

University of Pretoria

Intellectual Property Policy

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Introduction

This introduction describes the various parts of the document and provides an introduction to the more extensive material that follows

PART 1

University of Pretoria Intellectual Property Policy

This policy deals with the ownership, distribution and commercial exploitation of intellectual property (IP) developed by staff (employees as well as contract workers), students and other parties associated with the University of Pretoria (hereafter referred to as 'the University').

Intellectual property is defined as “registrable and non-registrable inventions and IP creation, expertise, trade marks, trade secrets, copyrights, designs and plant breeders’ rights which have come about through the mental efforts, insight, imagination, knowledge and creativity of humans”.

Intellectual property rights refer to IP of which the exclusive right of ownership belongs by law to a natural or a legal person.

The commercialisation of the University’s knowledge base through technology transfer is regarded as an integral part of the University’s mandate. In accordance with the Intellectual Property Rights from Publicly Financed Research and Development Act 51, 2008, the University as a recipient of public funds for research has both the authority and the responsibility to protect and own the IP emanating from such research. Further, it has the responsibility to commercialise this IP wherever possible.

The UP Technology Transfer Office (TTO) is the responsible agency at UP that will give effect to these objectives and to protect the rightful interests of the University and its staff, students and partners in respect of IP.

As part of the general policy statement, the University sets out its commitment to encourage and support research and development which may lead to new inventions and IP creation, products or business ideas that can be exploited commercially, and to unlock the inherent value of its knowledge base (IP and expertise that vest in persons) to the benefit of both inventors and IP creators and/or entrepreneurs and the University by means of effective support in a spirit of partnership.

With regard to inventions and IP creation and business ideas of staff or students, and contract research undertaken in collaboration with other organisations, the University undertakes to establish procedures aimed at ensuring, *inter alia*, protection of the IP rights of the parties concerned, proper evaluation of the viability and commercial potential of inventions and IP creation and of enterprises based on business ideas, assistance and advice to inventors and IP creators, support to entrepreneurs, and a fair division of income derived from the exploitation of IP.

PART 2

Ownership of Intellectual Property (IP)

Part 2 of this document sets out the provisions governing the ownership of IP originating in the University environment.

Staff

As a general principle, ownership of IP created by employees *in the normal course and scope of their employment* vests by law in the University as their employer, while contract workers are required to assign to the University the IP rights emanating directly from *the execution of their contractual obligations*.

This applies to copyright and to rights in respect of inventions and IP creation, knowledge and trade secrets developed by University staff and contract workers. The University may decide in certain cases to transfer the whole or part of IP rights to the staff member concerned, or may authorise him/her to utilise the work commercially or otherwise. Staff members who conduct research elsewhere during their research leave or who are commissioned to do contract research at or for outside organisations must ensure that appropriate agreements regarding IP rights are in place beforehand.

Unless otherwise agreed, contract research is deemed to fall within the normal course and scope of the staff member's employment. A distinction is made between *contract research* (where new knowledge is created, and where students are normally involved and of which the results can be published) and *consultation* work by staff (where knowledge/expertise is strictly applied). In the latter case the IP ownership will be determined by the contracts of the consulting work,

Contracts for consultation work with outside organisations must exclude *serendipitous knowledge* from the deliverable product. All such work will be conducted through the appropriate Campus Company.

Ownership of IP where University staff who are engaged on a joint project with an outside organisation shall be determined in accordance with the agreement between the University and that outside organisation.

The IP Policy contains specific provisions in respect of the acquisition, use and development of software that apply equally to employees, contract workers and students.

Students

Unless otherwise agreed between the student and the UP TTO and in consultation with the University staff member who is the student's supervisor, students are required to assign to the University any IP that may vest in them by virtue of the performance of their study obligations. Such assignment automatically takes place during registration. This also applies to copyright in all works created in the normal course and scope of their studies at the University.

Outside organisations that provide bursaries to or who employ students are required to agree contractually with the University beforehand about IP rights. Students share in the same way as staff in the financial rewards resulting from the commercial exploitation of their IP (as set out in Part 5 of the Intellectual Property Policy).

Visiting lecturers (including post-doctoral researchers)

Visiting lecturers and researchers must sign a confidentiality agreement prior to their visit and also assign to the University their rights in respect of IP created or started during their visit. Any other division of such rights must be agreed beforehand in writing. In

return, the University ensures the appropriate benefit sharing arrangements in a manner similar to University staff.

Outside organisations, sponsors, funders and the South African government

Outside organisations that provide bursaries or financial support for research have no automatic claim to IP rights emanating from such funding. If such an organisation wants to share in the commercial utilisation or to have the IP assigned to it, it should approach the University to conclude an agreement in this regard. All contracts pertaining to IP, including research contracts, must be concluded in writing between the University and the relevant outside organisation and must be officially approved by the designated authorised persons according to the University's IP Policy, including the UP TTO.

Trade marks of the University

The University owns various registered and unregistered trade marks and reserves all its rights in respect of any marks that include e.g. its name or coat of arms or wherever there is a suggestion of an association with the University. Use of the University's trade marks for private purposes or gain is strictly prohibited. The University reserves the right to license its name or registered trade marks to commercial partners. Such a license is only valid if agreed in writing and signed by a duly authorised University official.

PART 3

Registration and exploitation of Intellectual Property

IP that originates in the University environment is identified primarily through formal disclosures by staff and students to the UP TTO via their academic head. This will be required for every research project.

Early disclosure is necessary to ensure maximal utilisation of new IP, and to avoid unnecessary delays in publication of research findings.

Registerable inventions and IP creation (including patents, designs and plant breeders' rights)

Registerable inventions and IP creation have to satisfy various legal requirements, with novelty being of particular importance. The invention or IP creation should be kept confidential as publication or public use (any form of disclosure in the public domain) may compromise the possibilities of registering a patent, a model or a plant breeders' right. Public disclosure of research results must be held back until the University has decided together with the inventor about possible IP patent registration.

Registration of Patents for inventions and IP creation (including patents, designs and plant breeders' rights)

The University has the final say in decisions regarding the registration of Patents for such inventions and other forms of IP creation. All registration of inventions and IP creation must be done via the UP TTO. The University shall inform the relevant staff member or student in writing if it decides to waive its rights, after which the person(s) in question may then exploit the invention for their own account.

Software

Copyright protection applies to software, but in certain cases patenting also applies. Prohibitions regarding unauthorised use of software developed in the normal course and scope of their duties as well as confidentiality requirements apply to both employees and contract workers. Staff members must disclose new software that they are developing to ensure protection of all the possible intellectual property rights (see Figure 1). The Intellectual Property Policy contains specific provisions regarding delivery of source codes and software development material to the University.

Materials Transfer

No materials and its associated confidential information owned by the University may be transferred to third parties, unless a signed Materials Transfer Agreement (MTA) has been concluded. The University MTA includes important clauses dealing with IP ownership, Confidentiality and Liability issues that must be adhered to by the Staff and students of the University. These materials include Original Materials, or Modifications thereto including Progeny, Unmodified Derivatives (e.g. sub-clones of unmodified cell lines, purified or fractionated sub-sets of the Original Materials, proteins expressed by DNA or RNA, monoclonal antibodies secreted by hybridoma cell lines, sub-sets of the Original Materials such as novel plasmids or vectors). All MTA's must be approved by the Dean, and the UP TTO.

PART 4

Exploitation of University Intellectual Property through spin-off company formation

Where the University decides, in consultation with the inventor or entrepreneur, to exploit IP through the formation of a spin-off company, a separate enterprise will be established that is normally a subsidiary or associate company of the Enterprises at University of Pretoria group (E at UP). The University, the inventor/entrepreneur and other possible partners own shares or members' interests in such an enterprise according to a division that is agreed in writing beforehand. Wholly owned subsidiary enterprises may be established where the University for strategic reasons retains full control and shareholding via E at UP.

Staff may not be involved in any other entities or enterprises that compete with the University in terms of its primary education, training and research functions. No person involved in a spin-off or other enterprise in partnership with the University may compete with the University via such enterprise or be involved in an entity that competes with it, without prior written authorisation from the University. Staff members have to disclose to their Departmental Head and Dean their interests in any private enterprises and entities, including directorships, shareholding, members' interests and part-time appointments.

Before services and support are rendered, the UP TTO provides the individual involved with a 'Letter of Intent' containing proposals that set out all the rights, obligations and fair expectations of all the Parties in respect of equity, profit-sharing and other forms of compensation. The contents of the 'Letter of Intent' are agreed with the individual. Where the individual becomes the managing director of the spin-off enterprise, he/she may be required to leave the employ of the University to avoid a conflict of interest and to ensure compliance with the requirements of good corporate governance.

Lease agreements, which at all times put the academic interests of the University first, are concluded with spin-off enterprises where University assets, office space or

laboratory equipment are utilised. The University reserves the exclusive right to develop and implement an exit strategy for its spin-off companies.

PART 5

Distribution of nett income derived from the commercialisation of University Intellectual Property

The UP TTO keeps a separate account for each IP product. This part of the Intellectual Property Policy provides procedures for the division of earnings derived from the commercialisation of University IP.

Part 5 describes the division of revenues into 4 components. The first two apply to cost recovery – both direct and indirect expenses. The third and fourth relate to the division of all net revenues accrued.

The last section of Part 5 provides for the division of other sources of income, such as services performed in the process of product development that takes place to convert the IP into a marketable product or service.

PART 6

Annexures

Annexure A - contains definitions of a number of key terms used in the Intellectual Property Policy.

Annexure B – contains a list of Acts referred to in the Intellectual Property Policy, and a summary of the Technology Innovation Agency Act, Act 26, 2008.

Annexure C – contains a copy of the Invention Disclosure Form

PART 1 :Introduction

This document deals with the ownership, distribution and commercial exploitation of Intellectual Property (IP) developed by staff, students and other parties concerned at University of Pretoria (hereafter referred to as 'the University' or 'UP'). The Intellectual Property Policy (IP Policy) contained in this document is applicable to all campuses of the University, to all temporary and permanent employees of the University, to contract workers of the University, and to all registered students of the University. Employees and contract workers of the University are referred to collectively as the 'Staff' of the University in this document.

