Intellectual Property Policy

Based on “Research Policy on Ownership of Intellectual Property”

Refinements proposed to align the policy with new CORY policy, EFW policy and Intellectual Property Rights from Publicly Financed Research and Development Act.

Approved by SET 25 September 2012
Preamble

The University recognises that it is a community of scholars. The University is committed to providing an environment that supports the research and teaching activities of all its staff and students in the pursuit of excellence and for the public good. The University wishes to encourage all members of its community to create original works of authorship and to engage in free expression and exchange of ideas and to allow them to be rewarded for their knowledge and creativity.

The University believes that it would be beneficial to the University itself, all members of its community and the public good if the University uses its resources in co-operation with its staff and students to enable the intellectual property created by them to be utilised for commercial or social benefit, where this is appropriate. The University recognises that such a process will be successful only if it is inclusive and reciprocal. This policy has been prepared in this spirit and for this intent and to protect the intellectual property rights of the University and all members of its community.

This policy is based on the Research Policy on Ownership of Intellectual Property, and replaces that policy in order to align it with the new University policies on (i) externally funded work (EFW policy) and (ii) cost recovery (CORY policy). Furthermore the University acknowledges that the IPR Act stipulates certain requirements in respect of ownership and management of publicly funded intellectual property.

1. DEFINITIONS AND INTERPRETATION

1.1. Utilisation, or utilisation of IP, means the exploitation of Intellectual Property for commercial (including financial) or other gain (including social benefit), and utilise shall have a commensurate meaning.

1.2. CORY policy means the University’s prevailing policy on cost recovery, as amended from time to time.

1.3. EFW policy means the University’s prevailing policy on externally funded work, as amended from time to time.

1.4. Full cost means that the funding covers the direct costs and indirect costs in compliance with the CORY policy.

1.5. Funding agency means a funding agency as defined in the IPR Act.

1.6. Gross income means the revenues generated from utilisation of IP, including royalties from licences conferring rights to use IP, proceeds of outright sale of IP, dividends earned in respect of shares held in companies utilising IP, and proceeds of the sale of such shares.

1.7 Gross income minimum means the minimum percentage due to originators in accordance with the IPR Act in respect of the first R1 million in Gross Income received from utilisation of publically funded IP, being 20% for the time being.

1.8. Intellectual Property (IP) means any creation of the mind where such creation may be embodied in, for example, know-how, software, trade marks, designs, names and insignia, copyright, patentable inventions as well as confidential matters and trade secrets to which the statutory and common law affords protection. This latter protection is wider than the protection afforded by, for example, copyright because the underlying idea is protected.
1.9. IPR Act means the South African Intellectual Property Rights from Publicly Financed Research and Development Act, no 51 of 2008, and any regulations thereto, as amended from time to time.

1.10. NIPMO means the National Intellectual Property Management Office, as created through the IPR Act.

1.11. Net income means gross income less expenditure as per Annexure “B”, as amended from time to time by the Deputy Vice-Chancellor (Research).

1.12 Net income minimum means the minimum percentage due to originators from net income derived in accordance with the IPR Act, being 30% for the time being.

1.13. Originator means a member of the University community who has devised, developed, authored, invented or otherwise created Intellectual Property while carrying out research or acting on behalf of the University and/or activities as further described in section 3. In terms of benefit sharing as per clause 2, originator includes their heirs.

1.14. Publicly funded IP means IP which was created on or after 2 August 2010 resulting from research and development activities where some or all of the funding was provided by a funding agency, or where the activity was not funded at full cost.

1.15. Resources include the means for supplying what is necessary or essential for the pursuit of the objective of a research project. Without limiting the generality of this, resources include physical resources such as accommodation and materials, human resources such as staff members or students assigned to work on a project and any contribution of IP to a project and financial resources used to fund the supply of other resources to a project.

1.16. Sponsor means a person who contributes funds to the University to support a specified activity by any student or students or any member or member of staff at the University.

1.17. Student means a person registered for a degree, diploma, licentiate or certificate at the University

1.18. University community means any student enrolled at the University and any student from another University or other tertiary education institution who is carrying out research at the University under the supervision of a member of staff of the University, and any member of staff of the University including visiting lecturers, honorary, clinical and other members of staff whether or not in receipt of remuneration from the University, and any person, including independent contractors, engaged under contracts of service by the University.

