

STATUTE 14.1 - INTELLECTUAL PROPERTY

Interpretation

14.1.1 (1) In this statute, unless the contrary intention appears-

"**academic staff**" means staff of the University who are employed either in research or teaching irrespective of the date of commencement of their employment."

"**commercial exploitation**" means any utilisation of intellectual property, including any sub-licensing, franchising, or assignment of that intellectual property, undertaken for the purpose of generating financial or other commercial gains, and "**commercially exploit**", "**commercially exploited**" and "**commercially exploitable**" have corresponding meanings.

"**create**" means produce, invent, develop, generate, discover, make, originate or otherwise bring into existence, and "creation", "creating" and "created" have corresponding meanings.

"**creator**" means-

- (a) any member of the academic staff who creates in pursuance of his or her employment with the University; or
- (b) any honorary appointee who creates in pursuance of his or her appointment with the University

whether or not in conjunction with other persons, any intellectual property..

"**determined amount**" means in respect of any given package of intellectual property which is commercially exploited, \$50,000 or such greater amount as may be determined by the University from time to time in accordance with the provisions of section 14.1.5(1).

"**financial year**" means a twelve month period commencing on 1 July and ending on 30 June.

"**honorary appointee**" means any person, other than a member of academic staff, who holds an honorary or other academic appointment at the University, irrespective of the date of commencement of the appointment, and has access to University facilities for teaching, research or other scholarly activity.

"**intellectual property**" includes the rights relating to-

- literary (including computer programs), artistic, musical and scientific works;
- multimedia subject matter;

- performances of performing artists, phonograms and broadcasts;
- inventions in all fields of human endeavour;
- scientific discoveries;
- industrial designs;
- trademarks, service marks and commercial names and designations;
- plant varieties; and
- circuit layouts.

"member of the University" means a person who is a member of staff, an honorary appointee or a student of the University."

"net revenue" means revenue less the determined amount and the University costs.

"person" includes a body politic or corporate as well as an individual.

"revenue" means the equivalent monetary value of all consideration (including, without limitation, all moneys, securities and real or personal property) to which the user or any person through or at the direction of the user, becomes entitled.

"resources" includes any item of real or personal property (including intellectual property) owned or controlled by the University.

"rights" means the rights of an owner of intellectual property.

"specified agreement" means an agreement between the University and an outside party, including a sponsor, which relates to the ownership or use of intellectual property that may arise out of an activity, including research, which is identified in the agreement.

"student" means a graduate student, an under-graduate student or a person designated as a student as defined in the **Melbourne University Act 1958 (Vic.)**.

"the officer" means the intellectual property officer appointed under section 14.1.2(i).

"University costs" means direct costs incurred by the University in developing, commercialising and protecting the intellectual property.

"users" means the creator, or a third party obtaining rights to intellectual property pursuant to a licence, an assignment or otherwise in so far as any one or more of them engage in commercial exploitation of intellectual property the subject of section 14.1.

"works" means the copyright in any literary work (excluding always computer programs), artistic work, or musical work as those terms are defined in the Copyright Act (1968) Cth.

- (2) Any reference to legislation in this statute is a reference to that legislation as amended or replaced from time to time.

The intellectual property officer

14.1.2(1) The vice-chancellor must appoint a person who has expertise in the area of intellectual property to be the officer to carry out such duties as are assigned to him or her under this statute by the vice-chancellor or by resolution of Council.

- (2) Subject to the requirements of this statute, the officer will negotiate, make determinations and perform all duties on behalf and for the benefit of the University.
- (3) The officer will exercise any discretion under this statute, in such a manner as will, in the officer's reasonable opinion, further the objects underlying the statute. In the exercise of the officer's discretion, the officer will have regard to any guidelines issued by the vice-chancellor and reported to Council for the purpose of guiding the officer in the exercise of that discretion.

(3A) The officer will only execute a document under a power of attorney as referred to in sections 14.1.4 (1), 14.1.4(2) or 14.1.4(4) in accordance with such guidelines.

- (4) The exercise by the officer of a power of attorney under sections 14.1.4(1), 14.1.4(2) or section 14.1.4(4) will be on terms no less favourable to the grantor of the power than the terms that could have reasonably been obtained under any other agreement pursuant to which intellectual property would have been assigned in like circumstances.