1.2 GENERAL POLICY STATEMENT

Important policy developments

The adoption of the University's Strategic Plan requires:

Leveraging the University's research capacity through:

- Establishing an innovation support structure;
- Interacting with the business and industrial sectors;
- Exploiting the University's intellectual property through appropriate forms of commercialization; and
- Leveraging the University's activities on the Innovation Hub

The University will enhance the impact of its research and leverage the potential of its academic staff, students and networks of cooperation. In order to fulfil its goal of being an engine of economic growth and competitiveness, the University must also, where appropriate, exploit its intellectual property by bringing its research outputs to commercial fruition. This will typically be done in collaboration with others. In this regard, the commercialisation of the University's knowledge base through innovation and technology transfer are regarded as an integral part of the University's responsibility in respect of community service.

The UP Technology Transfer Office (TTO) will give effect to these objectives, to make the results of research and innovation available to the community by means of technology transfer, and for the protection of the rightful interests of the staff, students, the University, and its partners in respect of intellectual property. The purpose of the UP TTO is to implement and to support this Policy.

To enable the University to fulfil these undertakings, for the optimal protection and to the mutual benefit of all parties, this Intellectual Property Policy stipulates the way in which intellectual property that originates in the University environment shall be dealt with, and specifically:

- deals with ownership of intellectual property and the exploitation thereof in Parts 2 to 4 of this Policy; and
- sets out in Part 5 of this Intellectual Property Policy the way in which the University endeavours to ensure that inventors and IP creators and authors who are staff and students of the University obtain a fair share of the net income derived from the commercialisation of such intellectual property.

1.3 INVENTION, IP CREATION AND INNOVATION

The University undertakes to - establish procedures, in accordance with Part 3 of this Intellectual Property Policy, regarding inventions and IP creation made by staff or students of the University, which would help to ensure that:

- it can be factually established in whom the intellectual property rights concerning such inventions and IP creation should be vested and, if applicable, in whose name any inventions and IP creation should therefore be registered;
- due care is taken that the necessary assistance and advice be given to inventors and IP creators in order to ensure that the rights of all the relevant parties in respect of their inventions and IP creation are protected at the time of disclosure of the results of their research and development work;
- due care is taken that during the process of registering an invention, the academic requirement to publish is given thorough consideration;
- in each case a fair division of royalties and any other income from the invention is made between the University and the intellectual property creator, taking into account costs incurred by the relevant parties in connection with the making of the invention and the practical application and refinement thereof, and, if applicable, during the registration process of such invention; and
- the viability and business potential of such inventions and IP creation can be properly evaluated, and strategically managed.

1.4 BUSINESS IDEAS & COMMERCIALIZATION

The University undertakes to - establish procedures, in accordance with Part 4 of this Intellectual Property Policy, regarding concepts, plans and ideas with business potential that may be brought to the attention of the University by staff members or students, which would help to ensure that:

- the viability and commercial potential of an enterprise based on such ideas can be properly evaluated;
- due care is taken to keep the contents of such concepts, plans and/or ideas confidential in so far as this is necessary;
- due care is taken that the entrepreneur is given support, which, among other things, may take the form of training, financial assistance (where possible), advice, mentoring and incubation space, in order to ensure that the expertise and space exists to develop the enterprise successfully; and
- in each case a fair division of equity, royalties and/or other income from the enterprise is made between the University and the entrepreneur, taking into account any costs incurred by the relevant parties in respect of the establishment of the enterprise, including a loan account.

1.5 CONTRACT RESEARCH

The University undertakes to - in the case of research and development undertaken in collaboration with other organisations, to establish procedures aimed at ensuring:

- that the interests of the University, and its staff and students in respect of intellectual property are fully protected when contracts are concluded with such other organizations; and
- that, in consideration of the above, a written agreement is formulated prior to the conclusion of contracts with such other organisations concerning: the rights and obligations of all the parties involved in respect of intellectual property that may emanate from the research and development;
- the utilisation of such intellectual property, including the granting of licences and commercialisation rights; and
- claims to and payment of royalties, as well as any other income derived from such intellectual property.

1.6 BIODIVERSITY

The University undertakes to - have regard for the protection of South Africa's indigenous biodiversity in accordance with the Biodiversity Act, 2004, during negotiations where biodiversity pertains to the University's intellectual property.

1.7 SHORT COURSES

One form of commercialisation of the University's knowledge base is through the presentation of courses to clients for gain. The precise definition of 'short courses' and the relevant procedures is set out in the University of Pretoria Policy on Short Courses. In terms of this Intellectual Property Policy, however, the University lays claim to the **copyright** of the course material of short courses. The use of the University's trade mark in the presentation of short courses is also dealt with in the UP Policy on Short Courses.

1.8 DISPUTES

Any dispute regarding the interpretation or application of this Intellectual Property Policy shall be dealt with in accordance with the University's procedures usually in force at the time of such dispute arising.

PART 2 : Ownership of Intellectual Property (IP)

2.1 STAFF

2.1.1 General

Employees of the University should be aware that ownership of IP created by them in the normal course and scope of their duties vests by law in the University as their employer. The ownership of IP created by contract workers in the execution of their contractual obligations at the University also vests in the University. Parts 3 and 4 of this Intellectual Property Policy set out the way in which the University endeavours to ensure that members of staff obtain a fair share of the proceeds derived from the utilisation and exploitation of such IP.

2.1.2 Specific provisions in respect of copyright

Employees and contract workers

The ownership of all copyright of employees of the University in respect of works created by them in the normal course and scope of their duties or on the specific instruction of the University vests in the University in terms of Section 21(1)(d) of the Copyright Act. In accordance with paragraph 2.1.7, contract workers assign to the University their copyright in all works that may originate during the execution of their contractual obligations.

Identification of copyright works

All copyright works (literary works, musical works (compositions), artistic works, cinematograph films, sound recordings, broadcasts, programme-carrying signals, published issues and computer programs (software) to which the University lays claim must be identified as follows:

Copyright © year University of Pretoria - All rights reserved

or

Kopiereg © jaartal Universiteit van Pretoria - Alle regte voorbehou

The year included in the declaration is the year in which copies of the work are made available to students or members of the public, or the work is otherwise published for the first time.

Course material

All works created by staff of the University in the normal course and scope of their duties, including their tuition, research and community-interaction functions, shall, unless otherwise agreed, be deemed to be works originating within the scope of the staff members' employment obligations. These include works that are created in the performance of a staff member's normal duties, or in the execution of specific tuition, research or community-interaction projects assigned to the staff member. Such works shall include, *inter alia*, the following:

- all course material, including WebCT or similar web-based modules
- class notes
- transparencies
- test and examination papers and scripts, and
- all other material for use in contact and distance education
- and informal and non-formal tuition functions, e.g. community education
- as well as software, databases, and
- video and multimedia material developed by the staff member whether for tuition purposes or not.

A academic staff member who leaves the employment of the University must, prior to his or her departure, provide a copy of all tuition material developed by him/her in the course of his/her employment to his/her Department Head or other designated person. Provided that all references to the University are removed, a former staff member shall normally not be prevented by the University from using tuition material created by him/her for normal tuition purposes at other Institutions.

Waiver of copyright and royalties

The University may decide in certain cases to assign ownership of the whole or a part of the copyright to the staff member, or may authorise him or her to utilise the work commercially or otherwise. The University does not lay claim to income derived from copyright in the case of scientific or popular books, articles and other publications, and other works of a scholarly or aesthetic nature created by a staff member. The staff member should first make certain, however, that his/her intended publication would be dealt with in this way before he/she proceeds with publishing the work. Government subsidies (e.g. Department of Education subsidies) that the University earns on the grounds of research publications and outputs naturally accrue in full to the University.

Artistic works (e.g. paintings and graphic designs), literary works (e.g. volumes of poetry), textbooks and musical works (compositions)

Notwithstanding the contents of this paragraph, the University does not lay claim to ownership or any rights (including moral rights) and income pertaining to these four categories of copyrights, even if the work in question should fall within the scope of a staff member's duties. Course material, as defined here above and which finds its way as a derivative into works of a scholarly or aesthetic nature (text books) or popular books may be prescribed to students of the staff member only by the existing academic structures of the University. The University does not lay claim to income derived from copyright in the work in question. (e.g. the University will not lay claim to the copyright of a volume of poetry by a lecturer in Literature, even if that volume is later prescribed to students).

2.1.3 Specific provisions in respect of inventions and IP creation, expertise and trade secrets

Employees of the University should be aware that all rights, interest and title in any invention, trade secret and know-how, whether patentable or registerable as a model or plant breeders' right or not, created by an employee of the University in the normal course and scope of his/her employment at the University, vest by South African law in the University and in so far as these do not vest by law, that employees assign such rights and interests to the University. Contract workers also assign to the University all their rights, title and interest in any inventions and IP creation, knowledge and trade secrets that may be developed in the execution of their contractual obligations to the University. Unless otherwise agreed in writing, this shall include all inventions and IP creation and expertise developed by the staff member in the field of specialisation in which the said staff member has been appointed at the University. The above assignments shall include all rights, title and interest in any inventions and IP creations 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 breeders' right is filed within one year after termination of the staff member's employment relationship with the University.

All inventions and IP creation, expertise and trade secrets developed by a staff member during the period that he/she is in an employment relationship with the University, and that relate to the field of specialisation in which the staff member has been appointed at the University, shall be deemed to have been developed in the normal course and scope of his/her employment at the University, unless the staff member can prove to the contrary on the basis of an written agreement, logbook or suchlike evidential material.

2.1.4 Staff who conduct contract research at or for an outside organisation

Staff of the University who visit other educational institutions or other organisations with a view to discussing research ideas with them, or who conduct research elsewhere during research leave, must ensure that appropriate written 'Agreements' regarding IP rights are concluded prior to the visit. In a similar manner, staff members who are approached by outside organisations to conduct contract research for such bodies, regardless of the place where the contract research is done, must ensure that appropriate 'Agreements' regarding IP rights are in place.

Unless otherwise agreed in writing, such contract research shall be deemed to fall within the normal course and scope of the staff member's employment, and the IP that may be created as a result of such contract research shall therefore likewise vest in the University. The University shall give reasonable consideration to any requests from the other organisation regarding the IP rights emanating from such research. Any assignment to, or sharing with, the outside organisation of the said IP rights that may emanate from such contract research, must be set out in an agreement and must be approved beforehand in writing and signed by the designated person from the University. The University shall, where applicable, take reasonable steps to protect the confidentiality of such contracts.

2.1.5 Consultation work undertaken by staff

In order to interpret paragraphs 2.1.4 and 2.1.5 correctly, a distinction is made between *consultation* and *contract research*, as defined in the list of definitions in Annexure B. Paragraph 2.1.5 must also be read together with the University's *Contract Research and Consultation Policy* (Rt 179/09).

