

UNIVERSITY OF KWAZULU-NATAL (UKZN) INTELLECTUAL PROPERTY POLICY

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1. PREAMBLE

The University of KwaZulu-Natal is a higher education institution duly established in terms of the Higher Education Act No. 101 of 1997 of the Republic of South Africa. UKZN's primary function is as a repository of knowledge, which it generates through research and disseminates through applied research and consulting, teaching, community service and archiving. This knowledge is reflected, *inter alia*, in Intellectual Property ("IP") generated at UKZN in such forms as copyrights, patents, trademarks, designs, trade secrets and know-how. It is essential that this IP is identified and properly managed for the mutual benefit of UKZN community, the creator thereof, and society in general. It is also incumbent upon UKZN to commercialise its IP where appropriate rather than to leave it lying idle, in support of a core function of UKZN to disseminate knowledge. In identifying and managing such IP, UKZN will uphold the rights of the IP Creators to be recognised as such and ensure their right to share in any proceeds generated by the commercialisation of such IP is supportive of the primary function of UKZN which is scholarship and good research. At the same time, cognisance needs to be taken of the potential value to UKZN (and its broader research activities) of funds derivable from such IP Commercialisation.

The Policy:

- provides a framework for governing the rights and responsibilities of all stakeholders in relation to intellectual property arising from their activities at UKZN;
- recognises that research activities may result in intellectual property which in certain instances may best serve the public interest to obtain legal protection to be commercially viable;
- recognises that the Creators may benefit from wider dissemination of their works including financial returns from such dissemination; UKZN may benefit from financial returns in addition to enhancement of its reputation through association with works useful to society; and the public, which through its taxes typically contributes to funding the R&D leading to the works, may benefit from products and services associated with the works, which may improve socio-economic conditions and quality of life;
- provides a framework for commercialisation of intellectual property generated from research undertaken at UKZN; and
- provides for incentives for the innovative and creative contributions of Employees, Students and Visitors as well as support mechanisms for Commercialisation.

The Policy will supersede any previous UKZN policies governing Intellectual Property and the Commercialisation of Intellectual Property, as at the Policy Effective Date. For the avoidance of doubt, this Policy supersedes the Intellectual Property Policy (Ref: CO/03/0406/10) having the Effective Date of 4 June 2010, and the Commercial Initiatives Policy (CO/08/2606/09) having the Effective Date of 26 June 2009.

2. SCOPE, AUTHORITY AND LIMITATIONS

- 2.1. This Policy applies to all IP generated at UKZN, in particular by Employees, Students and Visitors, and also where there has been Substantial Use of UKZN's Resources
- 2.2. UKZN InQubate working in collaboration with the IP Steering Committee is responsible for ensuring that UKZN's responsibilities and obligations as set out in this Policy are met.
- 2.3. Nothing in this Policy overrides provisions of any prevailing law of the Republic of South Africa.
- 2.4. This Policy is subject to, and aligned to the provisions of the Intellectual Property Rights from Publicly Financed Research & Development Act No. 51 of 2008 ("IPR Act") and Regulations (as amended from time to time).

3. DEFINITIONS

Certain terms are used in this document with specific meanings, as defined in this section. These definitions do not necessarily conform to customary usage.

- 3.1. **Author** is as per the definition of Author in the Copyright Act and means any individual who creates a work that is protectable under the Copyright Act.
- 3.2. **Background IP** means IP that was generated before the commencement of R&D collaboration.¹
- 3.3. **Benefit** means the contribution to the socio-economic needs of the Republic of South Africa and includes capacity development, technology transfer, job creation, enterprise development, social upliftment and products, or processes or services that embody or use the IP.

¹ **Background IP.** Upon commencing employment or an Appointment, Staff Members, Visitors and Students must declare any existing IP they wish to exclude from the application of this Policy due to creation prior to their employment or Appointment with the Institution

- 3.4. **Commercialisation** means any form of exploitation of IP for the Benefit of the people of the Republic of South Africa and includes assignment, licensing and establishment of a Spin-off, to offer the IP to the market as a product or service.
- 3.5. **Computer Software** means any computer program (including, without limitation, microcode, subroutines and operating systems), regardless of form of expression or object in which it is embodied, together with any user manuals and other accompanying explanatory materials and any computer database.
- 3.6. **Copyright Act** means the South Africa Copyright Act 98 of 1978 as amended.
- 3.7. **Creator** means any person or persons to whom this Policy is applicable, who creates, conceives, reduces to practice, authors, or otherwise makes a substantive intellectual contribution to the creation of IP and who meets the definition of 'inventor' as implied in the Patents Act or the definition of Author as generally implied in the Copyright Act, and the Designs Act.
- 3.8. **Designs Act** means the Designs Act No. 105 of 1993.
- 3.9. **Employee** means all staff (research, faculty, administrative and support staff), and other persons receiving compensation from UKZN for services rendered, whether or not on full or part-time, or fixed term or permanent basis.
- 3.10. **Enabler** means those individuals who do not meet established legal standards of inventorship or authorship in the case of copyright, and thus may not be named on a patent application for example, but who have assisted with the validation of an invention, discovery or advancement of Patentable Inventions or non-patentable IP.
- 3.11. **Expenses** means (i) UKZN's costs and fees associated with securing, maintaining and enforcing IP protection such as patenting and litigation expenses; (ii) costs of any kind incurred by UKZN in the Commercialisation of the IP and pursuit thereof, including contract costs and marketing; and (iii) costs in making, shipping or otherwise distributing biological or other Tangible Research Property. Not included is staff time or general administrative costs.
- 3.12. **Full Cost** of research means the full cost of undertaking the research and development as determined in accordance with international financial reporting standards, and includes all direct costs (including staff salaries, bursaries, equipment and other running costs) and indirect costs (costs that cannot be specifically attributed to an individual project e.g. space usage, rent, services e.g. financial services and other overheads, etc.), in accordance with UKZN's full cost model as approved by NIPMO from time to time.

