Addendum Guideline IPR and Students

VSNU and NFU

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Readers:	The drafting of the Addendum Guideline on IPR and Students involved the NFU VSNU National KTO Consultation and the VSNU National Lawyers' Consultation. Part of the drafting of the Addendum was a field consultation of more than 40 stakeholders, concerning students (entrepreneurs), researchers and industry delegates.

Addendum Guideline IER and students

1. Goal Addendum Guideline IER and students

This Addendum Guideline on IPR and students (hereinafter: "Addendum") is intended to outline a clear framework for the relationship between student and university and/or university medical centre (hereinafter: UMC). This Addendum should be seen as a supplement to the already existing 'Guideline on dealing with intellectual property rights (IPR) towards academic startups', dated July 2016 (hereinafter: "Guideline on IPR towards academic startups").

The Guideline IPR towards academic startups focuses on intellectual and industrial property right(s) (hereinafter "IPR") in the relationship between startup and university, including university employees. Building on that, a desire arose to clarify the rules regarding IPR focused on the relationship between student and university and/or UMC. From that idea, this Addendum was created.

IPR, within which various areas of law fall, is characterised by a highly casuistic practice. Therefore, in this Addendum, the Association of Universities (hereinafter: "VSNU") makes choices to highlight certain casuistry, precisely where interpretations on its interpretation can and will differ. Where necessary, these examples will clarify the operation of IPR and can thus contribute to communication to students about what they can expect from the university in relation to IPR. Where this Addendum deviates from the Guideline on IPR towards academic startups, this Addendum should, in the relationship

2. Principles

2.1 General principles about ownership

In principle, the Student is entitled to the IPR he/she has developed independently. This principle applies to all types of works and Reports; such as, for example, a developed draft, software or a thesis.

In principle, the university is the Rightholder to the IPR developed by a Student if there is a transfer agreement or waiver to that effect, signed by that Student, showing the Student's consent.

There may also be shared IPR where both the Student and University are Rightholders. As this is usually an undesirable situation for both parties, the Addendum offers some solution options with the aim of preventing shared IPR from arising, such as making arrangements (section 2.2) or offering a substitute assignment (section 2.3). A university may additionally decide to specify solution approaches, in the case of shared IPR, in its own IPR policy.

Agreements are also necessary at the time of cooperation with a third party, in the event that Students wish to carry out an Internship or a Study Activity within a Research Project of the University, which may or may not involve third parties, or in the event that Students carry out an Internship and/or a Study Activity with third parties as part of the programme.

In the case of Internship, these arrangements are specified in an Internship Agreement between the University, the Internship Provider and the Student. However, the university itself may also be the Internship Provider, in which case the internship agreement is concluded only between Student and the relevant university. The Internship Agreement may contractually deviate from the aforementioned principles around who is the Entitled Party.[1]

2.2 Information and effort obligation of the university and Student

Because Students may come into contact with the development of results on which IPR (may) rest during their studies, it is important that Students are aware of what this means and what their own legal position is in this. In this regard, the university has a duty to inform the Student in such a way that the Student can make an informed decision on issues concerning the development and transfer of results on which IPR (may) rest. How the provision of information about such a decision is designed will be determined locally by the University.

[1] However, internship agreements can be standardised. At the time of writing this Addendum, the VSNU, together with various stakeholders (from the business community and students), is working on a standard internship agreement that may be implemented nationwide in the near future. In anticipation of the final version of the standard internship agreement, the definitions in this Addendum have already been brought into line with this.

This could include a lecture, instructional video and/or documents on the university website. It is also important that Students know who they can turn to within the university to obtain additional information.

The University has a best-efforts obligation to make timely arrangements with the Student, for example if, prior to a research project (as in the case of a Research Project), it is established that the University or a third party will become the Rightholder of IPR generated within it. If it is reasonably expected that such a situation will arise, the University has a responsibility to contact the Student about it. However, in order to make good use of his/her rights therein, the Student then also has a responsibility to act expeditiously and cooperate constructively so that a timely and appropriate solution can be found in all cases.

