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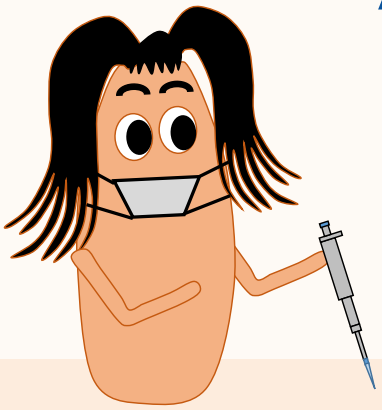
INTANGIBLE

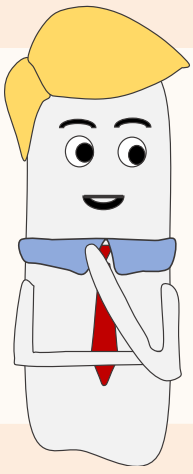
CTeD's Intellectual Property Digest

A brief recap on the last issue



Few months ago, Dr. Curie discovered a new use for a known anti-cancer compound PR87 for the treatment of neuropsychiatric disorders.

She assumed that since Prof. Albert characterized PR87 and its use for cancer treatment, he should also be named as an inventor on the invention disclosure detailing the new use of PR87 for neuropsychiatric disease treatment.



The CTeD tech manager, Ted explained to Dr. Curie that an inventor is an individual who has contributed inventive input. Ted then went on to distinguish inventorship from authorship, and cautioned Dr. Curie that erroneous naming of inventors or courteous granting of inventorship can lead to invalidation of a patent.

The university tech transfer office, CTeD assisted Dr. Curie in filing a patent application claiming her invention. Following this filing, Dr. Curie went on to publish this breakthrough research in the most prestigious journal.

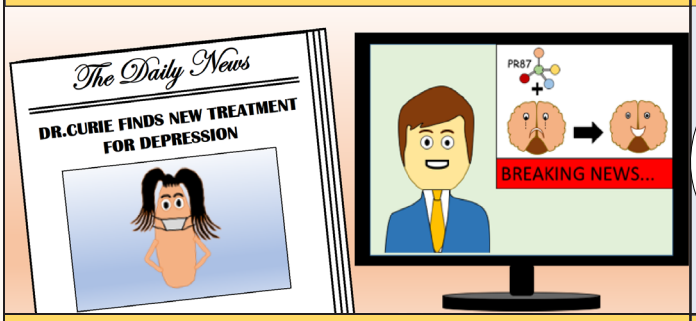
DukeNUS Medical School

CTeD Centre for Technology and Development

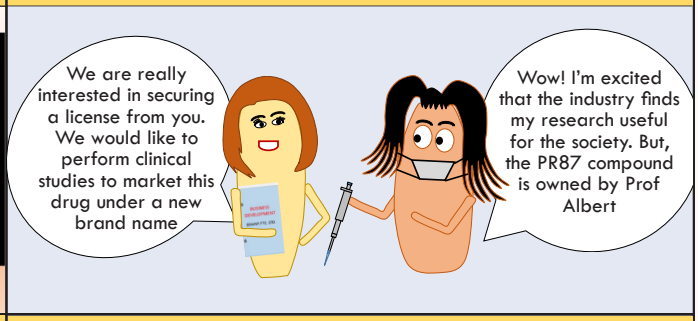
WHO OWNS WHAT?
A Dialogue on IP Ownership

by Parakalan Rangarajan

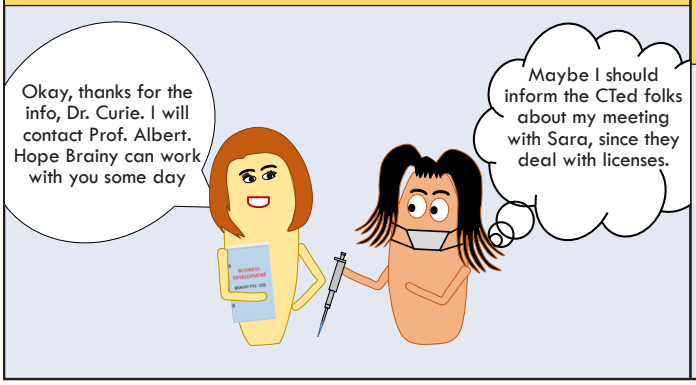
Dr. Curie's paper becomes highly cited, and considered by many experts in the neuropsychiatry field as the next big breakthrough!!! Pharma companies are equally astounded by Dr. Curie's invention...



