

UNIVERSITY OF THE PHILIPPINES INTELLECTUAL PROPERTY RIGHTS POLICY OF 2011*

ARTICLE 1 COVERAGE

- (1) *Personnel Covered* – This policy shall apply to all faculty members, researchers, students, staff and visiting professors undertaking research and/or creative activities pursuant to any program, project, grant or contract under the auspices of the university.
- (2) *Matters Covered* – This policy shall cover all research and/or creative activities, tangible research properties or outputs with or without patent or copyright protection, whether for commercial or non-commercial purpose, undertaken using any university resource and including all technology transfer arrangements.
- (3) *Rights Covered* – This shall cover all types of intellectual property rights recognized under Philippine laws such as the Intellectual Property Code as amended and the Plant Variety Protection Act as well as applicable laws of other states.
- (4) *Other Intellectual Property Rights* – This policy does not comprehensively cover guidelines for fair use of intellectual property rights owned by the university, university personnel or third parties.

** The University of the Philippines Intellectual Property Rights Policy was approved and confirmed by the Board of Regents during its 1269th and 1273rd Meetings held on 3 June 2011 and 29 September 2011, respectively.*

ARTICLE 2
GENERAL PRINCIPLES

- (1) University resources should be used for university purposes and not for personal gain or personal commercial advantage nor for any other non-university purposes. The university subscribes to a policy of recognizing the traditional academic practice of treating faculty members as owners of inventions, works and other intellectual creations they produce without the use of university and/or third party funding and without the use of substantial university and/or third party resources, which are resources that are not ordinarily available to all faculty for traditional academic purposes which includes teaching, research and extension work.
- (2) The university encourages the faculty's full freedom in research and in the publication of their results subject to the adequate performance of their other academic duties.
- (3) The university acknowledges that its efforts to generate income should be weighed against its principal responsibility to provide a favourable environment to explore knowledge for the benefit of the public in general.
- (4) The university accepts that in some cases, the recognition of intellectual property rights of authors and inventors are effective ways to ensure accountability and accessibility of knowledge and technologies.

ARTICLE 3
RULES OF CONSTRUCTION

Nothing in these rules shall be construed –

- (1) To prevent the university administration from implementing rules relating to the enforcement of academic standards that deter and penalize plagiarism and dishonesty;
 - (2) To alter existing university policy affecting conflict of interest including guidelines for outside teaching activities or practice of profession;
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- (3) To limit the university's ability to negotiate and to meet the obligation for deliverables under any contract, grant, or other arrangements with third parties, including sponsored research agreements, collaboration agreements, license agreements and the like, if these terms are more beneficial to meet the purposes and principles of these guidelines;
- (4) To limit the interpretation of the Code of Ethics for Faculty as approved by the Board of Regents in its 1129th meeting on 25 February 1999; and
- (5) To interfere with the discretion of editorial boards, textbook committees, technical review panels and the like to publish works.

ARTICLE 4 COPYRIGHT

- (1) *Works Covered* – all literary, artistic and derivative works collectively referred to in this policy as “works” as defined in sections 172 and 173 of the Intellectual Property Code of the Philippines including course materials for e-learning and distance education, regardless of format in which it was created or produced, shall be covered by these rules on copyright.
 - (2) *Ownership of Copyright* –
 - (a) *General Rule* – Copyright of all works shall remain with the creator except as may be otherwise provided in these rules.
 - (b) When copyright must be assigned to the university – Subject to the provisions of existing laws such as the Intellectual Property Code of the Philippines and the Philippine Technology Transfer Act of 2009, creators shall disclose the existence and assign copyright over the following works of the university in accordance with contractual stipulations, the implementing rules and regulations of the Philippine Technology Transfer Act of 2009, these rules and the implementing rules that may be promulgated by the Office of the President:
 - i. Works that are produced through research and development funded by any Philippine government agency or instrumentality, or government-owned and –controlled corporation from government appropriations and those
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sourced from government managed official development assistance funds;

- ii. Works supported by a specific allocation of university funds or substantial university resources other than the usual salary and resources made available to every faculty, researcher, student or staff;
- iii. Commissioned works or those works created at the direction and control of the university through its officials or designates for a specific project or purpose;
- iv. Works whose authorship cannot be attributed to one or a discrete number of authors despite the application of processes prescribed under these rules; and
- v. Works whose authorship cannot be attributed to one or a discrete number of authors because it is the result of simultaneous or sequential contributions over time by multiple authors.

