

Intellectual Property

Policy for Staff and Students

Category:	Research
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Introduction:

The University of Canterbury prides itself on the quality of its staff and students and wishes to encourage and support an entrepreneurial environment. The Intellectual Property (IP) generated by Staff and Students is an important outcome of a thriving research culture. Like many top Universities, we recognise the advantages of protecting and commercialising IP and we wish to sensibly and fairly share the benefits.

Government priorities for research funding and tertiary education strategies now make specific reference to economic outcomes. In response, the University wishes to develop an innovation system which encourages a climate of creativity, inventiveness and innovation. This Policy is an important element of that system.

The University also acknowledges its other obligations under the Education Act 1989. In particular, consideration must be given to the principles of academic freedom, the University's role as critic and conscience of society and the need to disseminate knowledge. While dissemination of knowledge is commonly achieved through teaching, publications and conferences, it can also be achieved by consulting and in some cases by commercial development.

The objectives of this Policy are therefore to:

- foster a wider understanding of the importance of intellectual property;
- state the respective ownership rights of the University, its Staff and its Students in relation to Intellectual Property; and
- assist in the effective commercialisation of Intellectual Property for the mutual benefit of the University and its members.

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Policy Statement:

1. General Principles and Provisions

- 1.1 The definitions of Appendix One apply throughout.
- 1.2 The University has an obligation to protect and develop its Intellectual Property (IP) and, as employees, staff have an obligation to assist in this objective.
- 1.3 In the absence of a duty (whether express or implied) in an employment contract, there is no obligation on Staff to produce IP for the purposes of commercialisation.
- 1.4 Students do not lose IP rights by pursuing a course of study or research, but in some circumstances the University may nonetheless have IP rights over the outcome of that study or research.
- 1.5 Staff and Students have a right to promote or publish their work subject to the rights of the University to protect its IP rights.
- 1.6 The University will share any benefits arising from its IP with the Creators of the IP.
- 1.7 Owners of IP may assign those rights to another party.
- 1.8 Owners of IP have the right to commercialise that IP.

- 1.9 The University reserves the right to enter into express agreements with Staff or Students relating to Intellectual Property which may be at variance with this Policy. Any such variations may only be agreed by the Deputy Vice-Chancellor.
- 1.10 The University reserves the right to enter into agreements with Third Parties in respect of University IP.
- 1.11 The University has a commitment to the Treaty of Waitangi and this Policy will be reviewed following the resolution of any Treaty claims relating to indigenous IP rights.
- 1.12 Text in brackets following any clause forms part of the Policy and is intended to clarify the application of that clause.

2. IP Created by Staff

- 2.1 Subject to clause 2.2, the University claims ownership of IP created by any of its employees during the course of their employment or arising out of performance of a duty relating to their employment.

(This includes research, consultancy, Inventions and any improvement, development or creative addition or alterations to an Invention, or other work attracting Intellectual Property rights).
- 2.2 The University does not claim ownership of copyright to Scholarly Work, Creative Work or Instructional Materials created by its employees in the course of their employment, unless those works or materials have been expressly commissioned by the University (i.e. created with the use of specific funding or allocation of resources), and agrees that copyright in such works belongs to the authors.
- 2.3 Notwithstanding clause 2.2, the University shall have a permanent, non-exclusive, royalty-free, world-wide licence to use Instructional Material created by its employees in the course of their employment, provided that such use is confined to research or teaching of courses offered by the University, provided that where a legal impediment to the granting of such license exists (for example, the potential infringement of Intellectual Property rights held by a Third Party), then such license is granted to the extent permissible at law (i.e. to the extent such license does not infringe on the Intellectual Property rights held by a Third Party).
- 2.4 Before being given permission to work on a specific research project (which may or may not arise outside the course of their employment or arise outside of the performance of a duty relating to their employment), an employee may be required to enter into an IP agreement with the University and/or Third Parties, which may include assigning some or all of his/her IP rights to the University and/or to Third Parties. In such cases, the employee shall be given an explanation of the need for such assignment and an opportunity to seek independent legal advice.

3. IP Created by Students

(Also see Related Policies, Procedures and Forms below. Thesis students are strongly advised to reach agreement with the University on IP before they start their research).

- 3.1 The University agrees that a Student does not relinquish his/her IP rights solely by pursuing a course of study offered by the University of Canterbury.
- 3.2 The University agrees that Students are the owners of copyright in their theses and any other assessable work to the extent that they are the author of the work.

(Copyright protection does not include ownership of ideas expressed in theses).