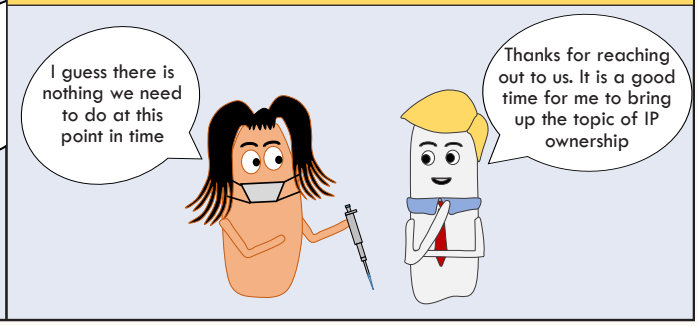
Brainy, a pharma company selling drugs for neuropsychiatric diseases is interested in selling PR87 as an anti-depressant drug. Sara, a business development executive from Brainy meets up with Dr. Curie...



Dr. Curie thinks that Brainy only needs a license to Prof. Albert's PR87 compound...



Dr. Curie recounted her meeting with Sara and told Ted that she asked her to contact Prof. Albert instead since he is the original owner of the IP that Brainy wants to commercialize...



Ted: What Brainy seems to be interested in doing is perform clinical studies and market PR87 for treatment of neuropsychiatric disorders under a new brand name. Therefore, Brainy must successfully secure licenses to two separate pieces of IP – one being the wonder compound PR87 which was invented by Prof. Albert and another, which is equally important, being the new use and treatment regime of PR87 for treatment of neuropsychiatric disorders, invented by you. Without one or the other, Brainy can't go about selling this novel anti-depressant drug.

Dr. Curie: Ok, I understand. So, Brainy needs to get a license to PR87 from Prof. Albert and the use for neuropsychiatric treatment from me.

Ted: One small correction in what you just said: the IP that you've invented needs to be licensed from our university - the owner of this IP.

Dr. Curie: Oh, okay! I thought I owned this IP...after all, I invented this!

Ted: As per patent laws in most countries, ownership follows inventorship – meaning one who invents naturally becomes the owner of that invention. However, there is a caveat to this general rule:

The Singapore Patents Act stipulates that in cases where an employee has devised an invention, the rights in it shall belong to the employer if, at the time the invention was conceived, the employee was employed by the employer and the work was done as a part of the normal duties of the employee during the course of employment or the work was specifically assigned to him/her or the employee had an obligation to further the undertaking of the employer.

In line with the law, our university's IP policy mandates that any invention made by an employee while fulfilling his/her duties to the employer, i.e., our university, is a property of the university. In fact you already agreed to assign your IP rights to the university when you signed your employment contract, and we will ask you to sign an assignment document through which you will assign your ownership rights in this particular invention to the university.

Dr. Curie: Is this the same for all academic institutions?

Ted: Yes, for most academic institutions.

Dr. Curie: So, what incentive do scientists get for being proactive and hardworking? One could simply publish these results instead of worrying about filing a patent application.

Ted: There are incentives for scientists who make inventions. One of those is that, once the IP gets licensed, a portion of the licensing revenue and royalties received by the university is paid out to all the inventors of the IP.

Dr. Curie: Oh, that doesn't sound bad at all. Thanks for that clarification! So, moving on to the other issue - how do we go about licensing our piece of IP to Brainy? What are the next steps?