(3) *Waiver of Copyright Ownership by the University –*

- (a) In the case of works mentioned in Article 4 section 2(b) above and works of joint ownership with the university, the university through its designated officials may waive copyright in favor of the creator if all of the following conditions are met:
 - i. The waiver would enhance the transfer of technology or improve the access to the works by the public in general;
 - ii. The waiver does not violate any existing contractual obligation to third parties; and
 - iii. The participation of the university in the work is acknowledged by the creator in all publications of the work, whether local or international.
 - (b) If the university is unable or has decided not to publish or exhibit the works mentioned in Article 4 section 2(b) within one year from its disclosure, its copyright is automatically waived in favor of the creator provided that no contractual obligations or rights of third parties will be violated. The one-year period may also be
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waived by the university at the request of the creator if the work is to be published in a reputable international or local journal relevant to the academic discipline to which the work falls under, provided that no contractual obligations or rights of third parties will be violated. The contribution of the university shall be duly acknowledged in all publications or exhibitions of the work.

- (4) *Collaborative Works Among Institutions* – Subject to the provisions of the Philippine Technology Transfer Act of 2009 and Article 4 section 2(b) above, and absent any contractual stipulation to the contrary, if the work is the result of collaborative efforts between the university, an outside entity and the creator/s, the copyright shall be jointly owned by the university, the creator/s and the outside entity.
- (5) *Determination of Authorship in Cases of Contributed Efforts* –
- (a) In the case of works resulting from the contribution of efforts coming from different persons, authorship, whether sole or collaborative, shall be determined as follows:
- i. By contractual stipulation;
 - ii. By application of the rules for joint, primary and sole authorship as determined by a publication for which the work was intended; and
 - iii. Through alternative modes of dispute processing including mediation and arbitration to be facilitated by the Office of the Vice Chancellor for Academic Affairs, if the work originated from the efforts of faculty, research staff and students in a single constituent university, or by the Office of the Vice President for Academic Affairs if otherwise.
- (b) Only in the event of failure of any of these modes of dispute resolution may a conflict pertaining to the authorship or copyright of a work be referred for legal action.

ARTICLE 5 INVENTIONS

- (1) *Inventions Covered* – All inventions which may be, or may relate to a product, process, intangible assets such as drug targets and biomarkers,
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platform technology or an improvement of any of the foregoing, whether or not patentable, including utility models, layouts of integrated circuits, industrial designs and new plant varieties referred to in this policy as inventions, shall be covered by these rules.

(2) *Ownership of Inventions* –

- (a) *General Rule* – Except as otherwise provided in these rules, patent right and/or other rights related to the invention such as undisclosed information or know-how shall belong to the inventors.
 - (b) *University Ownership of Inventions* – Subject to the provisions of existing laws such as the Intellectual Property Code of the Philippines and the Philippine Technology Transfer Act of 2009, inventors shall disclose the existence and assign patent rights and other related rights such as undisclosed information or know-how pertaining to the following inventions to the university in accordance with contractual stipulations, the implementing rules and regulations of the Philippine Technology Transfer Act of 2009, these rules and the implementing rules that may be promulgated by the Office of the President.
 - i. Inventions that are produced through research and development funded by any Philippine government agency or instrumentality or government-owned and –controlled corporation from government appropriations and those sourced from government-managed official development assistance funds;
 - ii. Inventions supported by a specific allocation of University funds or substantial university resources other than the usual salary and resources made available to every faculty, researcher, student or staff;
 - iii. Inventions produced by an employee as a result of the performance of his or her regularly assigned duties;
 - iv. Commissioned inventions produced at the direction and control of the University in pursuit of a specific project or purpose regardless of the source of funding; and
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- v. Works whose inventorship could not be attributed to one or a discrete number of inventors despite the application of processes provided in these rules.