- 3.13. **Gross Revenue** means revenue received by UKZN on Commercialisation of IP it owns before any deductions for Expenses.
- 3.14. **Indigenous Knowledge Systems** mean knowledge, know-how, skills and practices that are developed, sustained and passed on from generation to generation within a community, often forming part of its cultural or spiritual identity.
- 3.15. **Intellectual Property (IP)** means all outputs of creative endeavour in any field at UKZN for which proprietary rights may be obtained or enforced pursuant to any law, including the laws of the Republic of South Africa, and includes, but is not limited to: Inventions (whether patentable or not), all forms of Copyrightable Works, designs (whether registered or unregistered), patents, trademarks, know-how, trade secrets, domain names, information, data, discoveries, mathematical formulae, specifications, diagrams, expertise, techniques, research results, Computer Software, programming code, algorithms, compositions of matter and devices, techniques, processes, procedures, systems, formulations, databases and compilations of information, laboratory notebooks, business and research methods, institute's name, badge and other marks associated with the operations of UKZN, Tangible Research Property, and such other items as specified in writing by UKZN.
- 3.16. **Invention** means an idea of an inventor which permits in practice the solution to a specific problem in the field of technology, as defined in the Patents Act.
- 3.17. **Inventor** means any natural person to whom this Policy is applicable, who individually or jointly with others makes an Invention and who meets the criteria for inventorship.
- 3.18. **IP Disclosure Form** means the form (as amended from time to time by UKZN InQubate) to be completed by the Creator(s) to document their Invention and provide key information regarding the Creator(s), details of outcomes of R&D where there could be IP, funding used to develop the IP and any potential rights of third parties, for submission to UKZN InQubate for IP and commercialisation assessment.
- 3.19. **IP Rights** means ownership and associated rights relating to IP, including patents, rights in utility models, plant breeders rights, rights in designs, trademarks, topography rights, know-how, trade secrets, copyrights and all other intellectual property rights, either registered or unregistered, and including applications or rights to apply for them and together with all extensions and renewals of them, and in each and every case all rights or forms of protection having equivalent or similar effect anywhere in the world.
- 3.20. **IP Steering Committee** means the oversight and advisory committee set up by UKZN in terms of Article 9 of this Policy.

- 3.21. **Net Revenue** means Gross Revenue less Expenses.
- 3.22. **NIPMO** means the National Intellectual Property Management Organisation established in terms of the IPR Act.
- 3.23. **Open Source** in the context of Computer Software means Computer Software whose source code is published and made available to the public, enabling anyone to copy, modify and redistribute the source code in accordance with the specific conditions that are imposed.
- 3.24. **Patents Act** means the South Africa Patents Act, Act no. 57 of 1978, as amended, which regulates the protection of Inventions.
- 3.25. **Patentable Invention** means any Invention that meets the criteria for patentability, meaning that it is novel (i.e. where there has not been a Public Disclosure), involves an inventive step (not obvious to a person skilled in the technical discipline) and is useful (can be applied in trade or industry or agriculture).
- 3.26. **Policy** means this UKZN Intellectual Property Policy.
- 3.27. **Public Disclosure** means, in the absence of a non-disclosure or confidentiality undertaking, the oral or written communication of information, relating to IP, to a person, or people, that are external to UKZN. For example, but not limited to, communication by email, web blog, news report, press release or interview, journal article, abstract, poster, conference presentation and through the submission of a report placed in the library, constitutes Public Disclosure.
- 3.28. **Public Domain** means works that do not qualify for protection under any IP title, either because the rights have expired or the rights have been forfeited; and as such are held by the public at large and are available for anybody to use without permission from the creator or the original right owner.
- 3.29. **Publicly Financed R&D** means R&D undertaken using any funds from the Government of the Republic of South Africa or making Substantial Use of UKZN's Resources. R&D that is undertaken by UKZN on behalf of a third party, at Full Cost, is deemed not to be Publicly Financed R&D.
- 3.30. **Research and Development (R&D) or Research** means creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications. R&D comprises two activities: Basic and Applied Research; wherein:

- 3.30.1. **Basic Research** is experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundation of phenomena and observable facts, without any particular application or use in view; and
- 3.30.2. **Applied Research** is also original investigation undertaken in order to acquire new knowledge. It is, however, directed primarily towards a specific practical aim or objective; and includes systematic work, drawing on existing knowledge gained from research and/or practical experience, which is directed to producing new materials, products or devices, to installing new processes, systems and services, or to improving substantially those already produced or installed.
- 3.31. **Researcher** means an Employee, Student or Visitor who perform any R&D activity at or on behalf of UKZN.
- 3.32. **Spin-off** means a company established by UKZN for the purpose of exploiting IP that is partly or wholly owned by UKZN.
- 3.33. **Sponsored R&D** means any R&D undertaken by UKZN which is funded by a third party and excludes Publicly Financed R&D, where such R&D is funded by the third party at Full Cost.
- 3.34. **Student** means any individual enrolled at UKZN, whether on a full-time or part-time basis. This Policy has implications for graduate or undergraduate students (i) that are supervised by a Researcher at UKZN; (ii) whose R&D forms part of UKZN's R&D projects; or (iii) makes Substantial Use of UKZN's Resources.
- 3.35. **Substantial Use of UKZN's Resources** means extensive unreimbursed use of UKZN's resources which include but are not limited to laboratories, design studios or computational facilities, equipment, human resources (including supervision), funds or Background IP. Not included is routine use of libraries and/or office space.² Creators wishing to directly reimburse UKZN for the use of its resources must make arrangements to do so before the level of resources usage for a particular IP becomes substantial.
- 3.36. **Tangible Research Property (TRP)** means unpatentable or tangible material produced in the course of R&D projects. TRP includes such items as: biological

² Substantial Use occurs when creation of the IP in question requires use of the resources beyond those usually made available to individuals in the support of assigned responsibilities and activities. Merely incidental use of such resources does not constitute Substantial Use, nor does extensive use of a facility commonly available to all Employees or Students (such as libraries and administrative staff), nor does extensive use of a specialized facility for routine tasks.

materials (including cell lines, organisms, proteins, plasmids, DNA/RNA, chemical compounds, transgenic animals), integrated circuit chips, computer databases, prototype devices, circuit diagrams, equipment. TRP is separate and distinct from intangible (or intellectual) property such as inventions, patents, copyright and trademarks.

- 3.37. **UKZN InQubate** means the Intellectual Property and Technology Transfer Office established by UKZN in compliance with section 6 of the IPR Act.
- 3.38. **UKZN** means the University of Kwazulu-Natal (UKZN), a higher education institution duly established in terms of Higher Education Act, 1997 of the Republic of South Africa.
- 3.39. **Visitor** means a person who is neither an Employee nor a Student of UKZN, who engages in research at UKZN, including visiting professors, adjunct and conjoint professors, teachers, researchers, scholars and volunteers, and Honorary and Emeritus Staff.

SECTION A. INDUSTRIAL PROPERTY (PATENTS, DESIGNS, TRADE SECRETS, TRADEMARKS AND PLANT BREEDERS' RIGHTS)

4. INTELLECTUAL PROPERTY OTHER THAN COPYRIGHT

4.1. IP created by Employees

- 4.1.1. All rights in IP created by an Employee in the course and scope of their employment or with Substantial Use of UKZN's Resources vest with UKZN.
- 4.1.2. In accordance with section 4(1) of the IPR Act, all rights in IP created by an Employee pursuant to a Publicly Financed R&D project undertaken at or by UKZN, whether created in the course and/or scope or outside of the course and/or scope of employment, vest with UKZN.
- 4.1.3. All rights in IP created by an Employee during an exchange visit or programme, including sabbatical, to another institute shall be governed by the agreement between UKZN and the other institute.
- 4.1.4. All rights in IP created by an Employee pursuant to a Sponsored R&D agreement shall be governed by the agreement between UKZN and the third party according to Article 4.2.

4.2. Sponsored R&D and Substantial Use of UKZN Resources

- 4.2.1. All rights in IP created by an Employee pursuant to a Sponsored R&D agreement where funding provided is not Full Cost, or there is Substantial Use of UKZN's Resources, shall vest with UKZN.
- 4.2.2. UKZN shall own IP of an Employee if such Employee agrees to transfer to UKZN, IP which ordinarily he/she would own, in return for assistance with Commercialisation and Revenue Sharing.
- 4.2.3. Where the third party in a Sponsored R&D project provides funding at Full Cost, the following provisions shall, in the absence of an agreement to the contrary, apply:
 - 4.2.3.1. All rights in the IP will be owned by the third party, and UKZN retains a royalty free non-transferrable non-exclusive licence to use the IP for R&D and teaching purposes; and
 - 4.2.3.2. UKZN is entitled to a royalty-free non-transferrable licence (exclusive or non-exclusive) to the IP in fields of use that are not of interest to the third party.

4.3. IP created by Students

- 4.3.1. Students shall own all IP if the Student does not make Substantial Use of UKZN's Resources and the R&D carried out by the Student does not form part of UKZN's R&D projects (whether Sponsored R&D or Publicly Financed R&D).
- 4.3.2. Students employed by UKZN shall be considered as Employees and all rights in IP created by them shall be regulated according to Articles 4.1 and 4.2.
- 4.3.3. IP emanating from Student's R&D projects shall be owned by UKZN in the following circumstances:
 - 4.3.3.1. If the Student makes Substantial Use of UKZN's Resources for the creation of the IP and there is no re-imburement agreement concluded between UKZN and the Student;
 - 4.3.3.2. If the R&D carried out by the Student forms part of UKZN's R&D projects (whether Sponsored R&D or Publicly Financed R&D);
 - 4.3.3.3. If the Student agrees to transfer to UKZN, IP which ordinarily he/she would own, in return for assistance with Commercialisation and Revenue Sharing.
- 4.3.4. Third parties own IP emanating from Student's R&D projects in the following circumstances:

- 4.3.4.1. If the Student is employed by the third party in terms of a contract of employment and the third party has entered into a Sponsored R&D agreement with UKZN in terms of which the third party owns the IP;
- 4.3.4.2. If the Student is offered financial assistance by the third party under a separate agreement, under which the third party has a claim on IP arising from the studies, and UKZN has given its consent on the understanding that the Student will not make Substantial Use of UKZN's Resources other than in the ordinary course of studies;
- 4.3.4.3. If there is a Sponsored R&D between UKZN and a third party, in terms of which the third party pays Full Cost and UKZN has agreed to the third party owning the IP.
- 4.3.5. Students shall be entitled to Revenue Sharing for the IP described in Articles 4.3.2 and 4.3.3, in which they are Creators.
- 4.3.6. It is the responsibility of the Student who is under the employment of a third party to resolve any conflicts between this Policy and provisions of the employment agreement(s) with his or her employer(s) prior to beginning any R&D undertaking at UKZN that could involve creation of IP.

4.4. IP created by Visitors

- 4.4.1. In the absence of an agreement to the contrary regulating the visit, Visitors will be treated as if they were Employees for the purposes of this Policy and all IP created by them shall be regulated according to Articles 4.1 and 4.2.
- 4.4.2. On departure from UKZN, a Visitor must sign and submit to UKZN InQubate an IP Disclosure form attesting to any IP created whilst at UKZN.

4.5. Transfer of ownership of IP by UKZN

- 4.5.1. UKZN reserves the right not to protect or commercialise any IP following a determination as required by the IPR Act that it would not be in the best interest of UKZN, public interest or the interest of the Creators.
- 4.5.2. In the case that UKZN is unable to, or decides not to, protect or commercialise any IP to which it has a claim, it will notify the Creators of its decision and make the statutory application to NIPMO, where applicable, to offer to transfer ownership of the IP to the Creators, should NIPMO not wish to exercise its rights in terms of the IPR Act.

- 4.5.3. In the exercise of its rights in terms of Article 4.5.1, UKZN shall ensure that the Creators are provided with a written notification of the referral to NIPMO to offer the IP to the Creators at least one (1) month prior to any act or any intentional omission liable to prejudice any formal IP protection, whether it be application for a patent or any other IP Right, or payment of a due maintenance or renewal fee for such IP Right.
- 4.5.4. UKZN shall not unreasonably withhold or delay any application to NIPMO or transfer of the IP to the Creators in terms of this Article 4.5.
- 4.5.5. In the event that UKZN transfers the IP Rights to the Creators, the transfer may be subject to one or more of the following claims by UKZN:
 - 4.5.5.1. a share of the income of any subsequent successful Commercialisation of the IP to the extent equal to verified Expenses in connection with the protection and/or Commercialisation of such IP incurred by UKZN;
 - 4.5.5.2. that UKZN be granted a perpetual non-exclusive royalty-free license for R&D and teaching purposes without the right to Commercialisation or sub-license; and
 - 4.5.5.3. where it is in the public interest to do so, that Commercialisation of the IP be delayed by a reasonable period to be agreed to.

5. PUBLIC DOMAIN

- 5.1. UKZN may, in accordance with the provisions of the IPR Act, release or authorise an Employee, Student or Visitor to release, into the Public Domain, any IP that it is entitled to or that it owns, subject to the Employee, Student or Visitor wishing to release, motivating to UKZN that it is in the public interest.
- 5.2. The release in Article 5.1 will be approved by the IP Steering Committee following a recommendation of UKZN InQubate.

SECTION B. COPYRIGHT

6. COPYRIGHT

- 6.1. The following copyrightable works shall be deemed “work made for hire” and UKZN shall own the copyright:
 - 6.1.1. any work created by an Employee within the course of employment;

- 6.1.2. any work commissioned by UKZN from its Employees, Students, and Visitors, that fall outside the course of normal R&D work;
- 6.2. In respect of work created by an Employee, Student, third party, and Visitor, UKZN holds copyright in:
 - 6.2.1. Computer Software developed at, or commissioned by UKZN to support research or administrative processes or the general operational management of UKZN;
 - 6.2.2. All UKZN's publications including electronic media and content on UKZN's website and social media;
 - 6.2.3. Photographs and digital images taken by Employees for UKZN's media or publicity;
 - 6.2.4. Computer Software developed as part of a research project, unless assigned in writing to a third party in terms of a Sponsored R&D agreement with the third party;
- 6.3. Subject to Articles 6.1 and 6.2, an Employee shall be considered an Author and own the copyright in the following works:
 - 6.3.1. Academic and literary publications or articles, books (which do not fall under Article 6.2.2);
 - 6.3.2. Designs, graphics, musical works, and works of art including photographs produced as an art form, films, video recordings;
 - 6.3.3. Course materials, provided that UKZN shall be deemed to have been granted a perpetual, royalty-free, non-exclusive licence to use, copy and adapt such materials for the purposes of teaching and or research.
- 6.4. In the Commercialisation of the copyrightable works that the Authors own, the Authors will seek to ensure that the arrangements for Commercialisation of such works best serve the public interest.
- 6.5. Subject to clause 6.6 below, and in accordance with section 1 of the Copyrights Act, copyright in any treatise, dissertation, or thesis relating to any degree conferred by UKZN (whether undergraduate or postgraduate) shall be owned by the author. UKZN does not own copyright in such works provided that UKZN is entitled to a royalty-free licence to reproduce the work for academic and other purposes.
- 6.6. Pursuant to clause 6.1.1, where a Student's thesis has been supervised by an Employee of UKZN or is part of UKZN's R&D project(s), UKZN will assign or license in writing the Copyright in such thesis to the Student Author where the Student wishes

