in a monetary form as such are generally easier to administer and share with beneficiaries, according to the provisions above.
- In the event that RU receives an indivisible asset as a form of commercialisation income, such an asset will be co-owned by RU and IP creators but will remain located, administered and managed by RU. Should such a co-owned asset be used by RU in any way that will generate any revenue, such revenue will be shared with the IP creators in terms of the IPR Act.
- RU may at any stage prefer to offer to purchase at a reasonable rate the portion of ownership vesting in the IP creators. If there is agreement in this regard, the said asset will then be fully owned by RU. After RU has purchased all of the portion owned by IP creators, then the IP creators or their heirs will no longer be entitled to benefit-sharing.
- Should the IP Creators and RU disagree on the value of the non-monetary benefit, an independent auditor will be appointed to determine its value. The determination of such an independent auditor will be deemed binding on all parties and will determine the price at which RU may purchase the IP Creators' portion.
- As soon as it comes to the attention of RU that there is possibility of receiving commercial income in a non-monetary form, RU will engage in prior discussions with the IP creators to determine the most fair and equitable approach to sharing such benefit. If this prior discussion is not successful, an independent auditor will be called for valuation of such benefit and for determination of income distribution.

Where the benefit is in the form of shares or equity, and until such a time as the Commercialisation Policy is in place, the IP Creators shall be entitled to 30% of RU's revenue derived from the disposal of such shares or equity or any dividends received. RU shall determine the point at which shares are disposed.



## OTHER SOURCES OF INCOME

In order to turn IP into a marketable product, a process of value adding (product development) normally takes place even after the IP commercialisation strategy has started. The licensee or joint venture company or spin-off company is usually prepared to pay for this and is dealt with as follows:

- Consultation: Consultant, who may be the staff member, is paid for consultation work on an hourly basis;
- Product development: Service provider, who may be the staff member of RU, is paid for services rendered;
- Marketing: Agent, who may be the staff member, is paid a commission; or Distribution: Distributor, who may be the staff member, is paid for services rendered; and/or

Taking up equity in a spin-off company does not negate the right of any party to income as set out above. Consequently, an inventor may receive royalties on account of a patent licensed to a third party (which may be a spin-off company), he/she may at the same time also act as consultant, and he/she may also receive dividends as a shareholder. The same person may also act as agent and earn a commission.

# APPENDICES

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## A GUIDE TO INTELLECTUAL PROPERTY

This section does not form part of the Rhodes Intellectual Property Policy, but is included for background and guidance on Intellectual Property (IP).

The roots of IP protection can be traced back to the seventeenth century, where IP was recognised and protected on a haphazard basis, but the protection of IP only assumed its present form in the 20<sup>th</sup> century. As IP law has had to constantly evolve in response to technological innovation, this is a dynamic area of legislation. As society has moved increasingly to a knowledge-based economy, IP legislation has become increasingly important.

IP is essentially the fruits of an individual's intellect and the protection thereof. The development of laws dealing with IP was based on the growing recognition that these inventions were a form of property which had economic value, and in which their creators had certain rights. However, it was soon recognised that to grant creators an absolute monopoly over the fruits of their intellect, would have a negative effect on the development of society, as much of societal development relies on the free exchange of ideas.

IP law thus seeks to strike a balance between these interests by granting protection for a limited time to the creator of the IP, in exchange for that creator making full disclosure of the IP to society.

Against this backdrop, IP law has evolved into several distinct categories, each regulated by local legislation. Most local IP legislation is, in turn, based on international conventions and treaties which regulate a particular sub-category of IP internationally, and to which various countries subscribe. In this way, countries are able to obtain international recognition and protection for IP rights granted in their countries in terms of local legislation.

The legislation prescribes the entitlements that holders of regulated works enjoy, and provides for the protection of such works. According to the IP Rights from Publicly Financed Research and Development Act, 51 of 2008: "IP" means "any creation of the mind that is capable of being protected by law from use by any other person, whether in terms of South African law or foreign IP law, and includes any rights in such creation, but excludes copyrighted works such as a thesis, dissertation, article, handbook or any other publication which, in the ordinary course or business, is associated with conventional academic work".

## **Copyright**

Copyright is regulated by the Copyright Act, 98 of 1978. This Act prescribes the works that qualify for copyright protection. No registration is necessary for copyright, since copyright is conferred automatically in terms of the Copyright Act. Copyright for a South African author covers not only South Africa but all countries which subscribe to the Berne Convention, as well as in member countries of the World Trade Organisation (WTO) which subscribe to the GATTs TRIPS agreement.

