



1 - Act on Inventions at Public Research Institutions

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Law and Contracts



Background

- Bayh-Dole Act adopted in US law in 1980
 - gave American universities small business and non-profit organisations control of their inventions
- Sponsored by senators Birch Bay of Indiana and Bob Dole of Kansas

- Disclaimer: Only the Danish wording of the text has legal validity!



Before and After January 1, 2000

Before: Act on Employee's Inventions (Lov om arbejdstagere's opfindelser), covered all categories of employment, both public and private employment (employer's right to the ownership of inventions).

Except for: Scientific and teaching personnel at the Universities.

After: Act on Inventions at Public Research Institutions applies to all personnel employed at the Universities, hospitals and National Research Institutions

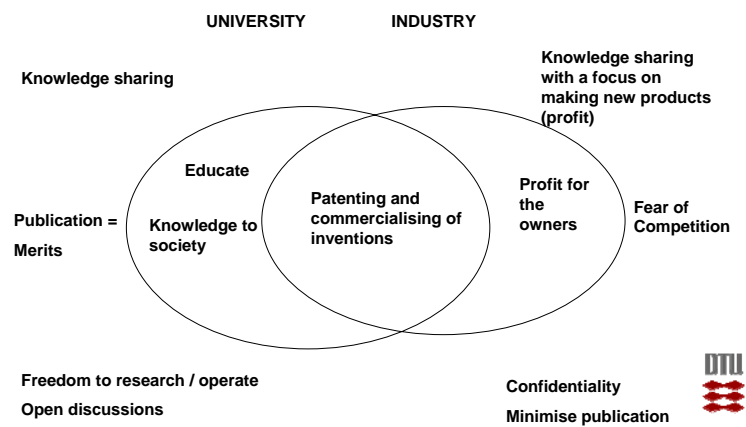


Scope of the University

- According to the Danish Act on Universities, the universities are obligated to teach, carry on research, and provide the research results to the Danish community
- Act on Inventions at Public Research Institutions obligates the universities to promote commercial exploitation of inventions made at the universities.
- EU-rules regulates and restricts public funding and unfair competition



Act on Universities § 2 / Scope of the Industry



Act on Inventions at Public Research Institutions

(Act. No. 210 of 17 March 2009)

§ 1. It is the **purpose** of this Act to ensure that research results produced by means of public funds shall be utilized for the Danish society through commercial exploitation.



Structure of the Act

- Purpose (§ 1)
- The Act's applicability (§§ 2-6)
- Distribution of the rights to inventions (§§ 7-9)
- Notification and evaluation (§§ 10 og 11)
- Commercial exploitation (§§ 12-14)
- The Institution's expenditures and revenue (§§ 15 og 16)
- (§ 17 - nullified)
- Decision Competence (§ 18)
- Entry into force (§§ 19 og 20)



The Act's Applicability

§ 2. The Act applies to inventions made by an employee as a part of his/her work at an institution (as mentioned in § 6).



Inventions and Inventors

§ 3. Which inventions?

Inventions made after January 1, 2000, which can be patented or registered as a utility model under the Danish Utility Models Act.

§ 4. Who does it apply to?

Any person employed at a research institution, who works with research and technology e.g. scientists, technicians, and PhD-students.

The Act is not applicable on students, visiting scientists and the Industrial PhD's.



Distribution of the rights to inventions

- § 7: The rights to inventions made by an employee are accorded to the employee. The institution is entitled to a reasonable payment upon commercial exploitation (§ 12.2).
- § 8: The rights to inventions made by an employee are transferred to the institution. The employee is entitled to a reasonable remuneration (§ 12.1). Remuneration may be made by way of equity shares.
- § 9 The Institution may upon prior agreement, renounce it's rights to inventions made by a project which is completed in cooperation with or financed partly by a party not included in the Act.



Notification and evaluation (§§ 10-11)

Notification of inventions made prior to employment within the field of research.

Notification

The employee shall notify the institution of inventions made as part of his/her work without undue delay.

2-months evaluation period

Within 2-months of the notification, the institution shall evaluate its possibility of commercial exploitation. The employee is not entitled to publish the invention during this 2-months period.



Remuneration §§ 11 og 12

- Obligation to commercial exploitation of inventions.
- The institutions rules on remuneration shall be approved by the Ministry of Science and Technology.
- 1/3 remuneration model.



Ethical considerations § 13

- Due to particular ethical conditions, the institution and the employee may agree not to register the invention and neither to pursue commercial exploitation of the invention.



Expenditures and Powers § 14-16 og § 18

- The institution may incur costs in connection with transfer and protection of rights to inventions.
- Revenues made shall be spent on activities within the purpose of the institution.
- Rector/President shall make the decisions.
- Revenue can be accepted as way of equity shares.



Statute-barring § 17

- Re. remuneration – period of limitation was 5 years
NULLIFIED



Issues not included under the Act

- Software - The institution may acquire copyrights to software, however no remuneration
- Know-how.
- Insurance.
- Choice of law.
- Act on technology transfer
(Lov om teknologioverførsel m.v. ved offentlige forskningsinstitutioner. Lov nr. 483 af 9. juni 2004.)
 - grants the institutions the rights to own or co-own public limited companies
 - sets out the rules for the institutions ownership in public limited companies



What is the motivation?

- Sale and licensing of technology can provide for additional funding of research.
- Evaluation/accreditation parameter (academic merit and salary).
- Novel collaboration opportunities.
- The university is a collaborator during the process.
- All expenses are covered by the university.
- The opportunity for shares of a larger cake.



Web-sites

- http://portalen.dtu.dk/DTU_Generelt/AEM/Opfindelser.aspx
- www.techtrans.dk/
- <http://ep.espacenet.com/>
- <http://www.uspto.gov/sitesearch.jsp>



Non-Disclosure Agreement (NDA)

- Allows the parties to provide each other with their confidential information in order for the parties to discuss matters of a project or opportunity to acquire inventions
- Standard agreements
- Important to specify, what is to be kept secret
- Length of the secrecy period
- Institute signature



Material Transfer Agreement (MTA)

- Similarity to NDA's
- Protection of IPR, watch out for transfer of rights!
- Purpose to be defined
- Secrecy period



Joint Ventures

- Collaboration Agreements
- Højteknologifonden
- Licensing agreements



Companies where DTU has an equity share

NKT Innovation
Kapital NKT Holding A/S
optisk teknologi, glas

Crystal Fibre A/S
Kapital NKT Holding A/S
optisk fiberteknologi

Alight Technologies A/S
Kapital DTU-I mfl.
telekommunikation

SIGA inc.
Samarbejdsaftale
medicin

Inverness inc.
medikoteknik
QSI Pharma A/S
Kapital Leo Incubator
medicin
Jurag Separation A/S
Kapital DTU-I mfl.
Biotek

CommWyce A/S
Kapital DTU og private
investorer
Mobile data networks



Act on Universities § 2 / Scope of the Industry