1.19 If any provision in a definition contained in this clause is a substantive provision conferring rights and imposing obligations, notwithstanding that it is only contained in this definition clause, then full force and effect must be given to such a provision as though it was a substantive provision contained in the body of this policy.

In this policy, unless a contrary intention clearly appears, words importing natural persons include created entities and vice versa.
2. BENEFIT SHARING WITH ORIGINATORS
2.1 The income arising out of the utilisation of IP owned or co-owned by the University will be shared between the University on the one hand and the originator or originators of the IP on the other, as follows:
- For the first R1 million in gross income to the University, the originators shall receive gross income minimum, or 70% of the net income, whichever amount is higher
- For the subsequent income to the University, the University will receive 30% (thirty percent) and the originator or originators together 70 (seventy percent) of the net income.

2.2 The above sharing arrangements will apply unless the University, or a company referred to in clause 8 of this policy, and the originator or originators conclude a separate agreement in terms of clause 2 above, under which any income arising out of the utilisation of IP is shared between them on a sliding scale. In the case of publicly funded IP, such agreement shall always ensure that the originator or originators receive at least the gross income minimum from the first R1 million in gross income received, and the net income minimum thereafter.

2.3 If there is more than one originator then the originators’ share will be shared between the originators in proportion to the relative contribution of each of them. Any originator, who is the sole originator, and who does not wish that IP to be utilised for financial gain, may stipulate that such IP be utilised to serve the public good. Should there be more than one originator and one or more, as the case may be, wishes to benefit financially, any financial gain must be shared amongst the originators in accordance with the contribution of each and any originator who does not wish to benefit financially may donate his or her share of the proceeds to the University or other person.

2.4 In return for rights to utilise its IP, the University may be offered consideration in the form of non-monetary benefits. The University will consider such offers on a case by case basis; assess the value of such benefit to the University and will agree with originators the benefit due to the originator prior to entering into any such non-monetary benefit arrangements. Such arrangements are subject to approval by the Deputy Vice Chancellor (Research).

3. OWNERSHIP OF IP
3.1. Ownership
IP developed or originated by members of the University Community is owned by the party or parties as stipulated below.

3.1.1 Employees
Subject to paragraph 3.3, the University owns all IP originated or developed by its employees in the course and scope of their employment.

3.1.2 Employees visiting other Institutions
The University owns a portion of any IP arising out of work carried out by its employees while visiting other institutions equal to the relative input of resources of whatever kind it has contributed to the development of the IP. The provisions in clause 2 above will apply to the sharing of any benefits arising out of such IP.

3.1.3 Independent Contractors and Other Persons Engaged Under Contracts of Service by the University
The University owns all IP arising out of work carried out on its behalf by independent contractors or other persons engaged under contracts of service by the University.
3.1.4 Visiting Lecturers and Postdoctoral Fellows
The University owns a portion of any work carried out by visiting lecturers equal to the relative input of resources of whatever kind it has contributed to the development of IP by the visiting lecturer but in any event no less than twenty five percent.

3.1.5 Honorary, Clinical and Other Members of Staff not in Receipt of Remuneration from the University
The ownership of IP arising out of work carried out under the auspices of the University by honorary, clinical and other members of staff not in receipt of remuneration from the University is subject to agreement between the parties at the time of appointment of such staff. The agreement must take into account the relative proportion of resources of any kind that the University contributes to the development of IP by such members of staff and in the case that such IP is considered publicly funded IP, any other stipulations of the IPR Act in respect of possible co-ownership.

3.1.6 Students (Including Teaching, Research and Graduate Assistants)
3.1.6.1 The same provisions regarding the ownership of IP made or created in the course of their employment by the University as apply to other employees of the University apply to students enrolled at the University.

3.1.6.2 The University owns any IP devised, made or created by any student carrying out research under the supervision of any employee of the University. The provisions of clause 2 apply to any income arising out of the utilisation of such IP.

3.1.6.3 The University does not claim ownership of any IP devised, made or created by a student who is not carrying out research under the supervision of an employee of the University and/or utilising any of the other resources of the University.

3.1.6.4 If this research is carried out as part of the research requirements for the awarding of degree by the University and as such must be published, and the research includes a patentable invention or other IP, the protection of which requires that the research is kept confidential for a period, the student and/or their supervisor may apply to the University to keep the research confidential for a period as provided for under the University’s rules.