It is recommended that the university and the Student make these agreements in advance, in writing and, where possible, in a standardised manner.[2] In particular before the Student becomes involved in a Research Project or other university research, involving third parties and/or involving public-private partnerships. In those cases, agreements will usually already have been made between the university and the party/parties involved regarding IPR and, not least, confidentiality will also play a major role. This makes making agreements afterwards, i.e. after IPR may already have arisen, undesirable for both the university and the Student.

The university (and its employees), but also the Student himself, thus have a responsibility in this respect to act proactively and constructively and may also be held to account among themselves. This is to prevent the need to reach agreements afterwards. Deliberately not taking decisions or not wanting to make agreements, whatever the outcome of the agreements, should not be a goal in itself. Nor is it desirable that education and/or research could be delayed by not cooperating in finding a solution. The Student can and will be expected to clarify to the university, within a reasonable period of time prior to the moment when results may arise on which IPR may rest, whether or not it wishes to transfer them. This also so that the University is left with a reasonable period of time to, for example, realise a replacement assignment.

2.3 Replacing assignment

Making timely arrangements in no way means that a Student may be forced to transfer his/her IPR. In case the Student does not wish to transfer his/her IPR at (a part of) the university curriculum, the Student must be given the opportunity, in the context of education, to be able to complete an equivalent assignment, without the transfer of IPR generated by him/her being a requirement. By this is meant that the possibility of being able to pass a subject should not entail the obligation for the Student to transfer his/her share of the IPR possibly generated thereby to the University. The Student who does not want to transfer his/her IPR must be given the opportunity to inform the university in advance and subsequently complete the course by, for example, working on a fictitious case as a substitute assignment. It is recommended that an internal policy be adopted for this purpose.

2.4 What if the Student is an IPR entitled person?

If the Student is a Rightholder of IPR, the Student is free to independently dispose of the IPR and, to the extent that protection does not already arise by operation of law, the Student may independently apply for protection of the IPR, possibly with the help of an external agent. In addition, the Student may take advantage of the opportunities offered by the University to encourage entrepreneurship among Students.

There is also the possibility that the Student may request the University to protect his/her IPR, for example through a patent application by the University. The acceptance of this request and the conditions under which and, if so, how it can be complied with, remains the University's free choice.

[2] Asking a student to sign such a document before enrolment could be seen as an extra-legal restriction of the right to enrol (section 7:37 jo 7:50 HRA). Although this is subject to legal debate, it is recommended to make and record agreements only after enrolment for security reasons. Even then, the Student should be properly informed about the content, necessity and consequences of signing or not signing.

If, in return for the patent application, ownership is transferred to the university, it is reasonable that if the same student has ambitions to start a company based on this IPR, the university will offer scope for this within the prevailing frameworks.[3] For example, by means of an (exclusive) licence to this company, on market conditions to be agreed.[4]

2.5 What if the university is a Rightholder of IPR?

If the university is the rightful owner of IPR (see Section 3. Legal Framework), and/or the Student has transferred his/her IPR (or part of it) to the university in advance, and an invention is made, this Student will be regarded as an inventor or co-inventor.5 He/she will then usually also fall under the university's IPR Implementation Regulations, as explained in more detail in Section 3.2.6 Since this Student falls under the IPR Implementation Regulations, this Student is entitled to reasonable compensation. A Reasonable Remuneration means that the Students share in the future revenues of IPR in the same manner as university employees, who are also considered inventors/authors, in accordance with the IPR Implementation Regulations applicable at the university in this regard. This also applies to forms of IPR other than patents, such as copyrighted works. In addition to the Reasonable Remuneration, the right to be named as (co-)inventor or (co-)author will then also apply.

Students who wish to start a business and make use of university IPR within this, can make further arrangements to this end with the appropriate department within their university, if the university is entitled and benevolent to do so (i.e. the IPR is not encumbered or pledged to a third party).7 Usually, there is a role for the Knowledge Transfer Office (hereafter KTO) of the university in this regard. Students can also use facilities provided by the university to encourage entrepreneurship among Students. And ex-Students and alumni can also make arrangements with the KTO or legal department of a university for the use of IPR of the university, if the university is entitled and willing to do so. They will be treated equally with other external entrepreneurs in this regard.

