Statute No. 18 – Intellectual Property
Proposed Amendment

Date of Academic Council recommendation: 2 November 2005

Academic Council resolution number: AC/156/2005

Date of Legislation Committee endorsement: 1 September 2006

Legislation Committee resolution number: LC/09/2007

Proposed amendment: (all changes to be shown in mark-up)


1. **Object** Regulations will be made under this Statute dealing with intellectual property rights as between the University, its staff and students. Without limiting the generality of the foregoing, the regulations will:

   1.1 specify the respective rights and obligations of each of the University, its employees and students in relation to intellectual property owned by, or created or developed at, the University;

   1.2 specify procedures for identifying, protecting and commercially exploiting the intellectual property referred to in sub-section 1.1; and

   1.3 establish a mechanism by which the University will provide equitable returns to contributors involved in the creation or development of intellectual property that is exploited by the University for commercial return.

1.1 This Statute sets out the circumstances in which the University is entitled to ownership of intellectual property originated by staff or by students of the University. The Statute also specifies the respective rights and obligations of the University, its staff and students in relation to intellectual property belonging to the University and sets out procedures for the identification, protection and commercial exploitation of such intellectual property.

1.2 This Statute also establishes a mechanism whereby equitable returns will be provided by the University to staff or students who are the originators of intellectual property which is exploited by the University in such a way that the University derives a commercial benefit. Returns to the originators of such intellectual property are provided for in such cases, both as a reward and in order to provide an incentive to future innovation.

2. **Definitions and Interpretation**

   2.1 In this Policy the expression “intellectual property” includes information, ideas, inventions, innovations, art work, designs, literary text and any other matter or thing whatsoever as may be capable of legal protection or the subject of legal rights in any of the ways set out in this clause and includes the following rights recognised by Australian and/or foreign law:

   (a) Patents;
(b) Information which is of a kind and which has been communicated in such a way as to give rise to a duty of confidentiality;

(c) Information which is subject to an employee's duty of fidelity to the employer;

(d) Copyright vesting in literary works (including computer programs), dramatic works, musical works, artistic works, films, sound recordings, broadcasts, published editions and certain types of performances;

(e) Registered trademarks;

(f) Unregistered trademarks used or intended for use in business;

(g) Registered designs and designs capable of being registered;

(h) Copyright in some unregistered or unregisterable designs (usually as artistic works);

(i) New plant varieties and the rights of breeders of such varieties;

(j) Circuit layouts (computer chips);

(k) Trade secrets; and

(l) Other rights resulting from intellectual activity in the industrial, commercial, scientific, literary and artistic fields.

2.2 In this Statute the expression "staff member" refers to and includes any member of the full or part-time academic or general staff of Murdoch University whether engaged in or holding a permanent post or not.

2.3 In this Statute the expression "student" means a graduate student, an undergraduate student and/or any other person designated or defined as a student in the Murdoch University Act 1973. Any reference to a student in this Statute shall also apply to a Visiting Academic, Scholar or other person in so far as that person undertakes studies, scholarship or research with or at the University and in so doing uses University resources, works as part of a University research team responsible for developing the intellectual property, or develops intellectual property through the use of or building on confidential information belonging to the University.

2.4 In any case where the ownership, licencing or exploitation of any intellectual property to which this Statute applies is governed by a written agreement between the University and a student, a staff member and/or any other person, the provisions of that agreement prevail, to the extent of any inconsistency between that agreement and this Statute.

3. Ownership and Disclosure of Intellectual Property

3.1 Subject to the further provisions of this Statute, the University is the owner of all intellectual property to which this Statute applies.

