

INTELLECTUAL PROPERTY: GUIDE TO VICTORIA UNIVERSITY STUDENTS

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Introduction

This pamphlet is a guide to Victoria University students on how some major features of intellectual property may impact on them during the course of their studies. Necessarily, it cannot be exhaustive. Intellectual property is a vast subject and complex. In order to focus on the likely needs of the vast majority of students, complexities that might well arise in specific situations necessarily have to be “glossed” over.

Students requiring specific advice on intellectual property should contact the Office for Industry and Research. They may wish to consult with professional advisers, such as lawyers or patent and trade mark attorneys. This pamphlet is not to be relied upon as a substitute for contacting the Office for Industry and Research or obtaining specific professional advice.

What is Intellectual Property?

Intellectual property might appear complex. However, essentially it is a broad term for the various rights to protect creative effort. By contrast with tangible objects such as land and goods, intellectual property is a form of intangible property. Intellectual property refers to rights that result from mental endeavour, although physical effort is usually involved. Intellectual property has special relevance for the protection of any financial returns that may flow from creative effort. It also can be important in providing public recognition for creative effort, apart from any financial ramifications and commercial arrangements.

In its broadest sense, intellectual property includes:

Copyright under the *Copyright Act 1968* (Cth) in “works” and in “subject-matter other than works”.

- Moral rights under the *Copyright Act 1968* (Cth).
- Performers rights under the *Copyright Act 1968* (Cth).
- Patents for inventions granted under the *Patents Act 1990* (Cth).
- Designs registered under the *Designs Act 2003* (Cth).
- Trademarks registered under the *Trademarks Act 1995* (Cth).
- Unregistered trademarks and names used or intended for use in business.
- Confidential information, including trade secrets.
- New plant varieties under the *Plant Breeder's Rights Act 1994* (Cth).
- Circuit layouts (computer chips) under the *Circuits Layout Act 1989* (Cth).

The types of intellectual property that are likely principally to impact upon students in their studies are copyright, moral rights, patents and confidential information.

Copyright

Copyright protects original expression in a material form, but not underlying ideas.

How copyright arises?

In your student life, copyright may arise from such activities as writing an assignment; creating a computer program; writing a play; composing music; making a videotape or audiovisual or multimedia production; creating a database; designing a questionnaire; composing music; making a drawing; or painting a work of art.

As explained more fully below, copyright arises automatically provided that original work is involved. In short, for copyright to exist there must be your own creative effort. You cannot simply take what is commonplace and claim copyright. To illustrate, one cannot claim copyright in the number on the front of a house. However, if one creates a compilation of house numbers with red brick frontages, there may be sufficient originality in the composite production to attract copyright.

There is no need for registration or other formal steps for copyright to exist. The form in which the material is expressed or embodied is irrelevant. Copyright applies whether the material is written on paper or stored and transmitted electronically.

As copyright protection arises automatically once the work or subject-matter is realised in a material form, there is no formal requirement. However, use of the symbol © with the year of publication can be useful to attract international protection and a right to more than nominal damages for copyright infringement.

Works

Copyright in Australia exists in literary works (including computer programs), dramatic works, musical works and artistic works. To attract copyright, those works must be original. Original works for copyright purposes must possess some identifiable creativity. Works must possess some literary, dramatic, musical or artistic character. Usually, human beings will have created such works and will be entitled to the initial copyright (although they may assign copyright to commercial interests and employers will ordinarily have copyright automatically in works created by their employees). As well, a computer may generate or be involved in the generation of some works.

Subject-matter other than works

In Australia, copyright also exists in subject-matter other than works, namely, sound recordings, cinematographic films, television broadcasts, sound broadcasts and published editions of works. Usually, copyright in this kind of subject-matter will belong to an enterprise, as often the subject-matter is the product of an organised industrial or collective endeavour.

Main copyright rights

The principal rights conferred by copyright are that, without the permission of the copyright owner, it is not lawful:

- to reproduce copyright material (that is, not only is literal copying prohibited but any reproduction of the work's substance even if not an exact replica);
- to publish copyright material or perform it in public;
- to communicate copyright material to the public (embracing not only transmitting material to the public, but also passively making it available on-line); and
- to make an adaptation of copyright material (that is, for example, translating a book in English into French or turning a novel into a play).

Copyright in subject matter other than works generally confers the exclusive right to make a copy of the subject matter or communicate or otherwise cause transmission of the subject matter to the public.