Copyrighted works include literary works, books, articles, music compositions, artworks, databases, computer software programmes, and broadcasts: These are known as the subjects of copyright. These works enjoy automatic protection in terms of the Copyright Act as soon as they assume a material form.

Material form has a wide definition, and depends on the nature of the subject of copyright; for example, a literary work could be written down or recorded, but a broadcast would have to be broadcasted to assume material form and thereby qualify for protection as a broadcast. A single work may also contain several subjects of copyright; for example a film, in which there is the script, soundtrack, and the composition of the pictures. Due to the requirement of material form, there is no copyright in an idea; therefore, copyright thus does not protect ideas but only the material expression thereof.

The copyright holder is then entitled to regulate the exploitation of the work by granting others the right to make use of the material via assignment or different types of licensing, in return for which the holder receives a payment in the form of royalties.

The term of copyright protection is limited. Depending on the subject of copyright, the term of protection is generally the lifetime of the creator plus fifty years calculated from the end of the year in which the creator died.

## **Plant Breeders' Rights**

Plant breeder's rights are governed by the Plant Breeders' Act, 15 of 1976, and South Africa is a signatory to the International Convention for the Protection of New Varieties of Plants. Rights are granted in a similar way to Patents. Rights are granted for twenty-five (25) years in the case of trees and vines, and for twenty (20) years in the case of all other plants, by the Registrar of Plant Breeders' Rights. There are certain conditions regarding the criteria for the registration of a variety as a Plant Breeders' Right, and these can be found in the applicable Act. The criteria are broadly: being deemed new, distinct from existing varieties of the same kind of plant, uniform within the normal limits of plant variation, and stable during propagation. The rights conferred are similar to those conferred in patent acquisition in that the rights extend to producing, propagating, and selling.

## Patents

Patents and provisional patent applications, are essentially a monopoly of limited duration intended for the exploitation of the invention, and are issued by the Registrar of Patents. A provisional patent provides short term protection for a period of 12 months, after which a full patent application must be lodged.

South African patents do involve annual renewal fees from the third year onwards of registration. For an invention to be patentable it must satisfy three basic criteria: it must be new, involve an inventive step and it must be possible to apply the invention in trade, industry or agriculture.

In terms of the Patents Act, ownership of a patent vests in the inventor of the work, unless this arrangement is varied by the Act or in terms of a contract.

The inventor would be the original deviser of the invention. The most important variation in terms of the Act is the 'master-servant' exception, which states that if an invention is produced in the course and scope of a 'servant's' (employee's) employment, then the patent vests in the 'master' (employer). This means that a patent or any other work produced outside of these exceptions will vest in the inventor.

Failing the 'master-servant' (employer-employee) exception, one should be very cautious about entering into contracts governing the conduct of work, where one is to, for example, undertake research for another, or where the research that one is to undertake is to be funded by another party, because these contracts could contain provisions in terms of which the provisions of the Act are varied contractually, and the patent in any invention could be assigned to the other party, and not held by the inventor.

Any such contract should be carefully examined for its IP provisions, and should be re-negotiated, if possible, to provide for at least a sharing of IP rights. Again the issue of co-devisers of an invention arises, and the comments above relating to co-ownership and copyright apply equally to patents.

### Qualification for Patenting

Patents are covered by the Patents Act, 57 of 1978. This Act deals with inventions of a technological nature. The applicant for a patent must be the rightful owner of the invention.

The Act prescribes what subjects qualify as inventions by including a list of subjects that are excluded, and by indicating what requirements 'qualifying' subjects must comply with in order to be eligible for patent protection. Subjects excluded include pure discoveries, scientific or mathematical methods, and computer programmes.

All of these may be the subject of a patent, however, if they are included in and as a part of a 'qualifying' subject. For example, a computer programme is not patentable per se, but if it were to be included as an integral part of the control mechanism of a machine which is patentable, then the computer programme would be patentable as a part of the patent for the machine.

The main requirements for a qualifying subject are that it must be new or novel and must involve an inventive step which is not obvious. The requirement for novelty is often referred to as 'absolute novelty'. This means that public disclosure prior to the granting of the patent will destroy the patent.

The requirement of an inventive step means that the invention must represent a 'step forward'. The common test applied is to have regard to the 'state of the art' ie all the information that is publicly available, and then to ask whether an ordinary person skilled in the art would have come up with the invention when faced with the same problem that the inventor was faced with.