3.1.6.5 It is essential that prior to the commencement of a course of study a supervisor of any student engaged in research discuss with and have a common understanding with that student regarding the ownership and protection of the IP rights related to that research. This understanding must be expressed in writing and may include, where appropriate, an agreement providing for the protection of confidentiality and clarification of ownership of IP in accordance with this policy.

3.1.6.6 From time to time the University is commissioned to carry out work, including research, on behalf of an outside person or persons. The University may assign a member or members of the University community to carry out the commissioned work. It may assign some or all of these IP rights to the commissioner or retain them for itself, in its sole discretion.

3.2. Assignment to originators
Should the University elect not to proceed within a reasonable period with the utilisation of IP where such utilisation is viable and appropriate, then the University may assign the IP to the originator, and/or grant the originator the right to commercialise such IP, provided that this does not adversely affect the University’s responsibilities to carry out research and to teach.
3.3. Exclusions and publication
3.3.1 The University does not claim ownership of the copyright in books, plays, musical scores and lyrics and artistic works other than those it has specifically commissioned.

3.3.2 Provided that a student warrants that his or her thesis is original and that its making did not constitute an infringement of any copyright and that copyright subsists in the thesis, and the thesis has been reviewed in respect of identifying any protectable IP prior to such publication, then he or she may publish his or her thesis for financial gain in its original form or converted to digest form at any time within twenty four months or such other period as the student and the University may agree, of his or her having lodged that thesis in any University library, in accordance with the University's rules, policies and procedures governing research work for a post graduate degree.

3.3.3 If the student has not published his or her thesis within those twenty four months or such other period as the student and the University may have agreed, then the student assigns any and all rights of copyright he or she may have in the thesis to the University. Without limiting any rights of copyright the University may hold in the thesis the University may publish the thesis in any form it deems appropriate including in translation, digest or serial form or as a textbook or such other period as the student and the University may agree.

4. GRANTING OF RIGHTS TO THIRD PARTIES
4.1 The University enters into agreements with sponsors of research and other outside collaborators. The provisions of these agreements may provide for the granting of rights in respect of IP to the sponsors or collaborators, or other parties wishing to utilise the IP as further provided for in section 7, subject to the provisions of this policy.

4.2 In the case of publicly funded IP, agreements will comply with the preferences and stipulations as per Annexure “A”, and the granting of rights to third parties may be subject to obtaining approval from NIPMO.

5. DEVELOPMENT OF IP
5.1 IP belonging to the University and not in the public domain may only be disclosed with the permission of the Vice-Chancellor, any Deputy Vice-Chancellor, the University's Registrar or the Dean of the Faculty in which the IP arose. Prior to disclosure the IP shall be reviewed to identify any IP protectable through statutory registration. Improper disclosure may adversely affect such registration or the protection of other confidential information.

5.2 Members of the University community while working on behalf of the University and engaged in confidential research or having access to confidential information must sign confidentiality agreements with the University.

5.3 Members of the University community must take all reasonable steps that may be necessary to enable the University to meet its objectives, such objectives including utilisation of IP, and in so doing must assist the University to identify as well as to protect its IP.

5.4 After consultation within each Faculty, rules, regulations and policies appropriate to the specific requirements of that faculty regarding IP will be established, subject to this policy and the IPR Act.

6. DISPUTE OR CONFLICT RESOLUTION
Any disputes arising out of matters covered by this policy will be referred in the first instance, to the Vice Chancellor, and failing reaching agreement, to the Chairperson of Council or his or her duly authorised representative for resolution. The decision of the Chairperson or his or her duly authorised representative will be final.

7. UTILISATION OF IP
7.1 The University may establish a company or companies for the exploitation of its own IP, and the IP of members of the University community. The University may cede and assign any of its rights to and obligations arising from IP to such company or companies. The University, acting through the Deputy Vice Chancellor Research, will initially decide whether to do so on a case by case basis.

7.2 The University or a company referred to above, may enter into a written agreement providing for the utilisation of IP owned by the University, subject to:
- all rights in and to such IP being governed by the provisions of this policy as amended from time to time, and;
- in the case of publicly funded IP, having regard to the preferences listed in Annexure A, and approval by NIPMO if applicable.