(3) *Inventions Funded by Outside Entities* –

- (a) Subject to the provisions of the Philippine Technology Transfer Act of 2009, in the event that funding for the research and creation of the invention is sourced by the university, wholly or partially, from outside entities, the university shall negotiate with the funding entity with respect to the ownership of the invention, patent rights and royalty sharing subject to confirmation by the Board of Regents. The agreement shall bind all parties including the inventors.
- (b) In default of a negotiated agreement, all patents to inventions the research funds were sourced from or by the university shall be owned by the university.

(4) *Waiver by University of Rights to Patent* –

- (a) In the absence of existing contractual obligations to third parties, the university may release patent rights to inventors if all the following conditions are met –
 - i. The university elects not to file a patent application as when the invention does not appear to be commercially viable and the inventor is prepared to do so;
 - ii. The waiver would facilitate the transfer of technology or its access to the general public; and
 - iii. The equity of the situation clearly indicates that such release should be given.
 - (b) No waiver shall be given unless there is a written commitment that no further development of the invention shall be made involving the financial support or resources of the university. Nor shall any waiver be made in violation of any contractual obligation of the university. The university may also impose other conditions for the grant of the waiver such as revenue sharing provisions, university equity or shares in a spin-off company formed around the invention, a non-exclusive royalty-free license
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in favor of the university and third parties to use the invention for teaching, scholarly and other academic non-profit purposes and such other similar requirements that would promote reasonable access by the public to the technology.

- (5) *Collaborative Efforts between Institutions* – Subject to the provisions of the Philippine Technology Transfer Act of 2009 and Article 5 Section 2 above, and absent any stipulation to the contrary, if the invention is the result of collaborative efforts of the university, an outside entity and the creator/s, the patent and other related rights over said invention shall belong in joint ownership among the university, the inventor/s and the outside entity.
- (6) *Modes for Processing Disputes Related to the Inventorship and Patent Rights* – conflicts pertaining to inventorship, patent and other related rights, shall be resolved through alternative modes of dispute processing including mediation and arbitration to be facilitated by the Office of the Vice Chancellor for Academic Affairs if the persons contributing their efforts belong only to one constituent university, or by the Office of the Vice President for Academic Affairs if otherwise. Only in the event of failure of any of such modes may such conflict be the subject of court action.

ARTICLE 6

OTHER INTELLECTUAL PROPERTY RIGHTS

- (1) *Trade and Service Marks* – Trade and service marks are distinctive words or graphic symbols identifying the sources, product, producer, or distributor of goods or services. The university shall own trade or service marks relating to goods or services distributed by the university. These include names and symbols used by the university in conjunction with its computer programs or university activities and events.
 - (2) *Protection of Undisclosed Information* – While the university's mission is to transfer knowledge and technology for the benefit of the public, it may resort to the protection of undisclosed information in any of the following and other similar instances:
 - (a) The protection is necessary in order to comply with contractual stipulations or to pursue an academic research project to its completion;
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- (b) The information being protected is necessary in order to protect intellectual property rights of the university on an invention; and
 - (c) Upon the determination of the President, circumstances are such that well defined interests of the general public will better be protected by claiming legal protection of information or technology as “trade secrets”.
- (3) Subject to the provisions of applicable laws such as the Philippine Technology Transfer Act of 2009 and contractual stipulations, Tangible Research Property (TRP) or research results which are in a tangible form (i.e. integrated circuit chips, computer software, biological organisms, engineering prototypes, laboratory notebooks or logbooks) which cannot be the subject of any other kind of intellectual property protection are presumptively owned by the university.