Review Process

- (5) Any exercise by the officer of a power of attorney granted to the officer pursuant to sections 14.1.4 (1), 14.1.4(2) or 14.1.4(4) is subject to review by the vice-chancellor in accordance with section 14.1.2(6).
- (6) Any determination by the officer in relation to any matter connected with this statute will be final and binding and subject only to review by the vice-chancellor, in circumstances where the person claiming to be aggrieved has, within thirty (30) days of date of notice of the determination by the officer, requested such a review in writing.
- (7) The vice-chancellor will, within thirty(30)days of a request for review under section 14.1.2(6), respond in writing to the person requesting it specifying the manner in which it will be conducted.
- (8) In the conduct of a review referred to in section 14.1.2(6), the vice-chancellor may affirm the exercise of the power under review or exercise that power afresh.

Ownership of and rights to exploit intellectual property commercially

14.1.3 (1) This section applies to intellectual property created by academic staff or

honorary appointees other than intellectual property falling within the provisions of section 14.1.4 and section 14.1.7.

- (2) The creator of intellectual property will own and will have all rights with respect to intellectual property to which this section applies. Where, by operation of law, the University would otherwise own intellectual property the subject of this section, the University hereby assigns that intellectual property upon its creation to the creator and the University will execute all documents and do all acts that may be necessary or desirable to give full effect to this section 14.1.3(2).
- (3) Without limiting the operation of this or any other statute or other instrument, it will be a condition of the contract of employment or letter of appointment between the creator and the University that the creator as owner of intellectual property under this section warrants, represents and undertakes to the University that-
 - (a) the creator will do all things necessary or desirable in the opinion of the University to ensure that the University has the benefit of the rights accruing to it under section 14.1.5;''
 - (b) the creator will disclose to the users at the commencement of any negotiations for the grant of intellectual property rights, the terms of this section 14.1;
 - (c) other than in respect of works, commercial exploitation by the users will be subject to inclusion of the following provisions in any contractual or other arrangements between them-:
 - i. an acknowledgment by the users that they are aware of this section 14.1;
 - ii. the grant of an indemnity and release by the users in favour of the University so as to indemnify and release the University from any liability whatsoever (subject only to such exceptions as the officer may agree), for any loss or damage, including, without limitation, product liability and infringement of third party intellectual property rights, which any person may suffer as a result of the commercial exploitation of the intellectual property by the users;
 - iii. an undertaking that the users will not use the University's name without first obtaining its written consent, which consent may be withheld or given at the University's absolute discretion without being required to assign any reason therefor;
 - iv. an acknowledgement by the users that the University is not obliged to promote, support or defend any legal action in relation to or arising from the exercise of any rights with respect to the intellectual property and an agreement by the users that no one of them will institute any proceedings against the University or join the University in any proceedings brought by another person with respect to intellectual property the subject of any agreement between them;
 - v. an acknowledgement by the users of their obligations to

- effect insurances which comply with section 14.1.3(4);
and
 - vi. an acknowledgement and undertaking by the users of the University's rights under section 14.1.5;
- (d) the creator will do all things reasonably within the creator's capacity to ensure the University is not exposed to any liabilities which might arise directly or indirectly as a consequence of the creator exercising the rights;
 - (e) in claiming ownership of intellectual property the subject of this section, the creator has not, to the best of the creator's knowledge and belief after having made reasonable and diligent enquiries, infringed the rights of any member of the University or any other person;
 - (f) subject to section 14.1.3(g) the creator will not assign his or her interest in intellectual property without first obtaining the prior written approval of the University to the terms and conditions of such assignment and providing the University with written notice of details of the assignee and a document executed by the assignee undertaking to the University that the assignee is bound by and will observe all of the creator's obligations to the University as specified in sections 14.1.3(3) and (4) and section 14.1.5;
 - (g) section 14.1.3(f) does not apply to an assignment of copyright in works,
 - (h) the creator will notify the University in writing prior to the commencement of any commercial exploitation of the intellectual property (with the exception of works) as to the terms of that commercial exploitation and by whom it will be undertaken;
 - (i) the creator will use all reasonable endeavours to engage in any commercial exploitation in such a manner that any application of the intellectual property is for the benefit of Australia; and
 - (j) the creator will provide the University with written notice of any application to secure registered protection for intellectual property the subject of this section which notice will be provided at the time such application is made. The creator must inform the University by notice in writing of the outcome of any application when notice of the outcome is received by the creator.
- (4) The creator will procure that the users of intellectual property (other than works) will effect appropriate insurances to indemnify the University against any risk that may arise from or in relation to the commercial exploitation of intellectual property under section 14.1.3 (including liability under an indemnity granted to the University under section 14.1.3(3)(c)(ii)) which policies will include the University as a named insured. The creator will, upon request from the University, provide to the University certificates of currency for all insurances.
 - (5) Where the ownership, licensing or commercial exploitation of any intellectual property is governed by a specified agreement between the