Ted: We will prepare a draft license agreement with financial terms that we think capture the true value of this IP. A license to academic IP like this would generally contain an upfront payment, past and future patent costs, a yearly payment, payment upon completion of certain milestones, and once the product is market-ready, royalties based on quantum of sales. We will then negotiate with Brainy to arrive at deal terms which satisfy both parties.

"The Singapore Patents Act stipulates that in cases where an employee has devised an invention, the rights in it shall belong to the employer....In line with the law, our university's IP policy mandates that any invention made by an employee while fulfilling his/her duties to the employer, i.e., our university, is a property of the university."

Dr. Curie: What happens to the PR87 IP from Prof. Albert?

Ted: I think by now Brainy might have spoken to Prof. Albert and his institution about negotiating a license.

A few months after this meeting with Sara and her colleagues from Brainy, a license agreement was signed between Dr. Curie's university and Brainy. Brainy also managed to acquire license rights to the PR87 IP from Prof. Albert's university.

A Singapore Case on IP Ownership

NUH v Cicada Cube (SGHC 53)

by Sachin Seshadri

As the accompanying story indicates, inventorship and ownership are not one and the same. In the case of employees working for a company in Singapore, usually the rights to an invention vest in the company. There are occasions though where the inventors are the owners of a patent, such as home inventors devising inventions in their garages independent of any entity such as a company or a university. A recent High Court judgement on NUH v Cicada Cube Pte. Ltd. (Cicada) illustrates how this employer-owned invention principle is applied. The purpose of this case was to decide whether a patent filed for a laboratory specimen processing system by Cicada should actually belong to NUH. NUH argued that its employees devised this invention and hence those employees must be named the inventors and, consequently, NUH would also claim ownership of the patent.

Regardless of how this was decided, at one point, a bone of contention was whether NUH or Dr. Sethi should be the owner of the patent. If Dr. Sethi's involvement in devising the invention whilst at NUH did not satisfy certain criteria, then NUH should not have rights in the invention.

The Singapore Patents Act stipulates that, in cases where an employee has devised an invention, the rights in it shall belong to the employer if, at the time the invention was conceived, the employee was employed by the employer and the work was done as a part of the normal duties of the employee during the course of employment or the work was specifically assigned to him/her or the employee had an obligation to further the undertaking of the employer. The Court was convinced that the conception of the invention fell under the blanket of "normal duties" of a Chief of NUH's department of Laboratory Medicine. Prior to the invention, NUH had encountered problems with lab specimen management and it could be expected of a Chief of Laboratory Medicine to devise an invention to improve the hospital's processes on specimen management and uphold NUH's mission which is to provide "care of the highest quality". The Court also opined that all employees in many modern-day jobs, whether managerial or clerical, are expected to contribute to their organizations by proposing innovations and hence "normal duties" shall be a broad spectrum.

The other issue was whether Dr. Sethi was an employee of NUH since he had contracts with both NUH and NUS at the time and was "deployed" from NUS to NUH as a Resident. Furthermore, he only had a "Letter of Appointment" from NUH, where he would receive an "allowance", not a salary and not a "Letter of Employment". However, the Court ruled that Dr. Sethi should be considered an employee of NUH.

There was precedent to consider "appointment" as "employment" and although his pay as Chief of Laboratory Medicine was called an allowance, NUH was paying him a "salary" for his Senior Consultant role. NUH's letter of appointment also stated that it could terminate his services by giving him a "notice or salary in lieu of notice". NUH's letter required Dr. Sethi to report to work "punctually, according to his work roster", his absenteeism would be "subject to discipline". He was also entitled to medical leave, annual leave and benefits. Further, NUH was making monthly contributions to Dr. Sethi's CPF. All of the above constituted the hallmarks of being an "employee" and thus, NUH was the correct owner of their employee Dr. Sethi's invention.

Case summary adapted from: https://dcc.com/uncategorized/cicada-cube-pte-ltd-bugged-by-ownership-issues/

Got any feedback?
We'd love to hear what you think about this IP digest and what topics you'd like us to cover in the upcoming issues.
Please write to us at:
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