ARTICLE 7

THESES AND DISSERTATIONS

- (1) A student shall own the copyright of his/her thesis/dissertation subject to the provisions of applicable laws such as the Philippine Technology Transfer Act of 2009, the provisions of this policy as well as any agreement(s) with the university and/or external parties. In order to enable the university to perform its mission of transferring knowledge and technology for the public benefit, the student shall grant to the university a non-exclusive worldwide, royalty free license to reproduce, publish and publicly distribute copies of said thesis/dissertation in whatever form subject to the provisions of applicable laws, the provisions of this policy and any contractual stipulations.
- (2) In the event a thesis/dissertation contains information on an invention that may be patentable or registrable, or if the same contains confidential information of the university and/or that of a third party, the department, institute or college may withhold public access to said thesis/dissertation and the defense proceedings and may take such other reasonable steps to protect the university and/or third party’s IP rights until the university and/or third party has given written permission to disclose the same. In the event that the university waives its right to the invention as provided under this policy as the inventor is willing and able to comply with the condition, among others that may
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be imposed by the university, to file a patent or other applicable intellectual property application for the same, the inventor may request the department, institute or college to withhold public access to said thesis/dissertation or to the defense proceedings pertaining to said invention.

ARTICLE 8 COMMON PROVISIONS

- (1) *Waivers and Authorities* –
 - (a) Except in cases of failure to publish or failure to file an application for a patent, all waivers of ownership of intellectual property rights shall be confirmed by the Board of Regents upon recommendation by the President of the university. The President of the university is authorized to delegate his/her responsibilities to any of his/her Vice Presidents or to his/her Chancellor based on his/her own judgement of what will be efficient and effective for a given constituent university.
 - (b) The President of the Chancellors shall periodically report to the Board of Regents the intellectual property rights owned by the university which are impliedly waived immediately upon their discovery.
 - (2) *Royalty Sharing* – The University shall assign to the author/s, inventor/s, or creator/s one hundred percent (100%) of the first two hundred thousand pesos (or less) of the royalty received by the university from commercialization of the intellectual property. This amount may be adjusted on a yearly basis, taking into account factors such as inflation rate. In excess of this amount, the author/s, inventor/s or creator/s shall receive at least forty percent (40%) of the royalty received by the university. Collaborating authors or inventors shall share in accordance with the determination of their participation in the authorship or invention as prescribed in these rules. Twenty five percent (25%) of the remainder of the royalty received by the university from the commercialization of the intellectual property shall go to U.P. system, while seventy five percent (75%) shall go to the constituent university without prejudice to such policies or arrangement that the constituent university may have with respect to sharing its allocation of the net income with the department/s or unit/s from which the intellectual property originated.
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The term royalty as used in this Policy is understood to mean royalty as defined by the Magna Carta for Scientists, Engineers, Researchers and other Science and Technology personnel in the Government (R.A. 8439) and its Implementing Rules and Regulations and shall be net of applicable taxes.

- (3) *Upfront, Milestones and Other Payments* – Determination of the sharing of revenues from IP commercialization agreements, other than royalties which shall be governed by the section above, such as upfront, milestones and other similar payments, between the U.P. System, the constituent university and inventors, authors or creators structured into a deal shall be governed by the appropriate agreements pursuant to the provisions of the Philippine Technology Transfer Act of 2009 after consideration of all expenses incurred in protecting the intellectual property, as well as for maintenance, possible litigation and other costs.

All other expenses such as administrative costs, filing fees, costs relating to the production, distribution, advertising, maintenance and similar expenses of the work or invention shall be for the account of the constituent university and shall be taken from its share in the royalties and other payments. In the disposition of any royalty income accruing to the university from copyrights or patents, first consideration shall be given to support research activities.