3.2 This Statute applies to:

(i) Intellectual property created by a staff member in the course of her or his employment by the University;

(ii) Intellectual property created by a student in the course of her or his studies, scholarship or research with or at the University; and

(iii) Intellectual property, the creation of which has been substantially contributed to by the University (or by any third person either on behalf of the University or by virtue of an agreement with the University) by the provision of resources, facilities, apparatus, supervision, salary or other funding.
3.3 (a) Notwithstanding anything contained in subsections 3.1 and 3.2, a staff member is the owner (and the University hereby formally waives any claim it would otherwise have to ownership) of the copyright in her or his conventional scholarly output. Likewise a student is the owner of the copyright in all original work produced by her or him in the course of or for the purposes of her or his studies, scholarship or research with or at the University.

(b) A staff member and a student may deal with and exploit such material freely without any requirement of explicit approval by the University.

3.4 If requested to do so by a staff member or a student the University must, without delay and at no cost to that person, execute a formal written assignment in favour of that person of such copyright as it may enjoy in respect of any written work to which subsection 3.3 applies.

3.5 Subject to the preceding provisions of this section, an originator (whether a staff member or a student) of intellectual property which belongs to the University shall not make a public disclosure concerning that intellectual property without the written consent of the Vice-Chancellor. An application for consent to public disclosure must be made in writing and addressed to the Vice-Chancellor.

3.6 Intellectual property which is not the property of the University, may be dealt with and exploited freely by the originator of that intellectual property (whether or not he or she is a staff member or a student of the University).

3.7 However, no staff member or student may take steps to disclose, protect or to commercially exploit intellectual property originated by her or him (other than copyright in material for publication, which falls within subsection 3.3(a)) without first having made a written report to the Vice-Chancellor setting out the nature of the intellectual property concerned and the circumstances in which it was created, devised or originated. The aim of this subsection is to ensure the University is able to accurately assess whether this intellectual property belongs to the University.

3.8 From the date of this Statute, the preceding provisions of this section shall be implied into and/or be deemed to be terms of:

(a) the contract of employment between the University and each present and future staff member;

(b) the contract between the University and each student pursuant to which each student is admitted to the University. (If no such contract exists, then by this section there shall be deemed to be and always to have been such a contract).

4. Copyright Material Produced for the Teaching Purposes of the University

4.1 The respective rights of the University, staff and students in relation to videos, films and sound recordings, computer software and other literary works (including compilation of works) or publications which are produced for the teaching purposes of the University shall be as set out in this section. This is notwithstanding anything to the contrary in section 3.

4.2 Copyright in materials which are produced primarily for the teaching purposes of the University, including typeface or compilation/layout copyright if applicable, is vested in the University. Without limiting the generality of the preceding sentence, but for the purposes of clarity, some examples of the sort of materials to which that sentence might apply are given below.

(a) Video and/or films produced for the teaching purposes of the University by a staff member acting in the course of her or his academic work and duties, or by a student in the course of her or his studies, scholarship or research.
(b) Computer software, or a circuit layout for a computer chip, produced for the teaching purposes of the University by a staff member acting in the course of her or his academic work and duties, or by a student in the course of her or his studies, scholarship or research.

(c) Literary material authored or compiled by a staff member for the teaching purposes of the University.

4.3 However, where requested to do so, the University may, on the advice of the appropriate Executive Dean(s) of Divisions and/or Unit or Office head(s), agree to transfer the copyright in that material to the person(s) responsible for its creation. The terms of such an agreement will be determined by consultation between all interested parties, but, unless the Vice-Chancellor otherwise determines, any such transfer will be subject at least to the University retaining a nonexclusive royalty-free right to use the material in any teaching application.

4.4 Where the University elects to retain ownership of copyright or other intellectual property rights in any material to which this section applies, and derives commercial benefits as a result of external sales of or other commercial dealings with those rights or that material, then the disbursement of any benefits or revenue so received by the University will be in accordance with disbursement policy set out in Section 7.

5. Moral Rights to Teaching Materials: Attribution, Integrity and Withdrawal

5.1 Every person who alone or jointly writes, compiles or otherwise originates materials to be used for the teaching purposes of the University has the right to be acknowledged as the author or compiler or originator of that material. All copies of that material published by the University shall contain appropriate written or other recognition of that person.