Generally, copyright in a publication lasts for seventy years after its creator dies. If a work has not been published during its creator's lifetime, copyright lasts for seventy years after publication.

Moral Rights

From a student's perspective, receiving credit as the creator of a piece of work, and generally safeguarding the integrity of this work (that may have significant sentimental value) might be of central importance. In such circumstances, protection of what might be called "moral rights" may be more important for an individual creator than the issue of financial returns or commercial exploitation.

Moral rights under Part XI of the *Copyright Act 2001* are conferred on authors of literary, dramatic, musical and artistic works and makers of cinematographic films that are personal in nature and are not transferable. As personal rights, these rights are different to the economic rights of copyright which are transferable. Moral rights are:

- right of attribution or authorship – that is, a right to be identified as the author or creator;
- right not to have authorship of a work falsely attributed; and
- right of integrity of authorship – that is, the author's right to object to derogatory treatment of her or his work (including its destruction or mutilation or material alteration) which prejudicially affects the author's honour or reputation.

Generally, moral rights last for the author's life or until copyright ceases to subsist. In considering whether there has been an infringement of moral rights, a range of considerations are relevant including what is reasonable, any industry practice or voluntary code, the manner in which the work is used, the context in which it is used, the purpose for which it is used, its nature, whether it was made under a contract of employment or for the provision of services, and the scope of any written consent genuinely given by the author or her or his representative.

Patents

Patents protect the utilisation of novel ideas and inventive concepts.

Patents may impact upon research being undertaken by students.

Patents principally are relevant to students enrolled in science and engineering programs. However, the ambit of patent protection has tended to increase over recent years. With the use of computer software, business methodologies that are novel have been patented. Accordingly, patents may impact upon a broader cross-section of students than previously might have been the case.

Activities that lead to the creation of patent rights include:

- creating a new product or process;
- creating a new drug; and
- developing aspects of a particular technology.

Such an invention must be novel making a substantial contribution to the state of a pre-existing technology or knowledge. It must not be obvious, and should not have been in the public arena.

An application must be made to the Patents Office within the Australian Intellectual Property Organisation in order to secure a patent. The application is normally prepared by a patent attorney specifying what is novel in the invention and the ambit of the protection sought. This document is known as a patent specification. There must have been no publication or disclosure of the ideas involved before the making of this application. Otherwise, the application will be unsuccessful.

Patents provide a patentee with the exclusive right to use the inventive process or product covered by the applicable patent specification. Ordinarily, patent protection is conferred for twenty years. The theory underlying the patent system is broadly that, in return for inventors publishing the details of their inventions in patent specifications, thus giving the public more knowledge of the state of relevant technology and improvements in the field, inventors are given an exclusive right to commercially exploit or otherwise to use their invention. Unlike copyright, this exclusive right applies irrespective of whether anyone else using the invention has done so by copying or otherwise accessing the patented invention.

Patent specifications can provide a useful resource to ascertain the state of technical developments in a specialist field. As patents confer an exclusive right of use, students undertaking research should make themselves aware of relevant patents. Apart from the information obtained, an existing patent may be infringed by applying research in a manner covered by the patent.

Confidential Information

A person who provides information to another on the basis that this information is not in the public domain and must not be disclosed or used by the other person usually acquires a right to impose a duty of confidentiality on the part of the recipient. Accordingly, by accepting confidential information, you will be taken to accept receipt of material only on the basis that you will comply with the confidentiality obligations.

Occasionally, your lecturer may provide you with data and other information from an active research project for use in your University work. Premature publication or other disclosure of such material could prejudice the University's capacity to commercialise the outcomes of its active research. In that event, you may be advised that this material is made available for use in your University work on the basis that it is confidential and a valuable trade secret, and must not be disclosed or used except for the purposes of your University work. On completion of this work, without specific permission, you should not retain any copies of the confidential information.

As any publication of an invention results in automatic loss of eligibility to patent the invention, students involved in research that may lead to the development of new technology will usually be asked to keep their work confidential. Otherwise, it will not be possible to patent the results. Where another organisation is supplying the University with funding to progress a sensitive research project with possible patents as an outcome, you might be asked to sign a formal confidentiality agreement before commencing work on the project.

Other intellectual property

Other types of intellectual property are probably less likely to impact upon the majority of students in the course of their studies. They are covered briefly below for completeness. Students in specialist programs where these types of intellectual property might become relevant who do not wish to seek their own advice should contact the Office for Industry and Research for more information.