to enter into agreements with a third party (which may be one or more publishers) who may wish to publish the thesis in whole or in part, provided that the Student shall ensure that UKZN's rights are acknowledged by the third party and maintained, and the Student shall with the consent of their supervisor(s), which consent must first be provided in writing, ensure that such publication is not in conflict with any past, or planned future, assignment or licensing of rights to another publisher, e.g. of a journal article, or other literary publication.

- 6.7. Where a Student has not made an attempt to publish the treatise, dissertation or thesis within 1 (one) year of completion of the work on which such treatise, dissertation or thesis is based, an Employee of UKZN who has been involved in supervising the Student shall be entitled to publish such work, ensuring that due acknowledgement is given to the Student and other relevant individuals.
- 6.8. The provisions of Article 6.5 do not override UKZN's right to own any inventions contained in a thesis or dissertation; and to commercialise patents, plant breeders' rights and designs and related know how emanating from such thesis or dissertation.
- 6.9. In the case of a scenario not catered for in Articles 6.1 to 6.5, UKZN and the Author(s) shall prior to the commencement of a project, reach agreement on copyright ownership on the rights that UKZN and Author(s) will have in the resulting copyrighted materials.

SECTION C: OBLIGATIONS OF EMPLOYEES, VISITORS AND STUDENTS

7. OBLIGATIONS OF THE EMPLOYEES, VISITORS AND STUDENTS

7.1. Employees' Obligations

- 7.1.1. An Employee conducting R&D is required to retain appropriate records of their research, such as through the use of laboratory notebooks and records of Patentable Inventions in the form of original research data.
- 7.1.2. An Employee must disclose the development of any IP and in particular a Patentable Invention to UKZN within 90 (ninety) days of the discovery, by means of an IP Disclosure Form provided by and to be lodged with UKZN InQubate no later than 90 (ninety) days before any anticipated publication.
- 7.1.3. An Employee must review their work prior to any Public Disclosure to assess whether it contains any potentially protectable IP (in particular a Patentable Invention, Design, or Trade Secret), which must be disclosed on an IP

Disclosure Form and possibly protected ahead of the planned Public Disclosure. If in doubt, the Employee should consult UKZN InQubate for guidance.

- 7.1.4. An Employee must take reasonable steps to maintain confidentiality of protectable IP and in particular Patentable Inventions, until appropriate protection has been obtained.
- 7.1.5. Every Employee is expected to co-operate with UKZN InQubate and assist in preparing, reviewing, signing, and abiding by the terms of all documents necessary for the protection and Commercialisation of an Invention or other IP work (including but not limited to preparation of patent specifications and technical descriptions), and especially to provide full support and participate in the commercialisation of an Invention where it has been protected or where public funds have been secured for the further development of such Invention. In particular, Employees are required to sign any documents necessary to transfer to UKZN, any IP which they might be a Creator.
- 7.1.6. It is the Employee's responsibility to ensure that the IP Rights relating to their work are clarified in writing prior to long term leave such as sabbatical, exchange visits etc., and that any contractual arrangements are approved and authorised by UKZN.
- 7.1.7. Employees shall upon request, (i) execute such documents as may be necessary to assign to UKZN all IP Rights falling within Articles 4.1.1 to 4.1.3, and in particular Patentable Inventions; and (ii) make known and available to UKZN any non-patentable Invention which would assist UKZN in achieving the goals of this Policy.
- 7.1.8. On ceasing to be an Employee, such Employee may negotiate with UKZN, terms for continued access to IP and Tangible Research Property that belongs to UKZN, even if they were the Creator of the applicable IP.
- 7.1.9. The onus is upon each Employee or Student who is an Inventor, Author or Creator of IP owned by UKZN, and their heirs, to ensure that UKZN is in receipt of their current address details for the purpose of Revenue Sharing.
- 7.1.10. Background IP of Employees (and/or previous employers' right thereto) must be declared to UKZN prior to them commencing R&D at UKZN.

7.2. Visitors' Obligations

- 7.2.1. In the absence of a written agreement to the contrary, Employee obligations in Article 7.1 apply equally to Visitors.
- 7.2.2. Upon departure from UKZN, a Visitor must declare to UKZN InQubate any IP and in particular Patentable Inventions created whilst at UKZN, for which no IP Disclosure Form had been filed.