- 3.3 Before being given permission to work on a specific research project, a Student may be required to enter into an IP agreement with the University and/or Third Parties, which may include assigning some or all of his/her IP rights to the University and/or to Third Parties. In such cases, the Student shall be given an explanation of the need for such assignment and an opportunity to seek independent legal advice.

(This might apply, for example, if the Student is to receive any payment for working on the project, or will use existing IP or join a team in order to work on the project or if a project is funded by a Third Party wishing to retain rights to the IP).

- 3.4 A Student is the owner of IP created in the course of their thesis or dissertation, except in any of the following circumstances where the University reserves its right to claim some or all rights of ownership unless the University (acting through the Deputy Vice-Chancellor or their delegate) expressly waives its right in writing:

- the inventive step has been significantly assisted by a Staff member;
- the IP relies on prior IP owned by the University;
- the IP is part of a set of IP generated by a team of which the Student is a member *and* the University considers that it would be in the best overall interests of the team and the University for the IP to be managed by the University;
- the generation of the IP has involved use of University Resources and/or services beyond that which is needed to pursue the Student's agreed topic of research.

(As below, the University would then negotiate any commercialisation process and benefits with the Student/s).

- 3.5 A Student who is also an employee of the University will be regarded as a Staff member with respect to IP arising in the course of that employment.

4. Other IP

- 4.1 Visitors to the University have no rights to University IP.
- 4.2 In some circumstances, Visitors to the University may develop IP during their time at the University. Where that development has involved significant use of University Resources or prior University IP, then in absence of an express written agreement to the contrary, IP developed during the Visitor's time at the University shall belong to the University. In such cases, it is preferable that the Deputy Vice-Chancellor be consulted prior to such resources being made available.

5. Obligations of the University

- 5.1 Commercialisation activity shall not hinder the completion and examination of theses.

- 5.2 The University will use its best endeavours to ensure that a Staff member's or Student's freedom to publish is not unduly restricted by any research contract or process of commercialisation.
- 5.3 The University will determine the use to which its share of any benefits from any IP will be put, but agrees that a reasonable proportion may be used to support research in associated areas. The University will also facilitate the wish of any Creator to put his or her share of any benefits from any IP to research in associated areas.
- 5.4 Any commercialisation by another party (e.g. by Canterprise) appointed by the University will be subject to a service agreement between the University and the appointed party which is in accord with this Policy and which sets reasonable expectations for any commercialisation process on a best-endeavours basis. This will include provisions for:
- requiring Creators to be consulted and informed about the process of commercialisation;
 - timely progress of any commercialisation process;
 - renegotiation with the Creators when agreed plans do not progress as expected; and
 - reassignment of IP ownership rights to its Creators where the University does not wish to commercialise the IP.

6. Obligations of Staff and Students

- 6.1 Staff and Students shall not do any of the following in relation to the University's IP:
- apply for a patent or other registrable property right without the permission of the University;
 - enter into any contracts, discussions or negotiations prejudicial to the University's IP with Third Parties without the permission of the University; or
 - knowingly act in any way that is prejudicial to the University's IP rights.
- 6.2 When a Member of the University knowingly creates IP that is owned by the University and which is potentially commercialisable, he or she must disclose the IP to the University (through the Deputy Vice-Chancellor or their approved delegate, the latter appointed in accordance with protocol distributed by the Deputy Vice-Chancellor from time to time) on a timely basis and prior to any external disclosure.

Note: Clause 6.2 allows for delegation of the responsibility of receiving disclosures of Intellectual Property. Until further notice I hereby delegate Canterprise Ltd to act in this regard (Deputy Vice-Chancellor, 31 October 2008).

(This applies whether or not the discovery is made with others. Valid legal protection may not be obtainable if the IP has been publicised in any way. Disclosure to the University protects Creators by serving as a formal record of discovery, but ownership rights apply irrespective of disclosure).

- 6.3 If requested by the University, Creator/s shall supply all details needed to evaluate and protect the IP.

- 6.4 Staff and Students who participate in a research contract with Third Parties will ensure that they are familiar with, and abide by, the terms of that contract.

7. Commercialisation and Share of Benefits

- 7.1 The University agrees to share any net benefits of commercialising its IP with Creators.
(The net benefit will take into account costs of commercialising the IP).
- 7.2 The University and Creators will negotiate in good faith regarding the process of any commercialisation and agree that either:
- a) the University will manage the process, in which case Creators will assist with such other documentation and licensing as may be needed, and the standard Share of Benefits (Appendix Two) will apply to net revenue; or
 - b) the Creator/s will manage the process, in which case the University will assign the IP to the Creators in return for an agreed share of benefits; or
 - c) any other outcome as may be formally documented. The University may decline to agree to place IP in the public domain if to do so would expose the University to potential liability.