3 Legal Framework

3.1 Context

Intellectual property is a very broad concept that can include all knowledge, products, processes, procedures, protocols, ideas and results of research, etcetera generated within the university domain. Some of it may be protected by IPR.[8] This may include, for example, an invention recorded in a patent, a design recorded in a model, or copyright on works of literature, science or art such as books, articles, software, music, videos and elaborate (game) concepts. In some cases, there may additionally be protection by secrecy.[9]

For many types of IPR, the general principle is that the creator, author or inventor is also the Rightholder of the rights created. However, there are a number of exceptions to this general premise. This Addendum discusses patent law, design law and copyright (also often applicable to software) in more detail, because these IPR, in the relationship between Student and University, occur most often.10 In practice, it turns out that it is not always clear who is the Rightholder.

3 Starting point for the agreements is that a contribution from the Knowledge Institution to a startup is based on non-discriminatory grounds. See: Guideline IPR towards academic startups; Framework and boundary conditions for the variables, p. 5.
4 Framework on state aid for research, development and innovation (2014/C 198/01).
5 In addition to making an invention, for example, it may also involve creating a work, which is protected by copyright (e.g. software).
6 This regulation may vary from university to university in terms of name and content. See also the Supplementary Definitions Appendix.
7 Students who want to start or have started a business are treated as market parties in this respect. The market party (the startup or startup in formation) pays a fee (in the form of, for example, upfront payments, milestone payments, exit payments and/or royalties) to the Knowledge Institution. The payment can also be in the form of shares. See: Guideline IPR towards academic startups; Framework and boundary conditions for the variables, p. 5/6.
8 Guideline on dealing with intellectual property rights (IPR) towards academic startups, p. 4.
9 Although not an intellectual property right, the 'Trade Secrets Protection Act', for example, is relevant in this context, given the public-private partnerships that universities enter into.
10 Within the university, database law, chip law, trademark law, plant breeders' rights, the so-called neighbouring rights, the protection of undisclosed know-how and business information (trade secrets), the regime of the 'Wassenaar Arrangement' and the Nagoya Protocol may further be relevant. However, it has been chosen to limit the discussions in this Addendum to a discussion of the most common three areas of law.

For example, if a Student, following intensive instructions (according to a step-by-step plan or project or assignment proposal),11 realises an assignment from the university employee to an invention, then the university employee may be the (co-) inventor and the university should thus be seen as a (co-) Rightholder.

3.2 Exceptions

Patent law

The main rule in Dutch patent law is that the inventor has the right to patent. Three exceptions to this rule have been formulated, namely: for employees (Article 12(1) ROW), trainees (Article 12(2) ROW) and university employees (Article 12(3) ROW).

The rationale behind the exceptions of Article 12 is as follows: the company or university provides the inventor with the framework and support, in which he can more easily arrive at an invention and also prompts him to think about the issues in the field of work and internship, in which the invention is made. Furthermore, it is in line with these exceptions that an employment relationship entails that the fruits thereof accrue to the employer and the employee receives wages in return.

Achtergrond uitzonderingen werknemer (artikel 12, lid 1, ROW)

Volgens het artikel komt het recht om een octrooi aan te vragen voor uitvindingen die door een werknemer in dienstverband worden gedaan, toe aan de werknemer, tenzij de aard van de dienstbetrekking met zich meebrengt dat hij zijn bijzondere kennis gebruikt om uitvindingen te doen van dezelfde aard als die waarop de aanvraag betrekking heeft.

Background exceptions for trainees (section 12(2) ROW)12

For inventions by trainees performing work at a Traineeship provider in the context of a training programme, this right belongs to the Traineeship provider, unless the invention is unrelated to the subject matter of the work.

For someone such as a Student (in the role of a trainee), who performs work at someone else's premises in the context of a training course, the patent entitlement will accrue to the person providing the training place, unless the invention is unrelated to the subject matter of the work. This arrangement is in line with the basic assumption mentioned at the beginning of this section that the work provides the framework and support to arrive at the invention and prompts thinking about the subject matter.