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 the University to an outside organisation inclusive of the copyright on the product. The University would like, however, to prevent the rights to academic publications of the University and its staff from being prejudiced through this activity, and the UP TTO is available to assist staff in determining the correct procedures in this regard. The University consequently reserves the right to take all reasonable steps to prevent such prejudice from arising. The University, however, wishes to retain the copyright on the raw data created during research for such consultation work in order, *inter alia*, to encourage further research. Staff members of the University therefore assign to the University the copyright and any other rights that may vest in such raw data, unless otherwise agreed in writing with the University. Moreover, since knowledge/expertise is applied in consultation work, new knowledge and inventions and IP creation are not normally created in this case and the University therefore does not lay claim to the products of consultation work, except in the case of *serendipitous knowledge* (see definition in Annexure A).

2.1.7 Serendipitous Knowledge

Contracts for consultation services concluded by staff with outside organisations must always exclude *serendipitous knowledge* (as defined in Annexure A) from the deliverable

product. *Serendipitous knowledge* shall be deemed to have originated within the normal course and scope of the staff member's employment at the University.

2.1.8 Contract workers

Persons who are appointed on a contract basis by the University are subject to the same conditions regarding IP rights that apply to the employees of the University. Full rights, title and interest in respect of IP, including inventions and IP creation, designs, expertise and the copyright of all work developed in the normal course and scope of the execution of the contract with the University are assigned to the University. A provision to this effect is included in all written contracts concluded with contract workers.

The relationship between the University and such contract workers shall be governed by a written contract that shall provide for, amongst others, the following:

- assignment of IP rights;
- indemnity; and
- moral rights waiver in the case of copyright.

Each contract worker must also complete a formal disclosure (form obtained from the UP TTO) in respect of any such IP developed in the course of his/her contract work.

2.1.9 Joint staff establishment

The ownership of IP of staff, who have a joint staff appointment with the University and an outside organisation shall be determined in accordance with the written Memorandum of Agreement between the University and that outside organisation.

2.1.10 Software

In terms of the Copyright Act 98 of 1978, software is subject to copyright protection. However, in certain jurisdictions software may also be patented. The development of software by employees, contract workers and students are subject to the following provisions:

Software developed by employees, contract workers and students is subject to this Intellectual Property Policy and the provisions of paragraphs 2.1.2, 2.1.8 and 2.2.2 apply equally to:

- documents supporting the development and operation of developed software packages shall be retained by developers and surrendered to the University upon request; and
- new software development and progress therewith shall be disclosed to the University, as is the case for all other IP.

Open-source software

Notwithstanding the University's claim to ownership of software that is created by its employees, contract workers and students in their normal course and scope of their work, the University supports and promotes the creation and participation in the creation of open-source software. The University will not lay claim to ownership of open-source software. However employees, contract workers and students are required to disclose to the UP TTO their intention to create or to participate in the creation of open-source software. The UP TTO shall evaluate the written disclosure and undertakes to discuss within four weeks after the disclosure with the inventor, whether or not alternative means of utilisation of the envisaged software exists. In the event where such employee, contract worker or student fails to disclose his/her intention, the University reserves the right to at a later stage lay claim to the copyright of such software program(s).

Employees, contract workers and students shall familiarise themselves with the licence conditions applicable to the application of open-source software and shall not take any actions that might frustrate the University's rights and ownership of the developed software.

2.2 STUDENTS

2.2.1 General

Unless otherwise agreed in writing beforehand between the student and the University, students are deemed to have assigned to the University any IP that may vest in them by virtue of the performance of their study obligations. Such assignment takes place automatically during the registration process.

2.2.2 Specific provisions in respect of copyright

Students assign to the University their copyrights in all works that may be created in the normal scope and course of their study obligations and activities. These include, *inter alia*, all presentations, assignments, test and examination answer sheets, dissertations, theses, sound recordings, video recordings, software, databases, designs and models developed by students in the course of their studies. The University may decide in certain cases to assign ownership of the whole or part of the copyright to the student, or may authorise him/her otherwise to utilise the work commercially or otherwise.

Artistic works (e.g. paintings or graphic designs), literary works (e.g. volumes of poetry), textbooks and musical works (e.g. compositions)

Notwithstanding the preceding paragraph, the University does not lay claim to ownership or any rights (including moral rights) and income pertaining to these three categories of copyrights, even if the work in question should be created in the course of the student's studies at the University. (e.g. the University will not lay claim to the copyright of a volume of poetry by a student.)

Software

See paragraph 2.1.10 in this regard, which applies, *mutatis mutandis*, to students.

2.2.3 External organisations that provide bursaries

External organisations that provide bursaries to students must agree contractually in advance with the University about the ownership of IP that may arise from the student's studies at the University. It is the student's responsibility to assist in establishing such an agreement. Students shall share in the same way as staff of the University in the financial rewards resulting from the commercial application of their IP, as set out in Part 5 of this IP Policy.

2.2.5 Commercial exploitation of intellectual Property that vests in students

In the event that a student intends to submit an assignment or dissertation (for a Master's degree) or a thesis (for a doctoral degree) that corresponds essentially to a commission of his/her employer, such student must disclose his/her intention to the University and his/her employer on registration or as soon as possible after he/she has become aware of the employer's commission. The University and the student's employer shall then negotiate copyright ownership and confidentiality related to the student's assignment/dissertation/thesis. Normally the University will not keep the

assignment/dissertation/thesis confidential for a period of longer than three years, and the University reserves the right to publish the assignment/thesis/dissertation in electronic format, of which the University shall be the copyright owner in terms of this Intellectual Property Policy. The following categories of IP that emanate from students' assignment/dissertation/thesis apply under this Intellectual Property Policy:

Copyright of assignment/dissertation/thesis:

According to paragraph 2.2.2, the University holds the copyright of the assignment/dissertation/thesis and may publish the assignment/dissertation/thesis in electronic format. This does not prevent the student from publishing a popular version of the assignment/dissertation/thesis on his/her own or in having it published independently, provided that the publication does not infringe in any way on the publication of the work in the University digital repository.

Patents, plant breeders' rights and models emanating from an assignment/dissertation/thesis:

The University may, in accordance with Parts 2 to 4 of this Intellectual Property Policy, commercially exploit patents, plant breeders' rights and models emanating from an assignment/dissertation/thesis. Note that in terms of Section 25(2)(e) of the Patents Act, business ideas cannot be patented and therefore fall outside the scope of this Intellectual Property Policy.

Establishing an enterprise emanating from an assignment/dissertation/thesis:

Commercial exploitation can be done in accordance with Section 4 of this IP Policy and in partnership with the UP TTO, and on a voluntary basis, and at market related rates.

2.3 VISITING LECTURERS AND RESEARCHERS (including post-doctoral researchers)

Visiting lecturers and researchers who are not permanently employed by the University must, prior to their visit, sign a 'Confidentiality Agreement' in terms of which they undertake to keep confidential all sensitive information which may come to their attention during their visit to the University, and not to use it for personal gain. Should such visiting lecturers or researchers, during their stay at the University, become involved in any research project of the University that may result in the creation of IP, they are required to assign such IP rights to the University. The University only claims IP of visiting lecturers or researchers that was created or started during their visit to the University. Any other division of such IP rights must be agreed beforehand in writing with the University. In return, the University shall compensate visiting lecturers and researchers in respect of income earned from IP rights on the same basis as for staff members of the University, in accordance with Part 5 of this Intellectual Property Policy.

2.4 OUTSIDE ORGANISATIONS, SPONSORS, FUNDERS AND THE GOVERNMENT

The fact that an outside organisation grants a bursary to a student, or provides financial support for research, does not imply that the outside organisation concerned has any automatic claim to the IP rights that may emanate from such funding. The IP rights vest, in the first instance, in the inventor, and as long as the inventor is a staff member or student of the University, the University shall, unless otherwise agreed in writing, be entitled to ownership of the IP concerned. The vesting of IP rights is determined by the intellectual contribution made in the creation of the IP, rather than by the financial contribution that made it possible. If the outside organisation wishes to share in the

commercial utilisation or wants the IP to be assigned to it, it is requested to approach the University in order to conclude an agreement in this regard.

All contracts pertaining to IP, including research contracts, must be concluded in writing between the relevant outside organisation and the University, and must be officially approved by the designated authorised persons according to the University IP Policy. Such an agreement must address the ownership and the rights to utilisation of the relevant IP between the University and the outside organisation.

2.5 INCREMENTAL CONTRIBUTIONS TO INTELLECTUAL PROPERTY

Where a staff member or student of the University is commissioned by an outside organisation to conduct a study in which existing ('Background') IP, which belongs to such outside organisation, has to be further developed or where a problem relating to it has to be solved, the University's rights shall include at the very least the incrementally added intellectual value of the investigation or research and any patents, designs and copyrights that may originate on account of such research. In all such cases the relevant staff member or student concerned and the outside organisation are also required to contact the UP TTO in order to have the parties' respective rights to the said IP included in a written agreement with the University, including the licensing of such IP rights.

2.6 TRADE MARKS OF THE UNIVERSITY

The University is the owner of various registered and unregistered trademarks and therefore reserves all its rights in respect of any such trademarks that include (but are not restricted to) its name, coat of arms, abbreviation, or similar indications, or that otherwise suggest in any way an association with the University. These include, *inter alia*, the names Tuks, Tukkies, UP, corporate colours and logos that have been or will be developed by Departments, Institutes, Bureaus or Units and the University's respective domain names. The use of such trademarks by staff or students in the course of their duties or studies must comply with University regulations (e.g. in respect of letterheads) as laid down by UP Corporate Marketing and/or the UP TTO. The use of the University's trademarks for private purposes or gain by staff, students or members of the public is **strictly prohibited**.

The University reserves (at its sole discretion) the right to license its name or registered trademarks to commercial partners. This includes the licensing of the University's name for use by 'short courses' in terms of the UP Policy on Short Courses. Should a staff member or student wish to use the University's trademarks outside of the provisions of a recognised policy of the University, he/she should request written authorisation from the Registrar to do so. Use thereof by the person concerned shall be subject to any conditions that the University may attach to such authorisation.