University and a third party, the provisions of the specified agreement prevail to the extent of any inconsistency between that agreement and section 14.1.3.

Intellectual property created under agreements with third parties

Academic Staff

- 14.1.4 (1) Any intellectual property created by a member of academic staff under the terms of a specified agreement will be owned by the University unless the University agrees otherwise and the rights for commercial exploitation of that intellectual property will be exercised as provided for in that specified agreement.¹

The member of academic staff will, as required by the University, execute all documents and do all acts that may be necessary or desirable to give full effect to the provisions of this section 14.1.4(1). If a member of academic staff fails to execute any documents or do any thing to perfect the assignment to the University of intellectual property created by the member of academic staff under a specified agreement in the time and manner requested by the University pursuant to this section 14.1.4(1), the member will be deemed to have appointed the officer as the member's attorney to execute such documents and do such acts on behalf of the member. The officer may exercise such power of attorney even if the University benefits from such power.

Students

- 14.1.4 (2) It will be a condition of the involvement of any student engaged in an activity which is the subject of a specified agreement¹ that the student executes an assignment to the University of intellectual property created by the student arising out of, or in connection with, the activity.

The student will, as required by the University, execute all documents and do all acts that may be necessary or desirable to give full effect to the provisions of this section 14.1.4(2). If a student fails to execute any document or do any thing to perfect the assignment to the University of intellectual property created by the student under a specified agreement at the time and in the manner

¹ It is University policy that, if the University enters into a specified agreement, the terms of such agreement as they relate to ownership of, and rights to, intellectual property will be notified by the University to all academic staff and students conducting research under that agreement.

requested by the University pursuant to this section 14.1.4(2), the officer may execute all such documents and do all such acts as the student's attorney under power in accordance with the terms of the enrolment declaration signed by the student. The officer may exercise such power of attorney even if the University benefits from such power.

- (3) Except as set out in section 14.1.4(2), the University makes no claim in respect of intellectual property created by students.

Honorary appointees

- 14.1.4 (4) It will be a condition of the involvement of any honorary appointee engaged in an activity which is the subject of a specified agreement, that the honorary appointee executes an assignment to the University of intellectual property created by the honorary appointee arising out of, or in connection with, the activity.

The honorary appointee will, as required by the University, execute all documents and do all acts that may be necessary or desirable to give full effect to the provisions of this section 14.1.4(4). If an honorary appointee fails to execute any document or do any thing to perfect the assignment to the University of intellectual property created by the honorary appointee under a specified agreement at the time and in the manner requested by the University pursuant to this section 14.1.4(4), the officer may execute all such documents and do all such acts as the honorary appointee's attorney under power in accordance with the letter of appointment signed by the honorary appointee. The officer may exercise such power of attorney even if the University benefits from such power.

University rights to intellectual property

- 14.1.5 (1) From the date of creation of any intellectual property to which section 14.1.3 applies the University -
 - (a) has a non-exclusive, royalty free, worldwide and irrevocable licence to commercially exploit for the duration of the period in which the intellectual property rights subsist, the intellectual property, either itself or with other academic institutions provided only that such exploitation is restricted to educational purposes including, without limitation, the University's research, teaching and scholastic endeavours. In exercising its rights under the licence, the University recognises the moral rights of the author including the rights of attribution and integrity of authorship; and

- (b) has the right, upon revenue from the commercial exploitation of any given package of intellectual property or any part thereof first exceeding the determined amount, to require the user to apply revenue received from such commercial exploitation as follows:
 - (i) first, to the University, in reimbursement of University costs;
 - (ii) thereafter, the balance to be distributed for that part of the net revenue which is less than \$1,000,000, as to the user, 95 per cent and, as to the University, 5 per cent; and
 - (iii) for that part of the net revenue which is \$1,000,000 or more, as to the user, 85 per cent and, as to the University, 15 per cent.