7.3. Students' Obligations

- 7.3.1. Where a Student is supervised by an Employee of UKZN and is involved in (a) R&D funded by UKZN; or (b) Publicly Financed R&D; or (c) Sponsored R&D, it is imperative on UKZN to ensure that the Student is properly briefed on the nature of the work before commencing R&D. The Student shall be required to sign an agreement that includes confidential disclosure clauses in respect of the R&D to ensure that IP Rights are not prejudiced.
- 7.3.2. Pursuant to Article 7.3.1, a Student is required, prior to commencing R&D projects, to sign an agreement relating to IP that UKZN or a third party may claim ownership of in terms of Articles 4.1, 4.2, or 4.3.2. Any delays in the publication of a thesis that arises from such an agreement will also be agreed to upfront, and must be reasonable and not prejudice the Student's right to graduate.
- 7.3.3. Students to which Articles 4.1, 4.2, or 4.3.3 apply, will cooperate with UKZN to:
 - 7.3.3.1. Promptly disclose to UKZN the existence of any IP to which they have contributed, and such Students will be deemed entitled to Revenue Sharing from the Commercialisation of any such IP; and
 - 7.3.3.2. Execute any documents necessary to carry out this Policy, including assignment of IP to UKZN or a third party, as the case may be.

8. INDIGENOUS KNOWLEDGE SYSTEMS (IKS)

- 8.1. All Employees, Students and Visitors dealing with IKS shall ensure that the rights of the indigenous knowledge holders are respected, and in particular shall, in any IP Disclosure, provide a declaration of whether or not the IP has been influenced by IKS.
- 8.2. Pursuant to Article 8.1, all Employee, Student and Visitor dealing with IKS shall:
 - 8.2.1. Ensure that they have prior informed consent before accessing any IKS for R&D and teaching purposes;

- 8.2.2. With the assistance of UKZN InQubate, conclude an appropriate benefit sharing agreement with the indigenous knowledge holder;
- 8.2.3. Protect indigenous knowledge holders from any infringement of their rights and the misappropriation, misuse or exploitation of their knowledge; and
- 8.2.4. Observe any policy or laws of the Republic of South Africa pertaining to IKS.

SECTION D. OBLIGATIONS OF THE UNIVERSITY

9. INTELLECTUAL PROPERTY STEERING COMMITTEE

- 9.1. UKZN Deputy Vice Chancellor (Research) has an oversight role in terms of the implementation of this Policy.
- 9.2. UKZN shall ensure that there is established an intellectual property and technology transfer office or an office designated to undertake UKZN's responsibilities under the IPR Act, which for the time being is UKZN InQubate.
- 9.3. UKZN shall establish the IP Steering Committee as an oversight committee relating to the implementation of this Policy.
- 9.4. IP Steering Committee shall comprise the following:
 - 9.4.1. Deputy Vice-Chancellor (Research) who shall be the Chairperson
 - 9.4.2. Deputy Vice-Chancellor (Teaching & Learning)
 - 9.4.3. One representative from the 4 College DVCs and Heads of College
 - 9.4.4. UKZN InQubate Director
 - 9.4.5. Relevant College Deans of Research, depending on matters before the Committee.
 - 9.4.6. One representative of the professoriate with appropriate expertise and experience in IP and commercialization.
 - 9.4.7. Expert external to UKZN with expertise in IP and commercialization
 - 9.4.8. Representative from the Legal Office;
- 9.5. Other functions of the IP Steering Committee include:
 - 9.5.1. interpreting this Policy and recommending any revisions to be dealt with in terms of Article 17;
 - 9.5.2. decision to abandon any IP (where UKZN has made a prior investment in the protection of the IP) and the decision has to be referred to NIPMO;

- 9.5.3. resolving any disputes arising from implementation of this Policy, and more particularly deal with any IP matter referred to it by the Deputy Vice-Chancellor (Research) or Deputy Vice-Chancellor (Teaching & Learning);
- 9.5.4. recommendations to the UKZN Finance Committee on any financial matters pertaining to IP owned by UKZN, including liquidation, disposal, sale, or donation of any shares or equity (or any other transaction altering the shareholding of UKZN) in any company licensed or assigned IP owned by UKZN;
- 9.5.5. consider and approve the formation of any Spin-off companies by UKZN; and
- 9.5.6. any other matters as the IP Steering Committee may deem appropriate.
- 9.6. IP Steering Committee shall meet on a quarterly basis, but may meet as and when necessary as determined by the Deputy Vice Chancellor (Research) upon request of UKZN InQubate Director.
- 9.7. Decisions of the IP Steering Committee may be taken by round-robin, where it is not possible to hold a face-to-face meeting or by conference call, and the matter in question can in the opinion of the Deputy Vice Chancellor (Research) be decided on the basis of documentary submission.
- 9.8. A quorum of the Steering Committee shall be a simple majority of its members.
- 9.9. UKZN InQubate shall act as secretariat for the IP Steering Committee.