PART 3: REGISTRATION and EXPLOITATION OF UNIVERSITY INTELLECTUAL PROPERTY

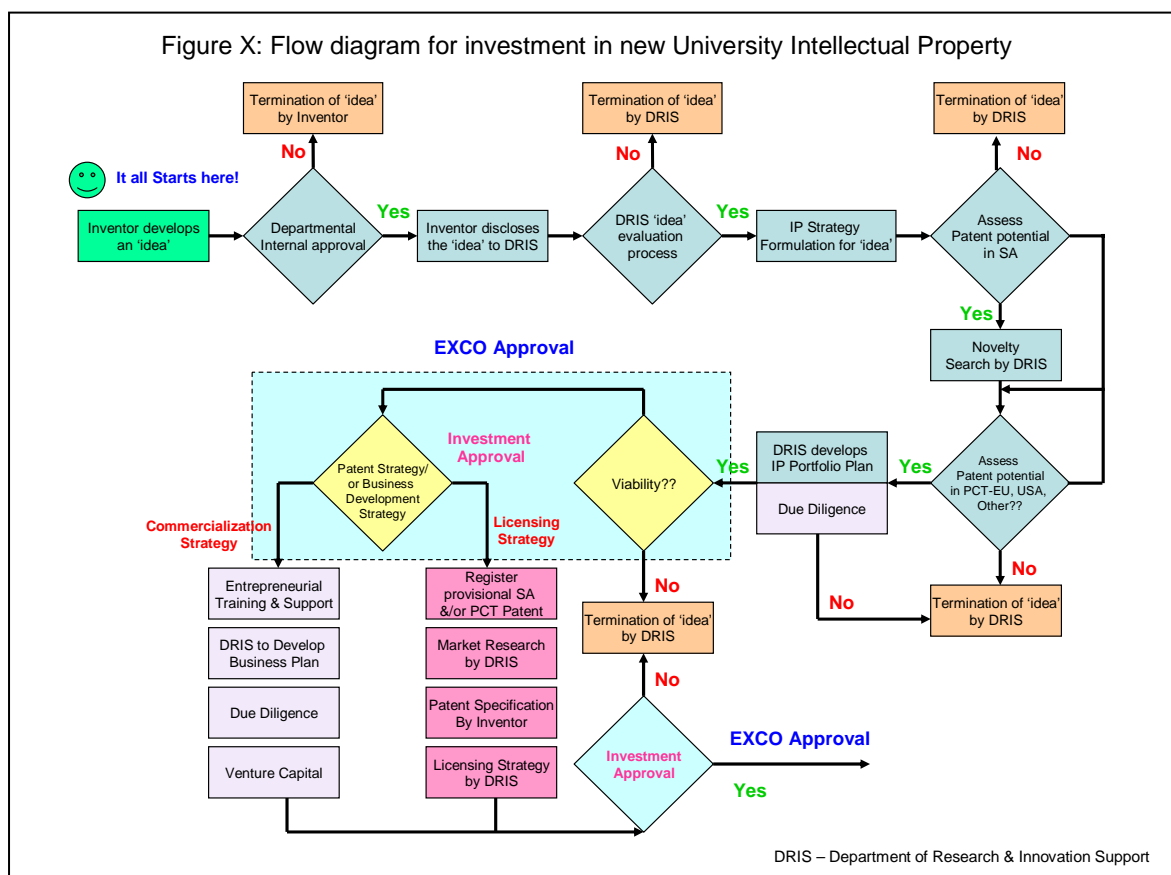


Figure 1: Flow diagram for IP Identification and Exploitation at UP

3.1 IDENTIFICATION OF INTELLECTUAL PROPERTY

It is a joint function of the UP TTO, all academic research managers and the Department of Research and Innovation Support (DRIS) to identify, in conjunction with staff and students, IP created within the University environment with a view to its exploitation through the UP TTO and in partnership with the inventor(s) to the benefit of the University, its staff and students. This identification is done firstly through the mechanism of a written disclosure (Appendix C) by staff and students via their academic head to the UP TTO.

The UP TTO will assist the University's staff and students with the following in respect of the utilisation of inventions and IP creation, plant varieties, designs, business concepts and other IP developed by staff and students:

- a technological investigation to establish whether the invention is original/unique;
- estimating its commercial potential;
- investigating the commercial and licensing possibilities;
- undertaking the preliminary patenting of an invention;
- a preliminary market analysis, a business plan, investigation of exploitation routes (whether through licensing, sale of rights, or the establishment of spin-off companies);
- investigating sources of financing, the formation of partnerships and the finding of buyers; and

- protection, monitoring and ongoing support of a patent after transfer to a licensed partner.

In certain cases the University, in consultation with the inventor(s), may need to make use of third parties to provide these services. The costs attached to this shall normally be recovered from proceeds generated by the IP or business plan, unless the University has no share in the said proceeds, in which case the relevant staff member or student who is assisted by the University shall be personally responsible for such costs. The staff members and/or students concerned are usually expected to be involved in the commercialisation process. If a staff member or student approaches the University with a proposal for the commercial exploitation of a business concept or IP that has been developed by him/her and that vests in him/her, the University shall investigate the possibilities for its exploitation in partnership with the person concerned. Should the University decide (at its sole discretion) not to share in the commercial exploitation thereof, the relevant person concerned is at liberty to exploit the concept or IP for his/her own account (profit and loss).

3.2 REGISTERABLE INVENTIONS AND IP CREATION (including patents, designs and plant breeders' rights)

A registerable invention is any product, process, method, appliance or composition, or an improvement on an existing product, process, method or appliance, that can reasonably be deemed to be new and inventive, and that can be applied in industry, agriculture or trade. The novelty requirement is of particular importance for patents, models and plant breeders' rights and any inventor with an idea must first test it against the current state of the art. The current state of the art includes all publications on and uses of similar products and processes, and especially in the relevant field of application.

A recommendation by the Department Head and/or Dean concerned regarding the merits of an idea is very valuable and is therefore also required at the time of disclosure. The inventor is obliged to ensure at all times that the invention is kept confidential, as publication or public disclosure can destroy the possibilities for a patent, model registration or protection for a plant breeders' right – the novelty requirement is invalidated if this happens. This includes disclosure to any member of the public without obtaining his or her written agreement to keep the invention confidential (by means of a Confidentiality Agreement). If anyone should become aware of such an untimely disclosure, the UP Technology Transfer Office must be contacted immediately. Both patenting and copyright protection are applicable to certain inventions and IP creation. A typical and important example is software. Such cases are governed by special provisions in the IP Policy (see paragraph 3.5).

3.3 DISCLOSURE OF INTELLECTUAL PROPERTY (IP)

In order to ensure that the value of new IP is maximised, identification and full disclosure of it must be made to the UP Technology Transfer Office (TTO) as soon as possible after a new and potentially useful product or process has been conceptualised, or a new plant variety has been developed, or when an unusual, unexpected or non-obvious research result, which has the potential of being commercially or otherwise applied, is obtained. Early disclosure to the UP TTO normally forms part of each contract in terms of which externally funded research is conducted. The UP TTO is available to assist staff in this regard. After disclosure, the services as set out in paragraph 3.1 are rendered by the UP TTO.

It is essential that a full disclosure is made, as incomplete disclosure can lead to a incomplete drafting of the patent specification, and therefore possible invalidation of the patent at a later stage.

All researchers must keep a complete and accurate laboratory logbook and apply a proper system of laboratory management in order to claim the uniqueness and to establish the date of an invention in the event of any challenge.

Public disclosure destroys the possibility of patenting, model registration and plant breeders' rights, and therefore public disclosure of such research results (*inter alia* in scientific periodicals and journals) must be held back until such time as the University has made a decision, in consultation with the inventor(s) about the possible patenting or registration of the invention. At the same time, the University shall do everything in its power to ensure that the period of non-disclosure is as short as possible, so as not to unnecessarily delay publication of the research findings.

3.4 REGISTRATION OF PATENTS, DESIGNS AND PLANT BREEDERS' RIGHTS

The University has the final say in the decision regarding the registration a patent, plant breeders' right or model for a particular invention or IP creation, of which the ownership vests in the University, and shall take such decision within six months of disclosure of the invention. Should the University decide to proceed with the patenting or registration of an invention, the costs of registration of the patent, model or plant breeders' right shall be borne by the University.

In cases where the University decides not to patent or register an invention, of which it owns the IP rights, the relevant inventor is at liberty to apply in writing to the University for authorisation to proceed with registration of a patent, plant breeders' right or model and utilisation of the invention in question, for his or her own account (profit and loss).

Without such written authorisation from the University, no staff member or student may proceed, on their own initiative or via a patent attorney, with the preliminary or final registration of a patent, plant breeders' right or model in respect of any invention made in the normal course and scope of his/her employment or studies, as ownership of such inventions and IP creation vests in the University.

If the University bears the costs of the registration of a patent, plant breeders' right or model, the University is also entitled to decide on the geographical area in which the patent, plant breeders' right or model is to be registered. If the inventor is of the opinion that the patent, plant breeders' right or model should also be registered in other countries, this shall be done only by agreement with the UP TTO and if the inventor is prepared to bear the attendant costs. This agreement shall not in any way detract from the University's ownership rights of such inventions and IP creation.

3.5 SOFTWARE

Generally copyright protection applies to software, but patenting is also applicable in certain jurisdictions if such software complies with certain conditions. For this reason and owing to the high profile of software in present-day technology, this type of invention is dealt with as a separate section in this IP Policy document. The vesting of IP rights in software is explained in Part 2, paragraph 2.1.10, and contract workers in particular have to exercise caution in respect of software developed in the course of their contract work. Employees and contract workers are prohibited from using, distributing, reproducing, removing or otherwise taking with them on the expiry or termination of their contract or employment at the University, any software (or copies thereof) developed by them in the

normal course and scope of their duties at the University, including all accompanying development material, whether written, electronic or in any other format, unless such use has been explicitly authorised in writing by the University.

Furthermore, the staff member must keep the contents, structure and methodology of the software confidential at all times while in the employ of the University and for a period of at least six months thereafter, unless disclosure thereof has been authorised in writing. Staff members must disclose new software that they are developing to the University as indicated in Figure 1, since it is important to identify timeously all the possible IP rights that may emanate from such software, in order to effectively protect these rights.

The software source code must be delivered to the designated person at the University on completion of the development of software, and in the event of ongoing development, on completion of each version thereof. All development materials and all existing versions of the source code must in all cases be delivered to the said designated person at the University on conclusion of the job responsibilities or termination of employment of a staff member.

3.6 MATERIALS TRANSFER

No materials or associated confidential information owned by the University may be transferred to third parties, unless under a signed Materials Transfer Agreement. The University MTA includes important clauses dealing with IP ownership, confidentiality and liability issues that must be adhered to by the staff and students of the University. These materials include original materials, or modifications thereto including progeny, unmodified derivatives (e.g. sub-clones of unmodified cell lines, purified or fractionated sub-sets of the original materials, proteins expressed by DNA or RNA, monoclonal antibodies secreted by hybridoma cell lines, sub-sets of the original materials such as novel plasmids or vectors), All MTA's must be approved by the Dean, and the UP TTO.