(The Disputes Resolution process in clause 10 below may be used if there is failure to agree. The University may decline to allow Creators to manage the process if, for example, this course of action would violate research contracts or other prior agreements or place at risk previous investments, relationships with Third Parties, other related IP or rights of other Staff or Students).

In the absence of compelling arguments to the contrary, the preferred method for commercialisation shall be as per clause 7.2 a).

- 7.3 Should the University decide not to commercialise IP which is subsequently developed further by Staff or with the use of University Resources, the University reserves the right to assert ownership of developments to the IP.
- 7.4 Where there are multiple Creators, the distribution of benefits between them will be agreed between the Creators with the assistance of the University. In the absence of agreement, the University will hold benefits on trust until distribution is determined by the disputes resolution process as below (see clause 10).
- 7.5 For IP on which the University has no claim of ownership, Creators may request the University to manage or assist with commercialisation, in which case share of benefits will be negotiated. The University may decline to assist.

8. Confidentiality and Restrictions on Publication

- 8.1 The University supports the free exchange of information and ideas in scholarship and research.
- 8.2 Research contracts with Third Parties will require them not to unreasonably limit freedom of disclosure or publication.

- 8.3 Where a research contract or the commercialisation process places limits on external disclosure of information, Members of the University will observe those requirements.
- 8.4 The University may require limited or full confidentiality in circumstances where the protection or commercialisation of IP or its obligations to other parties would otherwise be at risk.

(For example, these may include research or consultancy contracts where:

- *ownership of IP remains with the sponsor or client;*
- *the sponsor or client requests that no publicity be given to the project without their prior approval;*
- *Staff or Students working on a contract have access to Inventions or new techniques developed by other people or organisations outside the University;*
- *disclosure would prevent effective commercialisation of IP, technology transfer to a business start-up or patent protection).*

- 8.5 Any restrictions on disclosure or publication are subject to the following conditions:
- a) the reasons for the restrictions shall be clearly specified in writing by the University;
 - b) the duration and scope of such restrictions shall not extend beyond those reasonably necessary to achieve the stated purposes;
 - c) no restriction on publication will be permitted where to do so may pose a danger to society or a risk to public health;
 - d) the maximum period of delay in publication normally acceptable to the University is 12 months (in exceptional cases 24 months) from the time the IP is created or the research results have been made known to the client or sponsor.

9. Moral Rights Recognition

- 9.1 Nothing in this Policy shall derogate from the provisions of Part 4 of the Copyright Act 1994 (which relates to the rights of Creators to be identified as the author of work that is subject to copyrights in terms of the Copyright Act 1994) and the University shall comply with Part 4 of the Copyright Act 1994.

10. Disputes Resolution

- 10.1 If agreement cannot be reached on any matter arising out of this Intellectual Property Policy, then the affected parties are to endeavour to resolve the disagreement in accordance with this Clause 10.
- 10.2 In the event of a disagreement, a party must notify the other party (or parties) in writing that they wish to commence the resolution process set out in this Policy and must give the other party (or parties) details of the disagreement.
- 10.3 Within 20 days (or such other time as is agreed) of the notice, the parties must meet with the Deputy Vice-Chancellor to seek a resolution to the disagreement.
- 10.4 If in a particular case the Vice-Chancellor is satisfied that the Deputy Vice-Chancellor has, or would reasonably appear to have, a conflict of interest in the matter, the Vice-

Chancellor shall request the parties to choose a mutually agreed replacement. If they fail to reach agreement on a replacement, a suitable replacement shall be selected by the Vice-Chancellor.

- 10.5 If the parties are not able to negotiate an acceptable solution within 40 days (or such other time as is agreed) of the notice, then the parties must appoint a mediator to help resolve the disagreement. The role of the mediator is to assist in negotiating a resolution of the dispute. The mediator will not impose a decision that is binding on a party.
- 10.6 Each of the parties will properly carry out such reasonable steps as may be requested by the mediator.
- 10.7 The parties acknowledge that the purpose of any exchange of information or documents or the making of any offer during mediation is to be taken only as an attempt to settle the disagreement. No party may use any information or documents obtained during mediation for any purpose other than in an attempt to settle the disagreement, and shall keep such information and documents confidential.
- 10.8 If the parties are unable to resolve the disagreement by mediation, either party may refer the disagreement to arbitration in Christchurch by a single arbitrator. In the event that the parties are unable to agree on an arbitrator, they may request the current President of the New Zealand Law Society (or his or her nominee) to appoint an arbitrator. In either case, the arbitrator may not be a person who has previously acted as a mediator in relation to the disagreement.
- 10.9 The parties agree that the resolution process set out in this clause shall not prevent the filing of court proceedings seeking urgent injunctive relief but shall preclude the filing of all other court proceedings.