Once these requirements have been satisfied, the inventor or her/his agent is entitled to apply for a patent to protect the invention. There is no automatic protection of an invention and a patent has to be applied for to secure this.. The procedure to be followed is contained in the Patents Act. Once an inventor has successfully complied with these requirements, she/he is entitled to the granting of a patent, in return for which she/he must fully disclose the workings of her/his invention to the public.

### **Geographical Jurisdiction**

A patent is limited to a particular territory, usually a single country or a region in the case where a number of countries co-operate to grant a single patent covering all their combined territories. An applicant must thus apply for a patent in every country in which s/he wishes her/his invention to be protected. Some international conventions, such as the Patent Co-operation Treaty (PCT) seek to make this process simpler and more affordable.

### **Terms of Patents**

Once a patent has been granted, the holder of the patent is entitled to regulate the exploitation of the patent by granting others the right to make use of the invention via assignment or different types of licenses, in return for which the holder receives a payment in the form of royalties. The term of patent protection is limited to 20 years after the date of the granting of the patent, after which the subject matter of the patent falls into 'state of the art' knowledge in the public domain and may be used without restriction.

# CONTRACTS AND AGREEMENTS

## 1. Management of IP

IP management is an integral part of conducting, coordinating and managing research at universities. IP management entails the following:

- Every research activity has to be critically evaluated for its potential to produce IP Rights.
- IP rights vest in certain persons automatically by operation of law but these entitlements can be contractually varied by agreement between the parties.
- Contractual variation must be conducted with an eye to maximising IP rights; for example, by following the necessary non-disclosure procedures to ensure that a patent application is not jeopardised by a prior disclosure, and by keeping the necessary confidential records so that one is able to prove exactly what one has done and claim IP in the event of a dispute.
- Potential claimants of IP, in the form of others working on the research, must be evaluated. Their legal claim to IP must be assessed, and their role in the activity and the rights flowing there from agreed upon and documented in a contract in order to avoid disputes at later stage.
- Outside parties, such as co-operating institutions and funders, wishing to play a role in the activity must also be carefully screened and evaluated, and their legal entitlement to IP must be assessed, and their role in the activity and the rights flowing there from agreed upon and documented in a contract. This is particularly important with funders and industrial partners. The key question to be asked is what is the IP price that could be paid, in terms of loss of rights or a curtailment thereof through confidentiality agreements, of the participation of these outside parties.
- Researchers must recognise the value of IP, and the value of their own role in creating this, and then negotiate a share of the IP likely to be produced. Contracts must be examined and negotiated or re-negotiated.
- Researchers must be aware of the value of securing IP rights at the start of any activity. This is a relatively simple task when such rights and the entitlements thereto are established by agreement at the start of the activity. It is virtually impossible to satisfactorily secure IP rights in favour of everyone involved without incurring costly litigation once these rights have been vested. Once IP rights have been vested in someone else, they are generally lost forever.

## 2. Negotiation of IP Rights

Although the various Acts give recognition to IP rights, there are still many other IP rights that do not qualify for such protection, and yet have commercial value; for example, know-how. In addition, the fact that IP rights are recognised in terms of an Act still leaves the challenge of effective exploitation. An agreement in the form of a contract is the preferred practice. A contract is a signed agreement between two parties whereby they agree to deal with each other on certain terms and conditions.

It is also important to bear in mind that a contract can be used to legally strip an unsuspecting party of their IP rights, because any entitlement to IP rights given to a person in terms of the various Acts may be altered by agreement. All activities in which researchers are involved need to be carefully examined for potential IP rights, and all proposed contracts relating to these activities examined to determine whether the contract has any effect on IP rights.

## 3. Negotiation of Confidentiality Agreements

A contract may also be used to establish ownership of IP rights with a person while restricting the use of such rights and thereby rendering them worthless in the hands of the holder. This is potentially the case with confidentiality agreements. In terms of such agreements, a party working on an activity agrees with another party to make the results of the activity available to that party only, and to no-one else.

This means that while the person working on the activity may develop extensive IP rights in the form of know-how, for example, they are prevented by the confidentiality agreement from using that know-how to the benefit of anyone else, such as a prospective employer, or, as part of a thesis for the award of a degree. The scope of confidentiality agreements should be carefully examined, and should only extend to information supplied by the other party, and not to know-how generated in undertaking the research.

## 4. Sharing IP

As indicated above, contracts can also be used to determine the sharing of IP, particularly where an IP holder needs to secure a partner with resources to assist in the protection and commercialisation of IP. A suitably drafted contract (most often a Confidentiality Agreement, a Non-Disclosure Agreement or a Materials Transfer Agreement) can ensure that all parties know exactly what is expected of them and what they are entitled to.