PART 4 :EXPLOITATION OF INTELLECTUAL PROPERTY THROUGH SPIN-OFF COMPANIES

4.1 ENTERPRISES AT UNIVERSITY OF PRETORIA & ITS SUBSIDIARIES

In cases where the University decides, in consultation with the inventor or entrepreneur, to exploit IP by means of the establishment of a 'spin-off' enterprise, it shall be done by establishing a separate enterprise that shall normally be a subsidiary or associate company of Enterprises at University of Pretoria Trust (hereafter referred to as E at UP), and in which the University, the inventor or entrepreneur, and other possible partners shall own shares or members' interests according to a division that is agreed upon in writing beforehand.

The staff members of the University shall not be involved in any private companies, close corporations or other separate entities or enterprises that compete with the University by including tuition, research or other primary functions of the University in their activities. No person, including staff and students, who are involved in a 'spin-off' enterprise or other enterprise in partnership with the University shall compete with such enterprise or be involved in any other entity that competes with such enterprise by providing similar goods or services, without prior written authorisation from the University.

The University may establish wholly owned subsidiary enterprises in cases where the University for strategic reasons owns full control and shareholding in the enterprise via E at UP. Such enterprises shall promote the strategic interests of the University.. Staff who provide services to this category of enterprises may be entitled to 'payment for services rendered' and/or to profit-sharing'. The memorandum of association and/or articles of association of the enterprise shall in each case stipulate the particulars in this regard. The University reserves the right at its sole discretion, to develop and to implement an exit strategy for spin-off companies, which exit strategy may include termination of the University's interest in the business.

PART 5: ALLOCATION OF NETT INCOME DERIVED FROM THE COMMERCIALISATION OF INTELLECTUAL PROPERTY

The allocation formula given below will apply with immediate effect after approval of this Intellectual Property Policy. Unless otherwise agreed in writing, earnings derived from the commercialisation of IP shall be divided in accordance with paragraph 5.1. These allocation formulas shall not apply to existing agreements with staff or students, unless it has been so agreed in writing. In cases where the existing allocation formulas have been stipulated in an agreement, (or were agreed in terms of the previous UP Intellectual Property Policy), the existing allocation formula shall apply until the date on which the agreement expires.

5.1 FORMULA FOR THE ALLOCATION OF INCOME DERIVED FROM THE LICENSING OF INTELLECTUAL PROPERTY

The allocations conform to the provisions of the Intellectual Property Rights from Publicly Financed Research and development Act 51, 2008 and the proportions stipulated in the previous allocations policies of the University of Pretoria. It is important to note that in all cases the intellectual property creator means the individual inventor or their heirs as stipulated in the Intellectual Property Rights from Publicly Financed Research and Development Act. If there is more than one IP Creator involved, then the arrangements as stipulated in the agreement signed between the co-IP Creators will apply as regards the benefit sharing between them.

The portion that is allocated to the faculty may be further divided with allocations to the relevant school, department and/or institute in accordance with the faculty policy in this regard.

Unless otherwise agreed, earnings derived from the commercialisation of IP that has been created by a staff member or student, but the ownership of which vests in the University, shall be allocated as follows:

Component 1:

Indirect Expenses - University levy

10% of the gross income is allocated to the University for services rendered and to allow for indirect expenses incurred by the University, in accordance with the surcharge on third-stream income.

Component 2:

Direct Expenses

All direct expenses relating to the process of protection and the process of commercialisation (legal expenses for the taking out and protection of the patent, and the finding of a licensing partner) and other expenses agreed to beforehand with the inventor shall be recoverable by the Parties who incurred those costs from the gross income on a pro rata basis to the amount of the expenses incurred by each Party, before any allocation of the balance of the income can take place.

The balance of the Total Income, after the execution of steps 1 and 2 above, constitutes the Net Income.

Components 1 and 2 represent the cost recovery component of the commercialisation of IP. They will apply in all cases and will be prioritised as the first call on all revenues. Components 3 and 4 apply when there are net revenues associated with the commercialisation of IP. Strong guidance is derived from the Section 10 of the Intellectual Property Rights from Publicly Financed Research and Development Act.

Component 3:

Division of nett income up to and including the first R400 000 of nett income

The division of this nett income is as follows:

- **50%** is allocated to the intellectual property creator(s) in their personal capacity. Income that accrues to an inventor in terms of step 3 is subject to personal income tax.
- 25% is allocated to the University research account of the inventor(s) for use in his/her research work;
- 25% is allocated to the Faculty of the intellectual property creator.

The funds remaining after 50% has been paid to the inventors must be applied in the interest of research and may not be allocated to any individual for personal gain. Funds may typically be utilized for the appointment of research assistants, purchase of capital equipment for research, or participation in international conferences where the researcher is presenting his/her research findings. The expenditure must lead to increased research and development outputs.

In the spirit of the Act, UP will honour the intellectual property creator's share of the nett income and where possible exceed, the "20 per cent of revenues accruing to the institution from such intellectual property for the first one million of revenues..." as stipulated in Section 10(2)(a) of the Act. Where necessary due consideration will be given to foregoing the shares to the faculty and the intellectual property creator's research accounts in favour of the allocation to the intellectual property creator in their personal capacity for this purpose.

Component 4:

Allocation of the remainder of the nett income after the first R400 000

- **35%** is allocated to the intellectual property creator in their personal capacity. Income that accrues to an inventor in terms of step 4 is subject to personal income tax.
- **15%** is allocated to the University research account of the intellectual property creator for use in his/her research work;
- **20%** is allocated to the Faculty of the intellectual property creator ; and a further
- **30%** to the University of Pretoria's Intellectual Property Leverage Fund

5.2 SHARED OWNERSHIP

Where the IP is co-owned by the University and another organisation, the sharing of nett income is determined by the provisions of the signed agreement between the Parties. The University's share shall, however, still be allocated in accordance with paragraph 5.1. In cases where the IP is vested in a staff member or student who approaches the University to assist in exploiting it, the division of income shall also be agreed on beforehand in writing between the Parties. Likewise, the division of income shall also be

agreed on beforehand, in cases where the University authorises the staff member or student to exploit IP commercially otherwise than in partnership with the University.

5.3 OTHER SOURCES OF INCOME

For the sake of clarity regarding division of alternative sources of income, the following principles are stated:

IP (mostly patents or copyright) is mainly licensed to third parties and the royalties earned on this are divided in accordance with paragraph 5.1.

In order to turn IP into a marketable product, a process of value adding (product development) normally takes place. The client/licensee is usually prepared to pay for this. This process has nothing to do with the potential income (royalties) that can eventually be earned from the licensing agreement, and must be 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 or the University, 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
- **Dividends:** Only shareholders earn dividends.

Consequently, an inventor may receive royalties on a patent licensed to a third party (which may be a 'spin-off' company), he/she may at the same time also act as a consultant, and he/she may also receive dividends as a shareholder. The same person may also act as an agent and earn a commission. All these options are inclusive, and shall be set out eventually in a 'Letter of Intent' to the entrepreneur or inventor. For this reason, there is no predetermined formula that can be made applicable to 'spin-off' companies, which must therefore be dealt with on a case-by-case basis.

PART 6 (Annexures)

ANNEXURE A

DEFINITIONS

For the purposes of this Intellectual Property Policy, the concepts listed here have the following meanings:

Commercialization

commercialisation means 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 terms, and '**commercialise**' shall have a corresponding meaning.

Consultation vs. Contract research

Consultation takes place when a staff member who has obtained permission from the University to do private work makes his or her expertise available to a third party on commission, in exchange for compensation. During consultation, expertise is normally applied creatively and problem solving may take place. This consultation also normally occurs without use being made of the University's infrastructure or the University's other staff or students. Knowledge is usually not created during consultation, but is merely applied.

Contract research

In contrast to consultation, knowledge is created during **contract research**. Contract research is commissioned by an outside organisation and the University's infrastructure is normally used. Other staff and/or postgraduate students of the University are usually also actively involved in contract research. Contract research at or for an external organisation must be in accordance with Part 2, Section 2.1.4.

Disclosure

Disclosure means the provision of full details in writing (on the prescribed form – Annexure E) of potential intellectual property contemplated in terms of the University Intellectual Property Policy.

Entrepreneur

An **entrepreneur** is a staff member or student with a business idea who wants to make use of the University structures to start an enterprise.

Full Cost

Full Cost means all Direct Costs and Indirect Costs of conducting a research project.

Intellectual capital

Intellectual capital comprises the sum total of intellectual property and other forms of tangible and intangible assets that normally exist within a company context. The intangible assets include, but are not limited to, the following: capital, reputation, operating procedures and systems, expertise, know-how, experience, trade secrets, access to markets, access to distribution channels, and quality assurance.

Intellectual property (IP)

Intellectual property' means any creation of the mind, capable of being protected by law from use by other persons, whether in terms of South African law or foreign intellectual property 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 of business, is associated with conventional academic work; It includes inventions and IP creation, including any patent applications and registered patents as defined in the Patents Act, 1978 (Act No. 57 of 1978), or any copyright works as defined in the Copyright

Act, 1978 (Act No. 98 of 1978), plant breeders rights or designs as defined in the Designs Act, 1995 (Act No. 195 of 1993), or trademarks as defined in the Trademark Act, 1993 (Act No. 194 of 1993); Intellectual property encompasses registerable and non-registerable inventions and IP creation, expertise, trademarks, trade secrets, copyrights, designs and plant breeders' rights which have come about through the mental efforts, insight, imagination, expertise and creativity of humans.

Intellectual property creator

Intellectual property creator means the person involved in the conception of intellectual property in terms of the IPR Act and identifiable as such for the purposes of obtaining statutory protection and enforcement of intellectual property rights, where applicable

Intellectual property transaction

Intellectual property transaction means any Agreement in respect of intellectual property emanating from publicly financed research and development, and includes licensing, assignment and any arrangement in which the intellectual property rights governed by the IPR Act are transferred to a third party.

Intellectual property rights (IPR)

Refers to **intellectual property rights** as defined above, of which the exclusive right of ownership, with the attendant rights and obligations, belongs under South African law to a natural or a legal person (company, trust, or institution).