Any amount payable to the University under this section is to be paid as directed by the University and within thirty (30) days of the end of each financial year commencing at the end of the first financial year in which the revenue exceeds the determined amount.

- (2) Notwithstanding any other provision of this section 14.1.5, the University may determine, in the University's absolute discretion, to waive the University's entitlement to receive revenue under section 14.1.5(1) provided only that any revenue to be received by the University in consideration of such waiver is, in the opinion of the officer, commensurate with the University's entitlement under section 14.1.5(1) had that section operated in respect of such entitlement.
- (3) The user will-
 - (a) upon being requested by the University provide the University with copies of audited annual accounts, and, if so requested by the University, permit the University at the University's cost to conduct an audit of the user's accounts; and
 - (b) notwithstanding section 14.1.5(3)(a), at the request of the University, provide the University with access to all relevant accounting records with respect to the commercial exploitation of the intellectual property which the University may require to establish the University's entitlement to royalty or reimbursement under this section.

- (4) If the vice-chancellor or his or her nominee determines that a creator has failed to take reasonable steps to secure the rights in or fails to commercially exploit intellectual property, or both, and the University, determines that the intellectual property should be secured or commercially exploited, as the case may be, the creator must, if required by the University grant a licence to the University or its nominee to secure or commercially exploit the intellectual property. The University will remit to the creator a share calculated on substantially the same terms as is the share payable to the University under section 14.1.5(1)(b) less any amounts payable to the University and to the creator by way of reimbursement under that section.
- (5) The creator will if required by the University execute all documents, including a licence of intellectual property, to which section 14.1.5(4) applies and do all acts that may be necessary or desirable to give full effect to the provisions of this statute and to allow the University to protect and commercially exploit throughout the world the intellectual property.

Other Intellectual Property

- 14.1.6** (1) This section applies to intellectual property which the creator before the commencement of any commercial exploitation, notifies to the officer in writing is intellectual property in which clear title may not vest in the creator.
- (2) The officer is authorised to facilitate the negotiation of agreements with a creator, a third party claiming rights or between creators with respect to ownership of and the exercise of rights in intellectual property to which this section or section 14.1.6(1) applies. The conduct of negotiations under this section will be consistent with the principle that the University encourages the creation of intellectual property and the exercise of rights by a creator whilst safeguarding the educational programs and resources of the University.

Transitional Provisions

- 14.1.7** (1) All intellectual property created by members of the University on or prior to the date of coming into effect of this statute, is intellectual property governed by the terms of the University's Intellectual Property statute in force at that time.
- (2) Unless the intellectual property the subject of section 14.1.7(1) has been assigned or is otherwise the subject of an existing dealing by the University, a member of the University may, by notice in

writing to the officer, apply for this statute, in lieu of any previous intellectual property regime, to apply to the intellectual property created by that person prior to the date referred to in section 14.1.7(1). Any assignment by the University will only take place if agreement is reached between the officer and the applicant and upon such terms as are agreed between them.

General Provisions

- 14.1.8 (1) If any stamp duty, government charge, impost or taxation obligation accrues to the University in relation to intellectual property specified in section 14.1.3, the creator will indemnify the University in respect of such stamp duty, government charge, impost or taxation obligation.
- (2) A member of the University will not, whether directly or indirectly, make available to any person who is not a member of the University, any resources of the University for the purposes of creating intellectual property (other than works) except with the prior written approval of the vice-chancellor or his or her nominee.²

[Repealed and re-enacted 6/12/99, ss. 5(b)(ii) substituted and 5(b) am. 6/3/00.]

1 It is University policy that, if the University enters into a specified agreement, the terms of such agreement as they relate to ownership of, and rights to, intellectual property will be notified by the University to all academic staff and students conducting research under that agreement.

2 It is University policy that, other than in exceptional circumstances, University resources should only be available to persons who are not members of the University through specified agreements.

² It is University policy that, other than in exceptional circumstances, University resources should only be available to persons who are not members of the University, through specified agreements.