Designs

Designs protect appearance in the context of industrial or other commercial application.

The creation of a new design that can enhance the appearance of mass produced articles may render the design able to be registered under the *Designs Act 2003* for up to 15 years. Design rights protect only the appearance of articles, not the way they function. To illustrate, in such areas as the textile and carpet industries, design protection may be important. The appearance of a textile or carpet may be essential for sales promotion, just as its utility.

Trademarks

Trademarks protect the association of a logo or other mark with a business that has commonly used the mark tending to create an automatic identification by consumers of the business wherever the mark is displayed.

Trademarks are those names, words, logos and other signs that businesses use to identify the goods and services they provide, and to associate in the minds of potential customers those goods and services with themselves. Trademark protection can continue for the duration of this association.

Trademarks play a vital commercial role that can greatly facilitate the effective functioning of businesses. It would ordinarily be advisable to register trademarks under the *Trade Marks Act 1995*.

The University's name and logo are its registered trademarks, as is the name "Victoria Law School". Students should consult with the Office of Industry and Research if they wish to use such identification in presentations outside the University, if they should reasonably have concern that such presentations might not be considered part of their studies or research at the University.

Performers Rights

Either as amateurs, or possibly even as part of certain courses, students might be involved in performances.

Part XIA of the *Copyright Act 1968* provides for performers' protection. Performers rights protect the performances of performers from unauthorised use. A performance includes a performance of a dramatic work, or a musical work, of a dance, of a circus act, or the reading, recitation or delivery of a literary work. A performance right continues for a period of 20 calendar years after the calendar year in which the performance is given. There is no registration requirement.

Plant Varieties

A plant breeder's right in a plant variety is the exclusive right in relation to propagating material of the variety, to produce or reproduce the material, or condition the material for the purpose of propagation, or to do other things relating to commercially dealing with the material, granted pursuant to an application under the *Plant Breeder's Rights Act 1994* for a term usually of 20 years (25 years in the case of trees and vines).

Circuit Layouts

A circuit layout that is original may attract an exclusive right (usually for ten years) to copy or commercially exploit or otherwise do related acts with respect to any integrated circuit made in accordance with the circuit layout. A person who makes a layout ordinarily is the first owner of the rights in the layout under the *Circuit Layouts Act 1989* (Cth). However, where a layout is made in the course of employment or apprenticeship, the employer is taken to be the layout's first owner.

Commercialisation of intellectual property is "big business" at universities

Increasingly, universities have to raise funding from commercial and private sources.

Victoria University's objects as set out in the University Act include:

- the development of an institution with excellence in teaching, training, research and scholarship, with particular emphasis on technological development and applications of knowledge;
- the promotion, advancement and transmission of knowledge and its practical application by research and other means, the dissemination by various means of the outcomes of research and the commercial application of the results of that research;
- the participation in commercial ventures and activities; and
- the conduct of teaching, research, consultancy and development activities within and outside Australia.

Teaching and research are part of Victoria University's core activities. Research and its commercialisation are central to a modern university. A review of research commercialisation based upon results obtained from Australian universities, medical institutes and research divisions of the Commonwealth Scientific and Industrial Research Organisation indicates that:

- Australian universities filed 586 patent applications in Australia and the United States in 2000, including 301 new patent applications in Australia and 87 in the United States;
- a total of 219 world wide patents were issued to Australian universities, including 96 Australian patents and 67 United States patents;
- 445 invention disclosures were received by Australian universities for assessment of patenting and commercial potential;
- universities executed 234 licences and gross income from licences brought in \$79 million in 2000;
- of the five licensing programs in institutions that yielded more than \$3 million in income, four had been in operation for 10 years or more;
- of the licensing programs that yielded less than \$1 million, 68% had been in operation for less than 10 years;
- in 73 per cent of cases, inventors were extremely involved or very involved in licensing activities;
- in only 5 per cent of cases were inventors not involved in licensing;
- in 2000, there were 32 new start up companies formed by Australian universities;
- of the 82 start up companies that were formed by universities at any time, 81 were still operational at the end of 2000;
- Australian universities held equity in 79 per cent of their start up companies at the end of 2000;
- in 2003, Australian universities had about 90 people employed in universities or university controlled entities in intellectual property management and commercialisation; and
- in addition, in 2003 about 53 people were employed in universities or university controlled entities in support of intellectual property management and commercialisation.