Innovation, Invention and Discovery

Innovation

The term **innovation** means a new way of doing something. It may refer to incremental, radical, and revolutionary changes in thinking, products, processes, or organizations. A distinction is typically made between Invention, an idea made manifest, and innovation, ideas applied successfully. The goal of innovation is positive change, to make someone or something better. Innovation leading to increased productivity is the fundamental source of increasing wealth in an economy.

Invention

An **invention** is any product, process, method, appliance or composition that is new and involves an inventive step, and which is capable of being used or applied in trade or industry or agriculture. The term 'invention' also includes all inventions and IP creation to the extent where they have not been patented or registered, but rather acquire protection as confidential knowledge. A discovery is not an invention.

Discovery

Definitions of **discovery** include the action of discovering, exposure to view, laying bare, showing, making known, revelation, disclosure. These definitions indicate that discovery means that finding out or ascertaining of something previously unknown or unrecognised. Inventiveness is not a requirement for discovery, the mere fact of observation of something new is sufficient.

Institution

Institution means any higher education institution contemplated in the definition of 'higher education institution' contained in section 1 of the Higher Education Act, 1997 (Act No. 101 of 1997); or any statutory institution listed in Schedule 1; and/or any institution identified as such by the Minister under section 3(2).

Letter of intent

A **Letter of Intent** is a written undertaking that is given by The UP TTO to the entrepreneur before a project is to be officially supported by The UP TTO. The document contains proposals which set out all the rights, obligations and fair expectations of all parties in respect of equity, profit-sharing and other forms of compensation in the new enterprise. The entrepreneur has to indicate to what extent the proposals are acceptable to him/her. No party to the Letter of Intent shall be bound by its terms before agreement has

been reached about such terms. Such agreement shall be indicated by the signing of the Letter of Intent by all relevant parties thereto.

Nett income

Nett income means the income less the expenses incurred for intellectual property protection and commercialisation of the intellectual property, as may be prescribed.

NIPMO

NIPMO means the National Intellectual Property Management Office.

Open-source software

Open-source software refers to a program for which the source code is available to the general public free of charge, for use and/or modification and improvement, i.e., open. Open-source software is typically created as a collaborative effort in which programmers consistently and systematically improve upon it.

Private work

Private work is defined according to the University's *General Procedure for Private Work* as "... work of a specialised nature which bears a relationship with the applicant's subject area and which is performed on a continuous or repetitive basis on a limited scale for payment, including directorships".

Publicly financed research and development

Publicly financed research and development means research and development undertaken using any funds allocated by a funding agency but excludes funds allocated for scholarships and bursaries.

Recipient

Recipient means any person, juristic or non-juristic, that undertakes research and development using funding from a funding agency and includes an institution (University).

Revenue(s)

Revenue means all 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 institution or any other entity owned wholly or in part by an institution as a consideration in respect of an intellectual property transaction, but excludes a donation and '**gross revenues**' shall have a corresponding meaning.

Small enterprise

Small enterprise means a small enterprise as defined in section 1 of the National Small Enterprise Act, 1996 (Act 102 of 1996).

Right of first refusal

When A has granted B a **right of first refusal**, A is not obliged to sell but if he/she should want to sell, B must be given preference, and if A receives an acceptable offer from C, the property (intellectual property) must first be offered to B at the price A can obtain from C (*Hiemstra & Gonin, Juta, 1986*). If A has granted B an **option**, however, A is obliged to sell.

Serendipitous knowledge

Serendipitous knowledge refers to inventions and IP creation, designs and expertise, whether registerable as intellectual property rights or not, which could not reasonably have been foreseen by the principal or the staff member involved in the commissioned work, be it consultation or research. A typical example is where a staff member is commissioned to conduct clinical trials on a new compound, and then discovers coincidentally and outside the scope of the commission that the active compound can also cure another disease.

Software

Software includes all documents (in any format) created during the development, maintenance and updating of developed software or any part thereof.

Technological innovation

Technological innovation means the application in practice of creative new ideas, which includes inventions and IP creation, discoveries and the processes by which new products and services enter the market and the creation of new businesses.

Technology Innovation Agency (TIA)

The government has enacted in November 2008 the Technology Innovation Agency Act, Act 26 of 2008, whereby it aims to establish the **Technology Innovation Agency**; the object of the TIA being to support the State in stimulating and intensifying technological innovation in order to improve economic growth and the quality of life of all South Africans by developing and exploiting technological innovations.

ANNEXURE B

ACTS REFERRED TO IN THIS POLICY

Plant Breeders' Rights Act, Act 15 of 1976
Patents Act, Act 57 of 1978
Copyright Act, Act 98 of 1978
Trade Marks Act, Act 194 of 1993
Designs Act, Act 195 of 1993
Counterfeit Goods Act, Act 37 of 1997
Competition Act, Act 89 of 1998
Biodiversity Act, Act 10 of 2004
National Small Enterprise Act, Act 102 of 1996
Promotion of Access to Information Act, Act 2 of 2000
Technology Innovation Agency Act, Act 26 of 2008
Intellectual Property Rights from Publicly Financed Research and Development Act, Act 51, 2008

TECHNOLOGY INNOVATION AGENCY ACT, ACT 26, 2008

The government has enacted in November 2008 the Technology Innovation Agency Act, Act 26 of 2008, whereby it aims to establish the **Technology Innovation Agency**; the object of the TIA being to support the State in stimulating and intensifying technological innovation in order to improve economic growth and the quality of life of all South Africans by developing and exploiting technological innovations. The establishment of the TIA will provide new opportunities for University researchers particularly with regards to innovation and commercialization of their research findings. It is therefore essential for University researchers to familiarise themselves with the TIA Act and its contents, the most salient features are set out here below for ease of reference.

The Powers and Duties of the Technology Innovation Agency are to:

- provide financial and any other assistance to any person, for the purpose of enabling that person to develop any technological innovation;
- establish a company contemplated in the Companies Act, 1973 (Act No. 61 of 1973), or in collaboration with any person, establish such a company for the purpose of developing or exploiting any technological innovation;
- acquire any interest in any person undertaking the development or exploitation of any technological innovation supported by the Agency;
- draw together and integrate the management of different technological innovations, incubation and diffusion initiatives in South Africa;
- develop the national capacity and infrastructure to protect and exploit intellectual property derived from research financed by the Agency; and
- acquire rights in or to any technological innovation supported by the Agency from any person, or assign any person any right in or to such technological innovation;
- apply for patents or the revocation thereof and institute any legal action in respect of any infringement of intellectual property rights;
- purchase or hire land or buildings or erect buildings and alienate such land or terminate or assign any such hire and, in the case of buildings in which the business of the Agency is being conducted, let such portions as are for the time being not required for the business of the Agency;
- establish such offices, including regional offices, as the Board in consultation with the Minister may determine;
- purchase, take on lease, hire out or alienate any movable property;
- take such security as it may deem fit, including special mortgage bonds over immovable property, notarial bonds over movable property, pledges of movable property, cessions of rights and in general any other form of cover or security; and
- generally deal with any matter necessary or incidental to the performance of its functions in terms of this Act.

Where the Agency enters into a transaction with a person as contemplated in subsection (1)(a)(ii) and (iii), the Agency may, after consultation with the Minister, elect to be represented in the Board of such person.

Where a right in or to any technological innovation has, in terms of subsection (1)(a)(vi), been acquired by the Agency or assigned by the Agency to any person, the Agency or such person, as the case may be, must for the purposes of the Patents Act, 1978, be regarded as the assignee of the discoverer or inventor of such technological innovation.

INTELLECTUAL PROPERTY RIGHTS FROM PUBLICLY FINANCED RESEARCH AND DEVELOPMENT ACT, ACT 51, 2008

The Intellectual Property Rights from Publicly Financed Research and Development Act ('the IPR Act') came as a result of a need for the creation of a proper framework and enabling legislation for the effective management of intellectual property arising from publicly financed research. The Intellectual Property Rights from Publicly Financed Research Policy was approved by Cabinet during February, 2006 for public comment. In May 2007, Cabinet gave final approval of the Policy Framework and also approved that the draft IPR Act be gazetted for public comment.

This IPR Act provides for more effective utilisation of intellectual property emanating from publicly financed research and development; to establish the National Intellectual Property Management Office (NIPMO) and the Intellectual Property Fund; to provide for the establishment of offices of technology transfer at institutions (including Universities); and to provide for matters connected therewith. The IPR Act is an essential part of the government's 10-year plan 2008-2018 for 'Innovation toward a Knowledge-based Economy'. It is the responsibility of all University researchers to read and comprehend the opportunities and legislative obligations contained therein. The essential elements of the IPR Act are set out here for ease of reference.

OBJECTS OF THE IPR ACT

The IPR Act seeks to provide for the effective utilisation of intellectual property derived from publicly financed research and development 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.

In order to achieve this, the IPR Act provides for the following:

- There is an obligation for a recipient of funding from a funding agency to assess, record and report on the benefit for society of publicly financed research and development; and to declare potential intellectual property arising there from;
- Ensure that a recipient protects intellectual property emanating from publicly financed research and development and ensures that it is available to the people of the Republic;
- Ensure that a recipient identifies commercialisation opportunities for intellectual property emanating from publicly financed research and development;
- The sharing of benefits derived from the successful commercialisation of intellectual property with the creators of such property; thereby ensuring that human ingenuity and creativity are acknowledged and rewarded;
- The granting of a right to institutions to secure income from successful commercialisation of publicly financed research;
- Following the evaluation of a Disclosure, researchers may publish their research findings for the public good; and
- The creation of institutional arrangements to manage such processes at institutions centrally, through the requirement for the creation of a designated function of an Office for Technology Transfer (OTT) at each institution;
- The establishment of the State's rights in intellectual property secured with public financing;
- A requirement that small enterprises and small Broad-Based Black Economic Empowerment enterprises receive preferential access in respect of opportunities arising from the production of knowledge from publicly financed research and development and the attendant intellectual property;
- The establishment of a requirement for preference for commercialisation of intellectual property derived from publicly financed research in the Republic, including regulating commercialisation of such intellectual property outside the Republic;
- The establishment of the criteria under which intellectual property derived from research that is partially publicly financed can be managed and commercialised;
- Where necessary, the State may use the results of publicly financed research and development and the attendant intellectual property in the interest of the people of the Republic;
- The creation of an office function in respect of intellectual property rights from publicly financed research and development, under the Department of Science and Technology, to be called the National Intellectual Property Management Office (NIPMO);
- NIPMO's main functions will be to:
 - record declarations of intellectual property by recipients of public funds for research and development;
 - track the registration of intellectual property emanating from public financed research and development and intellectual property transactions in respect of intellectual property derived from publicly financed research;
 - assist institutions in establishing institutional arrangements;

- operate an intellectual property fund for supporting the protection of intellectual property; and
- assess intellectual property transactions which are concluded outside the Republic.