5.2 Even after a substantial adaptation of such teaching materials takes place, the original author(s), compiler(s) or originator(s) shall continue to have the right to attribution referred to subsection 5.1. The person(s) responsible for the adaptation shall also be entitled to attribution as the adaptor(s) of the materials.

5.3 Where such materials are proposed to be used by the University for a purpose or in a context or application other than that in or for which they were originally prepared, each person entitled to attribution shall have the right to be consulted and the right to withdraw attribution should that person not agree to the adaptation, repackaging or use proposed by the University.

6. Procedures for the Protection of Intellectual Property Belonging to the University

6.1 Where statutory intellectual property rights are or may be available in respect of particular intellectual property belonging to the University, and it is decided that an application for statutory intellectual property right should be made, then the Division(s), Unit(s) or Office(s) in which the originator(s) is or are located shall bear the initial costs of filing such an application.

6.2 If the University decides to proceed through subsequent stages of the application process, all further costs and expenses associated with that application shall be met by the University. The originator's Division, Unit(s) or Office(s) will not be required to contribute to these costs.

6.3 Each originator shall, at the request of the University and in a timely fashion, execute all such documents and do all such other acts or things as may be necessary or desirable in order to enable the University to properly and efficiently protect and commercially exploit its intellectual property and to give full effect to the provisions of this Statute generally.

6.4 If the University decides not to initiate or proceed with an application for statutory intellectual property rights, the originator may apply on her or his own behalf and own expense. Any such originator may, to the extent of that person's interest therein, by written notice to the Vice-Chancellor require an assignment of all of the University's rights in or over the intellectual
property. Within 28 days of receipt of such notice, the University shall notify that originator of the terms upon which it would be prepared to assign the rights. The University must not stipulate unfair terms, but any offer to assign made by the University must take into account and seek to recoup (as far as reasonably practicable) all costs and expenses incurred or likely to be incurred by the University and its agents up to the date of the assignment. In this regard, provision may be made for the University to recover any such costs, which are not paid on assignment, from income generated by the intellectual property.

6.5 University facilities may not be used to further develop assigned intellectual property to which subsection 6.4 applies except with the specific approval of the Vice-Chancellor. This will not be granted unless satisfactory arrangements have been made for appropriate cost recovery.

6.6 Where, in relation to any intellectual property to which this Statute applies, the University is conducting negotiations with an outside party which may result in a contract affecting the interest of a staff member, student, and/or Division, Unit, Office or other organisation within the University, the contract shall not be entered into without the prior agreement of each affected person or organisation. Any such agreement shall oblige such a person or organisation to provide professional support in accordance with that contract.

7. Distribution of Benefits Derived from Intellectual Property

7.1 The following procedure shall apply for the equitable distribution of commercial benefits derived directly or indirectly by the University from the exploitation of intellectual property originated in whole or in part by a staff member or a student.

7.2 The first charge on all such earnings shall be the recoupment of:

- the direct costs to the University of protecting the intellectual property and maintaining protection, plus direct costs not otherwise recovered associated with developing and marketing the intellectual property, plus

- 50% of all such costs as a contribution in respect of overheads;

Provided that, subject to the other provisions of this Section, the originator(s) shall nonetheless be entitled to a 10% share of the earnings derived directly or indirectly by the University from the exploitation of the intellectual property throughout the period until this first charge is liquidated.

7.3 The distribution of earnings after the first charge in favour of the University is liquidated, shall be subject to four levels of priority:

Priority 1 — the originator(s) of the intellectual property

Priority 2 — the University Company

Priority 3 — the Division, Unit or Office on which the originator(s) is or are located (hereinafter called the "Section")

Priority 4 — the general revenue fund of the University

7.4 The distribution of net earnings (i.e. after expenses are met) shall be:

<table>
<thead>
<tr>
<th>Net Earnings</th>
<th>Priority 1</th>
<th>Priority 2</th>
<th>Priority 3</th>
<th>Priority 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0—$20,000</td>
<td>75</td>
<td>25</td>
<td>0</td>
<td>0</td>
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<tr>
<td>$20,000—$50,000</td>
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<td>10</td>
</tr>
<tr>
<td>$50,000—$100,000</td>
<td>40</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>$100,000 &amp; upwards</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>
Explanatory notes:
1. The above money amounts are expressed in October-December 1993 quarter dollars. The amounts referred to are accumulated total earnings over time.