Related Policies, Procedures and Forms:

- [Consulting Policy: Consulting and Commercial Laboratory Activities by University Staff and Students](#)
- [Copyright Policy](#)
- [Thesis Availability Policy](#)

Appendices:

- Appendix One: Definitions
- Appendix Two: Distribution of Benefits and Equity

Version Control Table		
Action	Approval Body	Date Amended
Full Review	Chair, SMT	October 2008
Amendments <i>Addition of note under 6.2</i>	Chair, SMT	4 November 2008
Rolled over for another year with no changes		3 September 2009

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Appendix 1

Definitions

Creative Work - (as defined in Section 2 of the Copyright Act 1994)

- i. an Artistic work;
- ii. a Dramatic work (including the words of a song);
- iii. a Musical work; and
- iv. a Literary work being a recreational novel or work of fiction (but excluding other Literary work);

Copyright Work - those original works referred to in Section 14 of the Copyright Act 1994 and further defined in Section 2 of that Act. It includes any original artistic, graphic, literary and other works comprising or relating to an Invention as may exist anywhere in the world.

Creator - any person who produces, invents, discovers, or originates any Intellectual Property, and “create”, “created” and “creating” have corresponding meanings.

Instructional Material - any copyright material prepared specifically for the purposes of teaching and learning. It includes lecture scripts and teaching plans, sound recordings or films of lectures, overhead transparencies, PowerPoint slide shows or hand-outs for personal presentation, or software that has been created purely for the purposes of teaching or, for example, as utility software for the University’s information technology systems, and is made available in the public domain.

Intellectual Property (IP) - any discovery, innovation, Invention, form, shape, sound image, expression, technique or process which is the product of skill, effort or intellect and includes:

- Copyright Works, meaning those original works referred to in Section 14 of the Copyright Act 1994 and further defined in Section 2 of that Act, including computer programs;
- patentable and potentially patentable Inventions and associated know-how;
- plant varieties and protectable life forms;
- designs, registrable or otherwise;
- embodied ideas or concepts;
- databases and other valuable or potentially valuable information, including research outcomes and records;
- trade secrets and other material subject to an obligation of confidence;
- layout designs for integrated circuits;
- signs or insignia of origin, quality, reputation, or commercial connection;
- registered and unregistered trade marks and business names;
- instructional material.

Further to this definition of Intellectual Property, the term is used to encompass intellectual property as it relates to:

- a) the following Acts:
 - Copyright Act 1994
 - Designs Act 1953
 - Geographical Indications (Wine and Spirits) Registration Act 2006
 - Hazardous Substances and New Organisms Act (HSNO) 1996
 - Layout Designs Act 1994
 - Medicines Act 1981
 - Patents Act 1953
 - Plant Variety Rights Act 1987
 - Trade Marks Act 2002
- b) non-statutory Intellectual Property such as goodwill in the name or get-up of any goods or services, any unregistered trade mark, and any confidential information or trade secrets.

Intellectual Property right or right to Intellectual Property - any claim, right or interest in Intellectual Property, which is enforceable under the law of New Zealand or any other country where protection of the Intellectual Property has been sought, whether by contract or direct operation of the law.

Invention – a new, useful, and nonobvious process, machine, manufacture, composition of matter, or product, including a new, useful, and nonobvious improvement of a process, machine, manufacture, composition of matter or product.

Member of the University - includes Staff, Students and Officers of the University.

Patent - a document, issued by a government office, which describes an Invention and creates a legal situation in which the patented Invention can normally only be exploited (made, used, sold, imported) by, or with the authorisation of, the patentee.

Patent Application - the filing with the Patent Office of an Application for a patent together with a provisional specification.

Patent Rights - all patent rights in and to the Invention as may exist anywhere in the world including, but not limited to:

- a) the right to apply for and obtain patents or other similar forms of protection in respect of the Invention in any country;
- b) the right to claim priority under any international convention or agreement including the Paris Convention (as amended) from any such application or applications referred to in paragraph a) above;
- c) all rights conferred by any such patent(s) or similar forms of protection when granted; and
- d) the Patent Applications together with any patent that may be granted pursuant to the Patent Applications and any future patent(s) and Patent Application(s) which are based on or derive priority from or have equivalent claims to the Patent Applications in any country in the world (including divisionals, continuations, continuations in part, supplementary protection certificates, reissues, extensions, innovation patents and petty patents).

