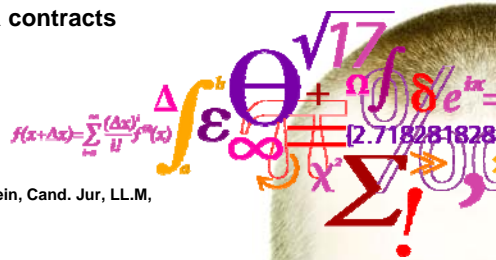


Introduction to IPR and IPR contracts

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IPR ownership

- **Starting Point: Patent Act/Patentloven**

- Sect. 1 – Exclusive rights rest with the inventor (intellectual contribution required) (or with whoever has had the exclusive rights assigned)

- **Act on Inventions at Public Research Institutions/Lov om opfindelser ved offentlige forskningsinstitutioner**

- Purpose:
To secure that research results made on the basis of public funds benefit the Danish society by commercial exploitation
- Inventions within the Act:
 - Inventions or utility models
 - Part of the employee's work (work description) (Sect. 2 and 5)
 - "employee" – anyone working with research and development at a research institution (i.e. researchers, technicians and ph.d-students with employment contracts) – NOT students, guest researchers and industrial ph.d.s

- **Act on Inventions at Public Research Institutions (cont.'d)**

- Starting point:
Sect. 7: Ownership rests with the employee with the limitations following from the Act
- BUT
Sect. 8: The institution may demand a transfer of ownership
 - Within two months of notification (Sect. 11) → confidentiality obligation
 - If commercial exploitation seems possible → duty

- **Act on Inventions at Public Research Institutions (cont.'d)**

- Sect. 12: "Fair remuneration"
 - Rules set by the institution, approved by the Ministry
 - DTU: → rule of 1/3
- Sect. 9: Rights may be disposed of by the research institution in advance (also on behalf of the employees) in collaborations with parties not part of the Act.
- Students: Sect. 14a.

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• **Act on Employees' Inventions/Lov om arbejdstageres opfindelser**

- Inventions within the Act:
 - Inventions or utility models made by an employee in his line of duty
 - Main Rule: Within the field of work of the workplace
 - "employee" – anyone employed in public or private duty – except teachers and other scientific personnel employed with universities or other institutions of higher education
- Starting point:
 - Sect. 3: Ownership rests with the employee with the limitations following from the Act
- BUT
 - Sect. 7: The employer may demand a transfer of ownership
 - Within four months of notification (Sect. 6) – confidentiality obligation

• **Act on Employees' Inventions (cont.'d)**

- Possible remuneration (Sect. 8)
 - Unless value is within what reasonably should be expected from the employee considering his/her working conditions
- Sect. 9: Presumption
 - If patents are sought within 6 months after the employee has terminated his contract with the workplace, the underlying inventions are deemed to have been made while the employment contract was still in force, unless the employee can materially prove otherwise.

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Non-Disclosure Agreements

(or NDAs or CDAs (Confidential Disclosure Agreements))

- **What?**
 - Contract governing disclosure of confidential information from one party to another
 - May be one-way or mutual
 - “Confidential information”?
 - What does this comprise? (*business, financial, technical relations, including – but not limited to – technology, inventions, processes, rights, specifications, designs, plans drawings, software, prototypes...*)
 - How is it defined? (oral and/or written and/or in electronic form)
- **Why (not)?**
 - “We’re friends”
 - “We’ll scare of the other party”
- **Because:**
 - The company will want it – at least if the company is supplying confidential information

NDAs (cont.'d)

- To establish (legally) that the recipient of the information is bound by obligations of confidentiality.
- (Such obligations can also arise without an NDA in place - in Denmark for instance in Act on Marketing/Markedsføringsloven sect. 19 or Act on Public Administration/Forvaltningsloven sect. 27)
- An NDA is **proof** (and particularly helpful when seeking an injunction (fogedforbud))
- To establish that an invention has not been publicly disclosed prior to filing a patent application
 - One very simple, direct and practical advantage is that the NDA will make it clear to the other party that the information in question is indeed confidential

NDA (cont.'d)