A second premise is that the training activities, in addition to training and education for the Student (or trainee), serve to promote the interests of the organisation, where the supervision takes place. It follows that when there is a direct link between the work and the invention, the claim to the patent belongs to the person providing the training place.

Background exceptions university employee (section 12(3) ROW)

For university employees, it is stipulated that the patent entitlement belongs to the university concerned. This does not include the restriction of "within the scope of work". The provision of Section 12(3) applies to all employees employed by the university.

Inventor but not Rightholder

The provisions of Articles 12(1)-(3) are regulatory. They may therefore be deviated from. However, Article 12(6) does stipulate that if the employer, university or third party, is the Rightholder in the patent, the inventor is entitled to a fair amount due to lack of patent, if the inventor cannot be deemed to be compensated for the lack of patent in the salary or monetary allowance received by him or in a special payment to be received by him. It follows from section 12(7) ROW that section 6 is also mandatory law, this makes deviations from it null and void. Students are also thus entitled to a fair amount, according to the universities, if they have transferred their rights to the university (or third party). An equitable amount as referred to in the legal text, is called Reasonable Compensation in this Addendum, but has the same meaning.

IPR implementation scheme

Universities usually have an IPR implementation scheme for university employees, which aims to ensure that if the university receives net income, the university employee shares in it.

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11 This depends heavily on the circumstances of the case. One refers here more to a scientific cooperation relationship (involving 'creative' research), than to the initial educational guidance (teaching didactics), which the Student should receive as part of the programme.

12 The interpretation of Article 12(2) RWO 1995 is still subject to legal consultation.

Although the university's valorisation considerations play a primary role in the choice of what to do with the patent, it seems reasonable to make a Student (as an inventor) also eligible for this IPR Implementation Scheme, if that valorisation choice leads to net income for the university. Therefore, if the Student transfers his/her (share in the) rights to the university, then participation in the IPR Implementation Regulations in force at the university for employees in return could be regarded as Reasonable Remuneration, as if the invention had been made by the Student in his capacity as employee of the university.[13]

Also, depending on the university's valorisation considerations, it may be considered to agree with the Student that the Student will obtain a role in bringing about the chosen valorisation direction (according to Guideline IER towards academic startups). Consideration could then be given, for example, to a licence to a startup in which the Student is (or will be) involved, such as in the capacity of employee, shareholder and/or advisor to that startup. However, it will be clear to students and universities that in shaping the valorisation direction, safeguarding the application in society, for the purpose of creating social impact, will always have to take precedence over personal interests and/or profit maximisation.

Design right

In principle, the exclusive right to a design belongs to the person who filed it. However, there may be other "better" beneficiaries. Article 3.7(1) of the Benelux Convention on Intellectual Property (hereinafter "BTIP") stipulates that the original designer has the option in some cases to claim the design right or to invoke the invalidity of the registration of the filing. Article 3.8 (1) BTIP stipulates that the employer is considered the designer of the designs designed by his employee in the performance of his duties, unless otherwise agreed. Article 3.8 (2) of the BTIP provides the same rule for the designer, who creates a design on commission. The client is regarded as the Rightholder, provided the order was made with a view to use in trade or industry of the product, in which the design is embodied. Article 3.29 regulates that any copyright on the design rests in the same hands as the design right of the employer or client.

Where copyright arises by creation, a design right arises only after filing.[14] A Student therefore becomes the Rightholder of a design right if the design is filed, unless otherwise agreed.

Copyright law

General principle in copyright law is that the exclusive right to publish and reproduce the work belongs to the creator (the Rightholder) of that work. Some exceptions to this are works created under management and supervision or as part of a team (Section 6 Copyright Act, hereafter "Aw") and the employer's copyright (Section 7 Aw). Under direction and supervision means that "hand and brain" perform separate work, i.e. that work is done entirely according to given instructions. Section 6 Aw can therefore rarely apply to the relationship between the writer (the Student) of a Report and its teacher. Thus, that copyright usually lies with the Student. In case of co-authorship or teamwork, copyright belongs to the joint authors. In the case of copyright, the Student can also be considered to participate in the IPR Implementation Regulations in force at the university for that purpose in exchange for transferring the IPR.