10. RESPONSIBILITIES OF UKZN INQUBATE

- 10.1. The responsibilities of UKZN InQubate shall include, but are not limited to the following:
 - 10.1.1. IP contractual arrangements between Creators, external parties and UKZN, and in particular, negotiate IP clauses of Sponsored R&D agreements in accordance with the provisions of the IPR Act and this Policy after consultation with the Employee leading the R&D project concerned;
 - 10.1.2. Receipt and consideration of IP Disclosure Forms and supporting documentation from Employees, Visitors and Students;
 - 10.1.3. Analysis of the disclosures contained in the IP Disclosure Form within 30 days of receipt. The analysis will include *inter-alia*, whether or not the IP is protectable, commercial merit, technical and commercial viability, Benefit to the Republic of South Africa and the rest of the world that may be derived from the IP and its commercialisation, prejudice that may be suffered from failure to seek IP protection, extent of readiness of the IP for protection and whether any

additional R&D needs to be undertaken before IP protection can be obtained, forms of IP protection that are most appropriate for the IP in question, scope of the protection of the IP in all geographic territories subject to the commercialisation potential, costs and advantages of the various options for protection, commercialisation options and whether the IP should be placed in the Public Domain;

- 10.1.4. Submissions to the IP Steering Committee for consideration and input, as well as acting as Secretariat for IP Steering Committee;
- 10.1.5. Determine any rights of a third party, such as a funder or collaborator, to the IP or a share in the IP;
- 10.1.6. Attend to all aspects of protection of the IP, including appointment of attorneys;
- 10.1.7. Attend to all aspects of Commercialisation including the negotiation and conclusion of licenses and assignments of the IP by UKZN;
- 10.1.8. Subject to NIPMO approval, where applicable, assign rights to any IP that UKZN elects not to retain ownership;
- 10.1.9. Conclude in a timely manner, all assignments of IP necessary to give effect to any changes in ownership to allow for the Commercialisation of the IP by UKZN or third parties in accordance with this Policy;
- 10.1.10. Administer the distribution of the Gross Revenues and Revenue Sharing arising from the Commercialisation of the IP.

SECTION E. COMMERCIALISATION AND DISTRIBUTION OF REVENUES

11. COMMERCIALISATION

- 11.1. UKZN shall have the sole discretion regarding the Commercialisation of IP owned by it, taking into account the public interest and the provisions of the IPR Act.
- 11.2. Notwithstanding, UKZN will ensure that reasonable efforts are made to keep the Creators and Enablers informed and, where appropriate, consulted or involved in the Commercialisation of the IP to which they contributed.
- 11.3. In accordance with section 11(1) of the IPR Act, the following preference will guide UKZN's Commercialisation efforts through licensing:
 - 11.3.1. Non-exclusive license before any exclusivity can be considered;
 - 11.3.2. BBBEE-owned entities and South African small enterprises;

- 11.3.3. Parties that seek to use the IP in ways that provide optimal benefits to the economy and quality of life of the people of the Republic South Africa; and
- 11.3.4. Where an exclusive licence is granted, UKZN shall ensure that the agreement contains appropriate performance clauses in order to protect the Creators' entitlement to Revenue Sharing.
- 11.4. Exclusive licences shall in the first instance be considered for Spin-off companies in which UKZN has shareholding.
- 11.5. UKZN will in appropriate circumstances establish or participate in the establishment of Spin-offs where it is deemed to be the most relevant mechanism for Commercialisation of the IP.
- 11.6. Although UKZN may hold any amount of shares, preference shall be to limit shareholding to a minimum of 26% share in any Spin-off company at the onset, provided that UKZN may negotiate anti-dilution provisions where such are not a barrier to Commercialisation.
- 11.7. UKZN may in exceptional circumstances accept shares or equity in a third party company, as part or full consideration for Commercialisation of IP it owns.
- 11.8. UKZN InQubate may, on behalf of UKZN license any IP to any wholly owned University company for the purposes of Commercialisation.
- 11.9. In the interest of promotion of the commercialisation of UKZN IP, UKZN may in accordance with section 11(3)(b) of the IPR Act, also assign or license the IP to a third party for Commercialisation.

12. TANGIBLE RESEARCH PROPERTY (TRP)

- 12.1. UKZN encourages the distribution of Tangible Research Property that it owns that arises from R&D on appropriate terms, and provided that this distribution does not conflict with any existing obligations with third parties.
- 12.2. A Creator wishing to make such distribution must seek prior authorisation from UKZN and ensure that an appropriate Material Transfer Agreement (MTA) that complies with the requirements of relevant Government regulations, is put in place.
- 12.3. Whilst scientific exchanges should not be inhibited by potential commercial considerations, Tangible Research Property may have potential commercial value and UKZN through UKZN InQubate may elect to make it available to a third party through a commercial license agreement.

12.4. Where Tangible Research Property is distributed under commercial terms, the following minimum guidelines should be followed:

12.4.1. Each Tangible Research Property item should have an unambiguous identification code or name;

12.4.2. The principal investigator shall identify the Creators responsible for creating the Tangible Research Property, and they will agree in writing to their relative contributions and Revenue Sharing;

12.4.3. UKZN InQubate will maintain a record of this Tangible Research Property and distribute any Gross Revenue according to the principles of this Article 13.

13. DISTRIBUTION OF REVENUES

13.1. All Gross Revenues [income] derived from IP owned by UKZN shall be distributed in accordance with the following rules:

13.1.1. IP Creators will be entitled to 20% (twenty percent) of the first R1,000,000 (one million) of Gross Revenues from any Commercialisation up to a maximum of R200,000 (two hundred thousand Rands) or such other amount as may be determined under section 10(2)(a) of the IPR Act, before deduction of any Expenses.

13.1.2. Thereafter, UKZN will then deduct any documented Expenses incurred by it in connection with the initial IP protection (including patenting and design registration, etc.) and Commercialisation of the IP.