- Key terms of an NDA
 - General subject matter/Purpose
 - Definition of "Confidential Information"
 - Obligations to keep the information confidential and only use it for the purpose
 - Exceptions to the confidentiality obligations, e.g.
 - Information already in the public domain
 - Information received from a third party who appeared to be entitled to disclose the information
 - Information developed independently by the recipient in his/her own research without relying on the confidential disclosures of the other party
 - Court orders or the like to disclose
 - Conditions for further disclosure to employees and/or third parties
 - Obligations to return confidential material
 - Duration of the confidentiality obligation

NDA (cont.'d)

- Common areas of negotiation:
 - Must the information be in writing, marked as confidential?
 - If it is disclosed orally, must it be reduced to writing and marked as confidential within a specific period of the oral disclosure?
 - Duration
 - Industry and research institutions typically have substantially deviating wishes here
 - Law and jurisdiction
 - Preferably Danish courts and Danish law
- Check: Can the recipient comply?

NDA's (cont.'d)

- ALERTS
 - Texts which comprise the following:
 - Obligations to negotiate exclusively with the other party
 - Obligations to enter into further agreements (e.g. license or sales agreements)
 - Obligations not to engage in competing activities
 - Obligations to disclose results of research or evaluation
 - Provisions governing ownership of intellectual property

Material Transfer Agreements

(or MTAs)

- **What?**
 - A contract governing the transfer of materials between researchers either employed at research institutions or companies or being private individuals
 - Typically within a biological/chemical category (eg. transgenic animals, DNA strings, cultures, antibodies or chemicals, including drugs/pharmaceuticals)
- **Purpose?**
 - Provider – for altruistic reasons or to obtain a benefit (either a fee but more commonly data on the material or longer-term rights)
 - Recipient – e.g. to carry out research; or to create IP with or from the materials; or to evaluate them to consider further collaboration opportunities; or to test them alone or with other materials
- **Check:** - Is the MTA really a disguised research agreement? (Sponsored research without payment)

- Why?

- To control or limit the use that Recipient makes of the materials,
- To prevent public disclosure of Provider's confidential information,
- To prohibit Recipient from using the materials for non-research purposes,
- To obtain access to results and data obtained from the Recipient's use of the materials,
- To obtain a legal right to such results and data (option or license),
- To receive royalties from e.g. licensing income generated by Recipient through use of inventions made using the materials

- To clarify that the materials are provided without warranties,
- To exclude legal obligations generally (injury or damage etc),
- To require Recipient to indemnify Provider against any legal liabilities which may arise from Recipient's use of the materials

- Key Issues:

- Defining the Materials. – Derivatives? – What if Materials are included in a new product?
- Use of the Materials. – Who may use? – Watch out if "commercial" research is prohibited – this may imply that research with a commercial sponsor is not allowed.

- CONSIDER: Is any IP likely to arise?

- Ownership of, and access to, results – possible variations, e.g.:
 - Recipient owns resulting IP, Provider receives non-exclusive license, Recipient pays a royalty upon exploitation of IP; or
 - Provider owns resulting IP, Recipient gets non-exclusive license; or
 - Recipient owns resulting IP, Provider gets option to negotiate an assignment or exclusive/non-exclusive license; or
 - Resulting IP is jointly owned with a provision for the Provider to have an exclusive license in a defined field
 => SECURE FREEDOM-TO-OPERATE

- Key Issues (cont.'d)

- The right to publish
 - Delayed publication to allow for the filing of patent application usually accepted if reasonable limit on delay
 - A wish for being recognized in Recipient's publication
 - Watch out for indirect limitations (e.g. the character or composition of the Materials is to be kept secret)
- Compliance with regulatory provisions
- Patenting. – Provider may wish to be involved
- Term (usually 1-2 years)
- WATCH OUT: Use of different Materials in the same research – competing obligations?

- Key Issues (cont.'d)

- Can the Recipient comply? – Should we (can we) buy instead?
- Who may use the Material?
- Look for any unusual reporting obligations
- Liability and indemnity
 - "As is"?
 - Third party rights?
- Law and jurisdiction

THANK YOU

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