Choice in respect of intellectual property

Intellectual property emanating from publicly financed research and development shall be owned by the recipient.

A recipient that prefers not to retain ownership in its intellectual property or not to obtain statutory protection for the intellectual property must:

- make the choice in accordance with the guidelines published by NIPMO by notice in the *Gazette*; and
- within the period set out under 'Management obligations & Disclosure duties', notify NIPMO of the decision and the reasons therefore.

NIPMO may, within the prescribed period, after considering the reasons provided by the recipient, and any prejudice that may be suffered by the State if no statutory protection for the intellectual property is obtained, acquire ownership in the intellectual property and, where applicable obtain statutory protection for the intellectual property. Should NIPMO decide not to acquire ownership in the intellectual property, NIPMO must, in writing, notify the recipient of its decision.

The recipient must give the intellectual property creator the option to acquire ownership in the intellectual property and to obtain statutory protection for the intellectual property, provided that in the case where a private entity or organisation had provided some funding, such private entity or organisation shall first be offered such option before the intellectual property creator.

Management obligations and disclosure duties

A recipient must:

- Put in place mechanisms for the identification, protection, development, management of intellectual property, intellectual property transactions and, where applicable, the commercialisation of intellectual property and appropriate capacity-building relating thereto;
- Provide effective and practical measures and procedures for the disclosure of intellectual property and ensure that intellectual property emanating from any publicly financed research and development is appropriately protected before results of such research and development are published or publicly disclosed by other means;
- Ensure that personnel involved with the research and development make a disclosure to it within 90 days or such longer period as may be prescribed, of identification by such personnel of possible intellectual property and before the intellectual property is made public;
- Assess the intellectual property to determine whether it merits statutory protection and, where appropriate, apply for and use best efforts to obtain statutory protection in its name;
- Refer disclosures for which it elects not to retain ownership or not to obtain statutory protection to NIPMO within 30 days or such longer period as may be prescribed, of it making such an election;
- In the case of an institution, manage revenues due to it from intellectual property transactions and the commercialisation thereof, including managing the benefit-sharing arrangements with intellectual property creators at the institution;
- Negotiate and enter into intellectual property transactions with third parties on intellectual property belonging to the recipient;
- Report to NIPMO twice a year and as provided for in this IPR Act, on all matters pertaining to the intellectual property contemplated in this IPR Act, including all intellectual property from which it elects to obtain statutory protection and the state of commercialisation thereof, in a manner stipulated by NIPMO;
- Provide NIPMO with full reasons in respect of any intellectual property that is not commercialised; and
- In respect of an institution, put in place mechanisms to annually assess, record and report to NIPMO on the benefits for society of publicly financed research conducted in that institution.

Establishment of office of technology transfer at institutions (Universities)

Unless determined otherwise by the Minister in consultation with the Minister responsible for higher education, or any other Cabinet minister to which an institution reports, any institution must, within 12 months of the coming into effect of this IPR Act:

- Establish and maintain an office of technology transfer; or
- Designate persons or an existing structure within the institution to undertake the responsibilities of the office of technology transfer;
- An office of technology transfer is responsible for undertaking the obligations of the institution in terms of this IPR Act;

- Two or more institutions may with the concurrence of NIPMO establish a regional office of technology transfer
- NIPMO may, on terms and conditions determined by it, provide assistance to institutions for the establishment of offices of technology transfer. The assistance contemplated may include
 - financial assistance;
 - co-ordinating the establishment of a regional office of technology transfer, where applicable; and
 - development of appropriately skilled personnel for the offices of technology transfer.

Functions of the office of technology transfer (TTO)

The functions of an office of technology transfer must be performed by appropriately qualified personnel whom, when considered collectively, has interdisciplinary knowledge, qualifications and expertise in the identification, protection, management and commercialisation of intellectual property and in intellectual property transactions.

An office of technology transfer must, in respect of publicly financed research and Development:

- Develop and implement, on behalf of the institution or region, policies for disclosure, identification, protection, development, commercialisation and benefit-sharing arrangements;
- Receive disclosures of potential intellectual property emanating from publicly financed research and development;
- Analyse the disclosures for any commercial potential, the likely success of such commercialisation, the existence and form of the intellectual property rights, the stage of development thereof and the appropriate form for protecting those rights;
- Attend to all aspects of statutory protection of the intellectual property;
- Refer disclosures to NIPMO on behalf of an institution;
- Attend to all aspects of intellectual property transactions and the commercialisation of the intellectual property;
- Conduct evaluations on the scope of statutory protection of the intellectual property in all geographic territories subject to commercialisation potential of the intellectual property; and
- Liaise with NIPMO as provided for in the IPR Act.

Establishment of National Intellectual Property Management Office (NIPMO)

The IPR Act establishes an office within the Department of Science & Technology (DST), called the National Intellectual Property Management Office (NIPMO), the operation of which is to be assigned to any public entity whose objects are consistent with NIPMO's functions.

Functions of NIPMO

- NIPMO must promote the objects of the IPR Act, which includes the statutory protection, management and commercialisation of the intellectual property referred to it by a recipient;
- NIPMO must ensure that it has the capacity to consider any intellectual property referred to it by a recipient, and to deal with it in accordance with the IPR Act;
- NIPMO must liaise with the recipients or any other party it deems fit to determine the viability of:
 - obtaining statutory protection for the intellectual property referred to it, if it is in the national interest;
 - concluding any intellectual property transactions; or
 - commercialisation of such intellectual property.
- NIPMO must, furthermore:
- manage information in respect of intellectual property contemplated in this IPR Act, including data concerning the recipients;
- provide incentives to recipients and their intellectual property creators, to reward them for proactively securing protection for intellectual property and commercialising it and, generally, for promoting innovation;
- provide assistance to institutions with:
 - the establishment of offices of technology transfer and related capacity-building;
 - intellectual property transactions;
 - commercialisation of intellectual property; and
 - any other matter provided for in this IPR Act;
- provide appropriate standards and best practices in consultation with a recipient, without limiting the power of the recipient to act in its own interests in terms of this IPR Act;
- develop guidelines for intellectual property transactions involving non-South African entities and persons, and manage the implementation of such guidelines; and
- monitor, evaluate and review the obligations of recipients in terms of this IPR Act.
- In addition to its other functions, NIPMO may do anything necessary to meet the objects of this IPR Act and to carry out any other function consistent with those objects that may be prescribed;

- Any administrative decision of NIPMO that adversely affects a recipient must be dealt with in terms of the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).

Rights of Intellectual Property creators in institutions to benefit-sharing

- Intellectual property creators at an institution and their heirs are granted a specific right to a portion of the revenues that accrue to the institution from their intellectual property in terms of this IPR Act for as long as revenues are derived from such intellectual property, until such rights expire;
- Intellectual property creators at an institution and their heirs are entitled to the following benefit-sharing:
 - at least 20 per cent of the revenues accruing to the institution from such intellectual property for the first one million rand of revenues, or such higher amount as the Minister may prescribe; and thereafter,
 - at least 30 per cent of the Nett revenues accruing to the institution from such intellectual property.
- The benefits must be shared in equal proportions between the qualifying intellectual property creators or their heirs unless otherwise agreed between those creators and the recipient or determined in accordance with institutional policies;
- The benefits to intellectual property creators and their heirs contemplated in subsection (2)(a) must be a first call on the applicable revenue ahead of any institutional distribution;
- The recipient may distribute the balance of the revenues generated by intellectual property as it deems fit, but must apportion part of it for funding, among other things
 - more research and development
 - the operations of the office of technology transfer; and
 - statutory protection of intellectual property.

Any arrangement relating to benefit-sharing that existed at the commencement of the IPR Act shall continue in terms of that provision.

Conditions for intellectual property transactions

The recipient determines the nature and conditions of intellectual property transactions relating to any intellectual property held by it, but must take into account the following:

Preference must be given to **non-exclusive licensing**;

Preference must be given to **BB-BEE entities** and **small enterprises**;

Preference must be given to parties that seek to use the intellectual property in ways that provide optimal **benefits to the economy and quality of life** of the people of the Republic;

Exclusive licence holders must undertake, where feasible, to **manufacture**, process and otherwise **commercialise within the Republic**;

Each intellectual property transaction **must provide the State with an irrevocable and royalty-free licence** authorising the State to use or have the intellectual property used throughout the world for the health, security and emergency needs of the Republic;

If a holder of an exclusive licence is unable to continue with the commercialisation of the intellectual property within the Republic during the duration of the licence and the recipient wishes to retain the exclusive licence, the recipient must furnish NIPMO with full reasons for retaining exclusivity;

A recipient must supply the reasons within 30 days of it becoming aware that the holder of the licence is unable to continue commercialising the intellectual property, or such extended time as may be agreed upon with NIPMO; and

NIPMO may request that the exclusive licence be converted to a non-exclusive licence if a recipient fails to furnish the reasons within the period, or if NIPMO is not satisfied with such reasons;

Each intellectual property transaction must contain a condition to the effect that, should a party fail to commercialise the intellectual property to the benefit of the people of the Republic, the State is entitled to exercise its rights;

Each intellectual property transaction involving assignment of intellectual property by an institution to a small enterprise in return for shareholding as a consideration must contain a condition providing that in the event of the liquidation of that small enterprise, the intellectual property shall revert to the institution;

The Minister may prescribe the terms and conditions for other intellectual property transactions involving assignment of intellectual property by a recipient.

Restrictions on offshore intellectual property transactions

Offshore intellectual property transactions are subject to the following conditions:

- A recipient must advise NIPMO of its intention to conclude an intellectual property transaction offshore;
- Offshore intellectual property transactions may occur only in accordance with prescribed regulations and any guidelines; and
- Any intellectual property transaction which does not comply with the regulations and guidelines requires prior approval of NIPMO;

- A recipient wishing to undertake an intellectual property transaction offshore in the form of an assignment or exclusive licence must satisfy NIPMO that
 - there is insufficient capacity in the Republic to develop or commercialise the intellectual property locally; and
 - the Republic will benefit from such offshore transaction.