13.1.3. UKZN will then pay and distribute the amounts remaining after deduction of Expenses (Net Revenues) in the following manner:

13.1.3.1. 30% (thirty percent) of the Net Revenues shall accrue to the Creators; 50% (fifty percent) to UKZN to be divided equally between central administration and relevant School from which the participating Creators are drawn; and the remaining 20% (twenty percent) towards UKZN InQubate to promote the protection and commercialisation of UKZN IP.

13.1.3.2. Where there is more than one Creator, the Creators will, subject to a prior written agreement between them to the contrary, share equally the Creator(s) portion of Revenue Sharing set out in Article 13.1.3.1. Where there is dispute or uncertainty the matter will be dealt with in terms of Article 15 of this Policy.

- 13.1.3.3. Revenue Sharing received by the Creators is taxable and where a Creator is on UKZN's payroll, an appropriate tax portion will automatically be deducted prior to payment to the Creator(s).
- 13.1.3.4. A Creator may elect to have the Revenue Sharing:
- (i) Transferred into their personal research account where such funds are subject to the rules governing the use of research account funds; and/or
 - (ii) Be in the form of equity in a spin-off company in which UKZN has a shareholding in terms of Article 13.1.7 ; and/or
 - (iii) Any other form as may be agreed to between UKZN and the Creator.
- 13.1.3.5. A Creator may at their sole discretion elect and make provision for an Enabler(s) to receive a share of the Creator's portion of the Revenue Sharing. This arrangement will be agreed to in writing by all Creators should there be more than one.
- 13.1.3.6. Unless otherwise agreed in writing, payment of the Creators' portion of Revenue Sharing to Creator(s) will be made by UKZN on a quarterly basis but no later than (12) twelve months after receipt of the Gross Revenue by UKZN, subject to Article 13.1.3.3.
- 13.1.4. Entitlement to Revenue Sharing shall in accordance with section 10(1) of the IPR Act, subsist for as long as there are Gross Revenues received by UKZN from the Commercialisation of the IP.
- 13.1.5. Should the Creator(s) die, this entitlement will pass to their heir(s) or estate in accordance with the IPR Act.
- 13.1.6. Should UKZN be unable to locate the Creator(s) through reasonable efforts, in order to effect payment of the Revenue Sharing, and a period of five years has passed since an initial attempt, then the portion accrued to that Creator or his/her heirs after a period of five years from the time when the amount became due to the Creator, be paid to UKZN's central fund to be used to support research and innovation activities; and the Creator(s) entitlement in respect of revenues for that five year period would have lapsed.
- 13.1.7. *Shares in a Company.*
- 13.1.7.1. In the case where a Creator holds equity in a company that licences the IP from UKZN, such Creator's portion in the Revenue Sharing

may be adjusted accordingly, taking into account the shares held in the company by the Creator.

13.1.7.2. All other Creators will be rewarded in accordance with the standard formula as detailed below.

13.1.7.3. Where UKZN receives shares in company as part of Commercialisation of the IP, the Creator(s) will be offered the right to share such shares in proportion to the formulae for Revenue Sharing.

SECTION F. MISCELLANEOUS

14. CONFLICT OF INTEREST

14.1. Employees, Visitors and Students should avoid situations where they have an external interest that could directly and significantly affect their responsibilities within UKZN. Generally, these situations arise when the external interest provides an incentive which may compromise one's ability to perform all their responsibilities within UKZN and when the individual has the opportunity to affect UKZN's decision or other activity.

14.2. UKZN InQubate staff are not permitted to personally invest in non-public companies that have licensed IP from UKZN. UKZN InQubate staff are required to ensure that they do not disclose information about licenced IP or the deal structure where such information could be used by them or their family, friends or associates for investment purposes.

14.2.1. When conflicts of interest do arise, however, they must be recognized, promptly disclosed to UKZN and either properly managed or eliminated.

14.2.2. Employees, Students and Visitors shall promptly report all potential and existing conflict of interest to UKZN InQubate in order to reach solution satisfactory to all parties concerned.

14.2.3. UKZN will develop a separate and comprehensive policy dealing with Conflict of Interest.

15. DISPUTE RESOLUTION

15.1. Any internal disputes or questions of interpretation arising under this Policy must in the first instance be referred to UKZN InQubate for consideration and mediation by the IP Steering Committee.

- 15.2. If the matter cannot be resolved by the IP Steering Committee within 2 (two) months, then the dispute or question of interpretation must be referred to the Vice Chancellor for mediation.
- 15.3. The Vice Chancellor may at their sole discretion refer the matter to UKZN's Executive Committee and/or an independent committee for arbitration as final arbiter of any disputed issues or for final determination.

16. IMPLEMENTATION GUIDELINES, PROCEDURES AND DOCUMENTATION

- 16.1. UKZN InQubate shall have the responsibility for developing guidelines, procedures and any documentation as necessary for effective implementation of this Policy.
- 16.2. The IP Steering Committee shall on recommendation by UKZN InQubate approve such guidelines, procedures and documentation.

17. REVISION OF THE POLICY

- 17.1. This policy may be changed or amended at any time by a decision of Council, on recommendations of the IP Steering Committee. Such changes or amendments shall not affect rights accrued prior to the date of such action.
- 17.2. In order to provide certainty, no revisions may be made within a period of 3 (three) years of any approvals by Council.