Scholarly Work - a monograph, journal article, book or conference paper (including chapters in books and text updating loose-leaf or electronic publications) whether first published in hard copy or in some other format.

Staff Member or Staff - a person engaged by the University under a contract of employment.

Student - any person other than a Staff Member enrolled for any course or qualification offered by or on behalf of the University.

Third Party - any person or organisation other than the University of Canterbury or a Member of the University.

University - the University of Canterbury and includes Canterprise Ltd.

University Resources - money, services, or property owned, provided or obtained by the University and includes:

- a) pre-existing Intellectual Property rights vested in the University;
- b) funds obtained by or through the University (other than the Staff Members' salaries where the employee's time has not been spent on a consulting or research contract);
- c) computers, library books, laboratory or other equipment, supervisory support of staff for Student activities.

Visitors - a person other than a Staff Member or Student who is given access to or use of University Resources.

Appendix Two

Distribution of Benefits and Equity

1. Unless otherwise agreed with the Creators, net benefits or equity to the University arising from its IP will be shared as below.
2. Where any payment is subject to tax, any share of benefits is net of any such payment or deduction which the University may be obliged or required to make.
3. Subject to this clause 3, royalties from Scholarly Works are excluded. The University does not expect to share in such royalties, except for works which are expressly commissioned or contracted for by the University (in which case it is anticipated that royalty shares will be agreed in advance).
4. The direct costs or expenses incurred by the University, or another party appointed by the University, in the development, protection, by patent or otherwise, and exploitation and marketing, commercial or otherwise, of the IP (including costs of administering royalty income) will be reimbursed to the University or other appointed party as a first charge on any economic benefits under clauses 5 to 7 below. This reimbursement must be based upon formal records of these costs. The costs shall normally include the following:
 - Goods and Services Tax and withholding tax;
 - costs for Staff time and travel at an agreed rate (or if no agreement exists then a fair rate);
 - costs of correspondence;
 - patent application costs (provisional specification only);
 - other legal costs associated or relating to the exploitation, marketing or commercialisation;
 - advertising and publicity costs;
 - costs of preparing preliminary business plans or market research if specifically undertaken with the agreement of the Creator(s) and not funded by investors;
 - the recovery of consulting or success fees paid to Third Parties to arrange investment funding or research contract funding;

(“Costs”)

5. Subject to clauses 2 and 4 of this Appendix, in the case of revenue (other than derived from the sale of capital benefits or derived from the sale of shares or similar equity securities), such as recurring revenue derived from licensing and royalties and the like, revenue less Costs (“Net Revenue”) will be distributed as follows:

Net Revenue	First \$10k	Next \$90k	Above \$100k
Creator/s	100%	50%	34%
The University	0%	50%	66%

6. Subject to clauses 2 and 4 of this Appendix, where University IP is licensed or assigned to another party in exchange for shares (or similar equity securities, possibly mixed with a financial component) one third (or such other proportions as may be otherwise agreed) will be owned beneficially for or on behalf of the Creator/s, and the balance owned by the University. Costs are to be borne and paid, at the University's reasonable direction, as follows:
 - i) pro-rata by the University and the Creator(s) in proportion to their beneficial ownership, at the time of issue of such shares or other securities; or
 - ii) from the proceeds of a disposition of such shares or other securities in the event that the Creator(s) are unable or unwilling to pay their proportionate share of Costs at the date of issue of such shares or other securities (in which case the University shall be entitled to dispose of such portion of the Creator(s) beneficial ownership to satisfy the Creator(s) share of the Costs; or
 - iii) the proportion of such Costs which are the liability of the Creator(s) shall be charged against the shares or other securities for payment at a later date agreed by the University.
7. The holding of shares or similar equity securities by or on behalf of the Creator(s) shall not prevent the University from continuing to make all decisions in relation to the University IP in its sole discretion.

(Note that the percentage shareholding by the University and its Staff or Students will often be diluted as investor seed funding or venture capital is acquired to enable the commercial development to proceed).
8. Subject to clauses 2 and 4 of this Appendix, in the case of receipts from sale of capital benefits (including, but not limited to, disposition of IP to Third Parties or disposition of shares), the proceeds will first be applied in satisfaction of the Costs and the remaining receipts will be shared according to the distribution of ownership of capital benefits, and in absence of agreement to the contrary, shall be shared 1/3rd to the Creator(s) and 2/3rds to the University.