Intellectual Property Fund

The IPR Act establishes an Intellectual Property Fund to be managed by NIPMO. The purpose of the Intellectual Property Fund is to:

- Provide financial support to institutions for the statutory protection and maintenance of intellectual property rights;
- Finance any costs incurred by NIPMO for obtaining statutory protection of the intellectual property; and
- Finance any costs incurred by NIPMO when acting in terms of section 14;
- An institution may recover the costs incurred in obtaining statutory protection for the intellectual property contemplated in this IPR Act from the Intellectual Property Fund
 - to the extent determined by NIPMO; and
 - on such terms as may be determined by NIPMO.

Acquisition of Intellectual Property rights by State

The rights acquired by the State in terms of this section are additional to the rights granted to the State in terms of any other legislation in the Republic.

- NIPMO must conduct reviews of non-commercialised intellectual property in consultation with the recipients;
- If a review shows that the intellectual property in question can be commercialised, NIPMO must engage in further consultations with the recipient in an endeavour to ensure that the intellectual property is commercialised;
- NIPMO may require a recipient to grant a licence in any field of use to any person on reasonable terms if, after the consultations:
 - the intellectual property is still not being commercialised; or
 - no agreement can be reached with the recipient.
- NIPMO may, on behalf of the State, demand the assignment of rights to any intellectual property if a recipient fails to make a disclosure to NIPMO as provided for in this IPR Act.

Co-operation between private entities or organisations and institutions

- A private entity or organisation may become an exclusive licensee of intellectual property emanating from publicly financed research and development undertaken at an institution if such private entity or organisation has the capacity to manage and commercialise the intellectual property in a manner that benefits the Republic;
- Any private entity or organisation may become a co-owner of the intellectual property emanating from publicly financed research and development undertaken at an institution if:
 - there has been a contribution of resources, which may include relevant background intellectual property by the private entity or organisation;
 - there is joint intellectual property creatorship;
 - appropriate arrangements are made for benefit-sharing for intellectual property creators at the institution; and
 - the institution and the private entity or organisation conclude an agreement for the commercialisation of the intellectual property.
- Should the private entity or organisation not commercialise the intellectual property, the provisions this IPR Act shall apply with the changes required by the context;
- Any research and development undertaken at an institution and funded by a private entity or organisation on a **full cost** basis shall not be deemed to be publicly financed research and development and the provisions of this IPR Act shall not apply thereto;
- **full cost** means the full cost of undertaking research and development as determined in accordance with international financial reporting standards, and includes all applicable direct and indirect cost as may be prescribed;
- **Private entity** or organisation includes a private sector company, a public entity, an international research organisation, an educational institution or an international funding or donor organisation.

Confidentiality

Employees of NIPMO and the offices of technology transfer may not disclose any information in regard to any matter which may come to their knowledge in terms of this IPR Act, or any work arising from the implementation of this IPR Act, or by virtue of the office held by them to any person, except:

- in so far as the provisions of the Constitution of the Republic of South Africa, 1996, the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000), and this IPR Act require or provide for the

publication of or access by the public or any interested person to information relating to such matter;

- in so far as it may be necessary for the effective governance and management of NIPMO or the offices of technology transfer, or for the purpose of due and proper performance of any function in terms of this IPR Act; or
- upon an order of a competent court.

Financial Implications

- **Intellectual Property Fund:** The IPR Act requires that institutions protect intellectual property emanating from publicly financed research and development. In this regard, there will be costs associated with obtaining this protection. At present, the Patent Support Fund established by the Department of Science and Technology under its instrument, the Innovation Fund, provides subsidies to institutions for this purpose. The Patent Support Fund will form the basis of the dedicated fund as proposed in the IPR Act. It is envisaged that with the enactment of the IPR Act, there will in time be increased patenting activities and thus there will be a need to adequately capitalise this fund.
- **Institutional Arrangements and Capacity Development:** NIPMO will need to assist institutions in developing appropriate capacities to effectively manage and commercialise intellectual property developed with public funds. In the first instance, there will be harmonisation of existing capacity development initiatives in this area. In addition, the establishment of capacity for NIPMO will also require additional funding. Some support with the establishment of intellectual property management offices in the form of designated Offices of Technology Transfer at some institutions will need to be provided by NIPMO, on a case by case basis, based on intensity of research activity and national interest.
- An initial budget of R90-million over a three-year period is estimated for these activities.

ANNEXURE C

University of Pretoria Invention Disclosure Form

INVENTION DISCLOSURE FORM UNIVERSITY OF PRETORIA



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Department of Research & Innovation Support <http://www.up.ac.za>

Please complete this form ELECTRONICALLY and return it to the UP TTO

DESCRIPTION

Inventions and IP creation include new processes, software, methods of doing something, products, apparatus, compositions of matter, living organisms and improvements to (or new uses for) things that already exist. If there is any doubt that legal protection may be available for a particular discovery or research result, please seek direction from the Innovation Promotion Office.

THIS FORM WAS COMPLETED BY:

STAFF / STUDENT No.:

A. Summary of Invention (Novelty and non-obviousness):

1. Succinctly provide the crux or the gist of the invention. In other words, what is the new or novel or unique aspect of the invention.
2. What are the unique aspects or the differentiation in comparison to current technologies/products?

B. Potential monetary value of the invention (how much does it cost to make? how much can we sell it for?):

1. Provide a thumb-suck cost analysis of producing a product based on the invention. How much does similar products cost?
2. Have you thought of raw materials cost, manufacturing cost, distribution cost, registration costs (if appropriate) estimated sales price?

C. Market size (how big is the South African market in Rand? the world market?)

1. How did you determine this?

D. Who needs the invention (who can UP sell it to? be specific!)

1. Specify the top 5 companies with similar products. Who is the market leader
2. who needs the invention most? Why?

E. To what extent has the invention been developed?

Research	
Idea and hypothesis	
Scientific experimentation	
Partial scientific proof of hypothesis	
Full scientific proof of principle	
Applied Research	
Product identified	
Research lab prototype	
Scaled-up prototype	
Proof of working prototype	
Development	
Industrial prototype	

Re-Design and engineering	
Cost benefit analysis proven	
Trials and registrations	
Proof of viable new product	
Final product	
Raw materials specifications	
Design specifications	
Manufacturing data pack	
Quality specifications	
After sales data pack	

F. Describe the work which is still required to ‘prove’ the invention?
1. Include a plan of work with dates and costs

G. What research or development has to be done to translate the invention into a product?
1. Are you planning to do this?

H. Have you identified an industrial development partner to help with development? Or do you have a likely entrepreneur to develop the invention into a product?

I. What are the next 5 steps in your opinion? (after patenting) Who should do this?



PUBLICATIONS, PUBLIC USE AND SALE

Valid legal protection for your discovery depends on accurate answers to the following items.

A.	Has the invention been disclosed in an abstract, paper, talk, informal discussion, news story or a thesis? If yes, indicate type of disclosure made and date. (Provide copy, if available.)
B.	Is a publication or other disclosure planned in the next six months? If yes, indicate type of disclosure and date to be disclosed. (Provide copies, if available.)
C.	Has there been any public use or sale of products embodying the invention including any test or experimental uses in public? If yes, describe, giving dates.
D.	Are you aware of related developments by others? If yes, please give citations and copies.
E.	Have you performed any patent searches of your own? If so, please provide citations.

SPONSORSHIP

If the research that led to the discovery was sponsored in any manner, please fill in the following details. If sponsorship funds were involved in any direct or indirect way in the discovery (e.g. if equipment used was purchased with funds, graduate student support, materials/supplies, etc.) please indicate the extent and manner of the support.

A.	Sponsor’s name(s) (please include grant or contract number if applicable)
B.	Please describe the nature of the Sponsor(s) contribution leading to the discovery disclosed in this form.
C.	Has this discovery already been disclosed to any of the sponsor(s)? If yes, please provide details including the names of the sponsors, their representatives and the dates of such disclosures.
D.	Please describe briefly any other sponsorship support you receive in general for your research.
E.	Are there any other persons who may believe that they have provided support for your research in general? If yes, please briefly describe the circumstances related to such a belief.

PARTICIPANTS

In addition to any persons listed in the next section as a Creator, please list all participants (including undergraduate students, graduate students, Post-doctoral Fellows, Research Associates and Technicians) who are, or have been involved in the research that resulted in this Discovery. Please add extra lines as may be necessary.

Names of Participants (One per line)	Status (Undergraduate, technician, etc.)	Current Address (include cell phone)	e-mail address

CREATORS

A. Please list each person (full names and surname) who made a contribution to the creative or inventive aspects of the discovery disclosed in this form (This HAS to be provable with lab notebooks or other documentary evidence). Please add extra pages as may be necessary. If there is any doubt as to whom may be a person who contributed as a creator or inventor, please seek direction from the Research & Innovation Office.

Creator’s Name ()	UP Department	Home Address	Citizenship

B. According to UP policy creators receive 30% of all income derived by the University from the

invention. This is negotiable and subject to terms and conditions. If there are more than one creator for the invention please indicate in the following table how the creators' share of any revenues are to be divided.

Creator's Names	% share
Total:	100%

D. All creators of intellectual property must agree unanimously to any commercialization of intellectual property. Please note in the following box if there are any disagreements among the creators in commercialising the intellectual property described in this form or check the box if there are no disagreements.

Please check here if all creators are in agreement regarding commercialisation:	
--	--

FORMAL DECLARATION
(Each creator must sign this declaration.)

Each of the undersigned is a person who has participated in the completion of this form. Each of us further declares to University of Pretoria the following:

1. All facts related to the discovery or creation of the intellectual property described in this form (the Subject IP) have been disclosed by me;
2. I agree to share the creator's share of any net revenues that may arise from the Subject IP in the proportions outlined in section 5B;
3. Unless otherwise indicated in section 5D, I agree to the commercialization of the Subject IP pursuant to the *Intellectual Property Policy* of University of Pretoria;
4. I will assist the Innovation Promotion Office in the commercialization of the Subject IP including obtaining any appropriate legal protection;
5. I agree that in the event of a reduction in my historic participation in the project or unwillingness to support the Innovation Promotion Office in the commercialisation or further development of the IP, that the University shall have the right (after reasonable notice) to pro rata reduce my share of income taking into account but not limited to future contributions to the project;
6. I will, as may be reasonably requested, sign any forms and assignments; and
7. I will, as may be reasonably requested and within the limits set out in the *Intellectual Property Policy*, limit any publications or other disclosures related to the Subject IP to allow proper commercialization to take place.

Creator's Name	Creator's Signature	Date

Please complete this form electronically and return to UP TTO, a printed version containing the signatures should be sent by internal mail to the Department: Research & Innovation Support, Marketing Building