2. The proportion of net earnings to be distributed to each priority area will vary over time as the accumulated total earnings increases. As each of the monetary thresholds is achieved, the University will notify all interested parties that a new scale of distributions is applicable. From the date of achievement of each monetary threshold, the proportions of net earnings distributed by the University to each priority area shall be varied to accord with the then applicable scale.

7.5 Funds received under priority 3 may be divided between the Section as a whole and a department or group within the Section in proportions agreed between the interested parties. In the absence of such agreement, the proportions shall be determined by the Vice-Chancellor.

7.6 Earnings to which are more than one Section of the University may be entitled will be divided between the Sections in proportions agreed between the interested parties. In the absence of such agreement, the proportions shall be determined by an independent arbitrator acceptable to all parties. If the parties cannot agree on an arbitrator, then the arbitrator shall be appointed by the Vice-Chancellor.

7.7 In cases where the benefits derived by the University include share issues or other non-monetary benefits, the distribution of those benefits between the University and the originator(s) will be determined by the Vice-Chancellor. The Vice-Chancellor shall have regard to the principles implicit in the cash distribution formula set out above.

7.8 Allocations of benefits will be made annually on 30th June, for a maximum period of 15 years from the end of the first financial year on which net earnings are received by the University.

7.9 Prior to the making of allocations, the University shall make annual inflationary corrections to each of the monetary thresholds in subsection 7.4. These amounts will be revised according to the following formula:

\[ P \times \frac{A}{B} \]

Where

(i) \( P \) denotes the original amounts stated in subsection 7.4;

(ii) \( A \) denotes the quarterly consumer price index for all groups in Perth last published by the Australian Bureau of Census and Statistics before 30th June each year; and

(iii) \( B \) denotes the consumer price index for all groups in Perth for the quarter ended 31st December 1993, as last published by the Australian Bureau of Census and Statistics.

7.10 Notwithstanding any other provision of this Statute, if a staff member dies or resigns or retires from the University during a period in which he or she is entitled to an allocation of benefits, the benefits payable to that staff member [or to the estate of a deceased staff member] shall be reduced by 10% per annum for each of ten years commencing from the year after the year of retirement, resignation or death. After that period, all rights to the benefits otherwise payable under this section shall cease. The Vice-Chancellor may direct that this reduction not apply or be varied in a particular case.

7.11 However, where a staff member who has resigned or retired returns to the full-time or permanent part-time employ of the University within the above ten year period specified in subsection 7.10 that subsection shall cease to apply from the date on which the staff member returns to the employment of the University. A re-employed staff member eligible for an allocation of benefits under this section shall be entitled to receive for the financial year of re-employment and for each following financial year in which she or he remains in the employ of
the University the full amount of the benefits which she or he would have received had that person never retired or resigned.

7.12—The provisions of subsections 7.10 and 7.11 shall apply equally to a person who ceases to be a student and who is at that time or subsequently becomes entitled to an allocation of benefits under this section as if that person was a staff member who had died or resigned or retired five years after the date on which that person ceased to be a student.

7.13—Where, under subsections 7.10-12 a reduction is made in the entitlements of a staff member or a student to a share of the commercial benefits derived by the University from the exploitation of intellectual property which was originated in whole or in part by that staff member or student, then the monies which are thereby no longer required to be paid to the staff member or student shall be divided on a pro rata basis between those who would, pursuant to the other provisions of this section, be entitled to a distribution of benefits under Priority 2, Priority 3 and Priority 4.

82. Repeal

82.1 Statute No. 18—Patents is hereby repealed.