IPR on Reports versus IPR arising from underlying results

The copyright on the writing produced by the Student itself, the Report, belongs to the Student. However, this may be separate from the IPR arising from results generated during a Research Project or Internship. The IPR arising from the results generated within a Research Project or Internship usually belong to the University or the Internship Provider respectively, if the Internship Provider has so stipulated.

13 The funds received by the university (net = income minus costs incurred) are then divided, for example, between the Inventor(s), the research group or department concerned and the institution as a whole. From this, the student inventor then benefits as a private individual. See: Guideline IPR towards academic startups; Inventor Scheme, p. 10.
14 Incidentally, it is not always required to file a design right. There is also the possibility of a European unregistered Community design. The duration of such an unregistered right is three years from the time it is first exhibited to the public.

Appendix Additional definitions

The Guideline IPR towards academic startups includes a glossary of terms in Appendix 1. The definitions below are supplementary to it, intended for application within this Addendum only.

Research project - Research projects, including applied, industrial or fundamental research, of the university such as 1) research projects initiated by the university employee and paid from a personal grant/grant of the university employee, 2) public-private collaborations with third parties including (non-profit) companies and/or other knowledge institutions and 3) international and/or national subsidised research projects, whether or not with third parties such as companies and/or other knowledge institutions.

Rightholder - The legal and/or natural person to whom a thing, good or right belongs.

Reasonable Remuneration - In this Addendum, this means the amount and manner of remuneration, for transfer by the Student of his/her (share in the) IPR to a university, as laid down in the IPR Implementation Regulations of the university concerned. It also means 'fair amount', as included in Article 12(6) ROW.

Internship - Practical training that is part of the curriculum and for which the Student receives ECTS.

Internship provider - Work placement organisation.

Student - The person who is registered as such at the university and has obtained a student number for this purpose. This refers in any case to the Student registered for a Bachelor's, Master's, elective or honours class. The doctoral student (sometimes called PhD-Student) is not a Student within the meaning of this Addendum.15 It should also be noted that the student assistant is an employee of the university in the context of his/her assistantship and is a Student outside this position.

Study Activity - All curricular compulsory and non-compulsory study activities, other than Internship, including activities arising from an (elective) subject to be carried out by the Student. Study and graduation is bound by the rules of the regulations applicable at the University respectively graduation regulations (such as an OER), with Reports being made available in the University's repository where possible by the University. Reports may be assessed by the Education Visiting Committee to assess the quality and accreditation of the relevant programme.

Uitvoeringsregeling IER – De binnen universiteiten en UMCs bestaande regeling voor uitvinderswerkzaamheden (onder deze regeling valt ook het vergoedingsmechanisme, zie ook definitie Redelijke Vergoeding ook opgenomen in deze Bijlage Aanvullende Definities). dominant wordt deze vergoeding berekening als percentage van de netto-opbrengsten (opbrengsten minus octrooikosten) en wordt verdeeld tussen de Uitvinder(s), de onderzoeksgroep en de instelling als geheel. Deze regeling kan per universiteit verschillen qua naam en qua inhoud. Bij sommige universiteiten wordt dit bijvoorbeeld de ‘uitvindersregeling’, de ‘octrooiregeling’, de ‘regeling vergoeding uitvindingen en software’ of de ‘1/3-regeling’ genoemd. In de context van dit Addendum wordt ervan overtuigd dat daaronder ook software in rekening wordt gebracht.

Verslagen – Onder andere publicaties zoals papers, stageverslagen, afstudeerverslagen (dat wil zeggen thesis, scriptie(s)), rapporten, essays, lab- en onderzoeksrapporten.

15 Nu verschillen bestaan in type promovendi zoals; de promovendus met een arbeidsovereenkomst, de bursaal, de buitenpromovendus zogenaamde de (nieuwe vorm) promotiestudent waarvoor op dit moment een landelijk experiment loopt, zullen de rechten van het type promovendus door de universiteit aan de hand van het eigen beleid worden toegelicht en in dit Addendum buitencomplex blijven.