8. EFFECTIVE DATE OF THIS POLICY
This policy will come into effect on 1 October 2012 and will apply to all IP made, created or devised on or after that date, and in the case of publicly funded IP will apply to such IP created on or after 2 August 2010.

9. MANAGEMENT OF INTELLECTUAL PROPERTY AND THIS POLICY
9.1 Deans of faculties are responsible for development of IP.

9.2 Wits Commercial Enterprise (Pty) Ltd (“Wits Enterprise”) is mandated by the University to fulfil the specialist roles of an IP management and commercialisation office and shall, inter alia, assist the University in liaising with NIPMO, and making the necessary disclosures and referrals for approval to NIPMO in respect of publicly funded IP.

9.3 In order to facilitate Wits Enterprise’ role, and enable compliance with the IPR Act, the dean of each faculty shall disclose IP to Wits Enterprise on a regular basis and in a manner to be agreed between Wits Enterprise and the respective dean.

9.4 The Deputy Vice-Chancellor (Research) is responsible for
- the review of this policy, at least every two years,
- putting in place a suitable governance and management framework in respect of IP management, including its utilisation, and
- ensuring that Wits Commercial Enterprise (Pty) Ltd. adequately assists the University in terms of disclosure, identification, protection, development and utilisation of University IP, and where there are utilisation agreements signed with third parties, the collection of any benefits that may accrue therefrom and subsequent benefit sharing with originators.
9.4 Enquiries to:

*Wits Enterprise: Tech Transfer Unit*
Ext 79373 or ela.romanowska@wits.ac.za
Ext 79350 or duncan.raftesath@wits.ac.za

*Legal Office*
Ext 71242 or dawn.taylor@wits.ac.za

**Annexures to this Policy**

Annexure “A”: Preferences, stipulations in respect of utilisation of publicly funded IP

Annexure “B”: Expenditure deductions for Net Income calculation
Annexure “A”: Preferences and stipulations in respect of granting of rights in respect of publicly funded IP

In accordance with the IPR Act, the University shall, when entering into arrangements relating to any granting of rights (rights including ownership/assignment or rights to utilise) to publicly funded IP, give preference to:

- Broad Based Black Economic Empowerment entities and small enterprises;
- Parties that seek to use the IP in ways that provide optimal benefits to the Republic; and
- Parties that made material contribution to the research and development giving rise to the intellectual property.

Every agreement in respect of publicly funded IP which grants any rights in such IP shall include the following statement from Regulation 11((4) to the IPR Act, or such similar statement as may be appropriate for the specific circumstances of a particular agreement:

"The intellectual property under this transaction was created with support from the South African Government; (under the contract number where applicable) awarded by (identify the Funding Agency or relevant government department) and is subject to the requirements of the South African Intellectual Property Rights from Publicly Financed Research and Development Act, 2008 and its regulations ("Act 51 of 2008"). The South African Government has certain rights to the intellectual property in terms of sections 11(1)(e), 11(2) and 14 of Act 51 of 2008."

In entering into such agreements in respect of publicly funded IP, the University will ensure that all provisions of Section 11, Section 12 and Section 15 of the IPR Act, as well as Regulations 10, 11, 12, 14 and 15 are complied with.
Annexure “B”: Expenditure deductions for Net Income calculation

The following expenditure may be deducted in determining net income:

(a) all out-of-pocket costs, fees and expenses that an institution incurs and pays to independent third parties in connection with any of the following activities:
   (i) filing, prosecution, development and maintenance of any statutory protection for intellectual property, excluding any amounts recovered by the institution from any third party, including the intellectual property fund established under the Act and any licensee;
   (ii) auditing, recovery or collection of gross revenues, including bank fees, charges and other expenses of any kind paid by an institution in order to collect, receive, account for, amounts payable to it for the commercialisation of the intellectual property;
   (iii) defence, validation and enforcement of intellectual property rights in any intellectual property office, court or tribunal;
   (iv) legal advice and services in respect of the above activities or issuance or conveyance of any securities or other consideration constituting gross revenues, or in respect of any proposed, threatened or actual litigation involving the intellectual property; and

(b) costs directly incurred in respect of market research, business development, marketing, advertising, promotion or sales activities or services, and administrative expenses.