Victoria University's policy on intellectual property in its application to students

The University's Intellectual Property Policy may be located at <http://ccf.vu.edu.au/governancepolicy/pdf/por040809000.pdf>. Students should familiarise themselves with this Policy as amended from time to time, as it will be incorporated into the terms and conditions of their enrolment.

Overall, the University makes no claim to ownership of intellectual property created by students. For example, copyright in a student's journal articles and conference presentations, or in subject-matter such as sound recordings, that have not been specifically commissioned by the University or produced with significant University resources, will belong to the student.

The University may claim intellectual property where the creation of that intellectual property involves:

- (a) substantial use of its resources beyond those which are normally provided to students;
- (b) use of its pre-existing intellectual property;
- (c) specific input from University staff; or
- (d) funding by the University or an external sponsor with the object of developing the intellectual property, as described below.

Special circumstances arise where external grants; scholarship, research and development agreements; and consultancy agreements, become applicable. External funding agencies may require an assignment of intellectual property from the University and its creators to the external funding agency. Students may therefore be asked to sign legal agreements assigning their intellectual property to the external funding agency. The external funding agency may be content with a licence of the intellectual property from the University. In that event, it will require the University's ownership of the intellectual property to be secure. In those circumstances, students may be asked to assign their intellectual property to the University in order to work on the project.

Such an assignment does not usually arise in the ordinary course of study, but in relation to specific projects involving the creation of identifiable output that may lead to commercial exploitation.

To illustrate, the conduct of research and its commercialisation involves Victoria University with links to industry and funding bodies. Often, a detailed research program may be prepared as part of an application for funding. The details usually will nominate a senior academic from the University as the person who is to oversee the research. For reasons intimated above, for example, licensing, it often is a condition of funding that the University will own the intellectual property arising from the research. At the very least, the University's or funding body's ownership of intellectual property must not be in doubt, so that the intellectual property can be assigned or licensed. As a student, you may wish to be part of a research team undertaking such "linked" research. It is often in this context that you may be asked to assign any intellectual property arising out of your work to the University or a third party funding the project, to enable licensing or even assignment to industry.

Where the University stipulates that students as a condition of their enrolment in a relevant program should enter into an agreement assigning intellectual property, the agreement:

- (a) should be made no later than the student's enrolment in the relevant program or as soon as practicable after an arrangement is made for funding to support a project;
- (b) should be explained to the student by a University representative or (at the student's own expense) by an independent adviser; and
- (c) should treat the student no less favourably than originators who create intellectual property in the course of employment by the University (for example, your lecturers).

It will be recalled under the section on Moral Rights that, in considering whether there has been an infringement of moral rights, a range of considerations are relevant including what is reasonable.

In Victoria University's view, it is reasonable for students as a condition of their involvement in a commercial research project to accept that it may not be possible to attribute specific authorship or to maintain complete "integrity" of any individual researcher's contribution to what is an organised research project conducted by a team.

In this context, you might be expected to sign an agreement acknowledging such use of material in which you may have moral rights.

Generally, after deducting reasonable costs, and in consideration of the likely return, the net revenue received by the University from commercial exploitation of intellectual property that it owns will be distributed as follows:

- the first \$5,000 shall be distributed entirely to the originators; and
- the originators shall receive from the University 40% of any additional net revenue, with the remaining 60% being divided equally between the University's central administration and the unit in which the intellectual property is created.

Victoria University asks research students to understand and follow best practice record keeping consistent with the requirements for demonstrating priority date for any claim of intellectual property rights. Record keeping is particularly important when working on inventions that may be patented. In the United States, the date when an invention is first made can determine its eligibility for a patent should there be a rival invention whose earlier application for registration might otherwise confer priority.

Students undertaking research at Victoria University are required to make a full disclosure of any conflict of interest they may have in research. A conflict of interest will arise, where you stand to gain a financial benefit associated with your work on the project from sources other than the University. For example, it will arise where an organisation collaborating with the University on the project agrees to pay you or you hold shares in the organisation. As soon as is reasonably practicable, this disclosure of a conflict of interest in research must be made to the Pro Vice-Chancellor (Research), who will provide direction on the management and resolution of any such conflict of interest relating to research and its commercialisation.

Conclusion

While in most cases, Victoria University does not claim intellectual property in the creative work of its students, there are specific circumstances where it does. These specific cases often involve the commercialisation of University research. For more information, please refer to the University's Intellectual Property Policy at <http://ccf.vu.edu.au/governancepolicy/pdf/por040809000.pdf>. You may also contact the Office for Industry and Research.