If the university receives shares in a company as consideration for any intellectual property commercialization agreement, the shares the university obtains will be held by the university and the proceeds from the liquidation of the shares shall be distributed to the author(s)/inventor(s)/creator(s) according to the same ratio above. An author/inventor/creator may also request to hold his/her portion of the share in his/her own name, in which case such inventor shall no longer be entitled to any proceeds from the liquidation of the remaining shares by the university.

The share of the university in the royalty and other revenues mentioned above shall be constituted as a revolving fund for use of the university, deposited in an authorized government deposit bank subject to accounting and auditing rules and regulations. Said revolving fund shall be used to defray intellectual property management costs and expenses including professional fees and to finance research and development, science and technology capability building and technology transfer activities, including operation of technology

licensing offices. Provided, that no amount of said income shall be used for payment of salaries, bonuses and allowances.

- (4) *Portability of Shares* – Shares in royalty and other revenues such as upfront, milestones and other payments shall be payable to the creator(s)/inventor(s) of the IP even after retirement, termination of their employment with the university or their contract of service or in the case of students after their graduation from the university; provided further, that said creator(s)/inventor(s) have not been dismissed from the university because of violation of provisions of this policy (e.g., selling or compromising university trade secrets). The department/institute from which the invention originated shall also continue to receive its shares in royalty and other payments.
 - (5) *Use of Copyright, Patents and other Intellectual Property Rights of the University* – Pursuant to its public function, the university shall not enter into any kind of contractual arrangement that would deter the public in general from having reasonable access to the works or inventions. Non-exclusive licensing, through which a license may be granted to more than one licensee, is preferred but in some cases, as when significant investments of time and resources are needed to bring the technology to market, an exclusive license may be necessary and appropriate as the same will provide an incentive to the licensee to bear the risks of further development (e.g., in drug discovery and development).
 - (6) *University Contracts* –
 - (a) All contracts for research and the production of creative works, regardless of source of funding, should include provisions for ownership of intellectual property rights and resulting tangible materials, means for the determination of authorship as well as processes for settling disputes on authorship or inventorship.
 - (b) No allocation of funds from the university shall be made for research and the production of creative works unless the same are covered by contracts containing the provisions required under (a) above.
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ARTICLE 9
TECHNOLOGY TRANSFER AND BUSINESS
DEVELOPMENT OFFICE

- (1) *Creation of the TTBD*O – To implement these rules, the existing Technology Licensing Office (TLO) under the Office of the Vice President for Development shall be named and re-structured as the “Technology Transfer and Business Development Office (TTBD)O”, in line with the evolution of the structure of most university technology transfer offices worldwide.
 - (2) *Composition of the TTBD*O – At the minimum, the TTBD)O shall be composed of a Director who shall report directly to the Vice President for Development, an administrative officer, at least 3 program development associates (PDA’s) who may assume the role of technology assessment managers and/or business development managers (representing different industry sectors), legal counsel on intellectual property and/or corporate law, and administrative assistant(s). The functions of the TTBD)O shall be performed by the Director. The PDA’s shall assist the Director in the performance of such functions and the Director, in order to effectively carry out the mandate of the office, may delegate specific functions of the TTBD)O to a PDA or PDA’s.
 - (3) *Functions of the TTBD*O – The TTBD)O shall have the following functions:
 - (a) Supervise the disclosures of all works created and inventions conceived or first reduced to practice by all university personnel;
 - (b) Facilitate the execution of agreements, affidavits, applications, complaints, and other documents relating to works and inventions necessary to facilitate the university’s intellectual property rights;
 - (c) Coordinate with the appropriate legal office of the UP System or any of its constituent universities with respect to requests for the filing of cases to protect and enforce the university’s intellectual property rights;
 - (d) Make deposits on copyright and file and prosecute the appropriate intellectual property applications including those for the protection of plant varieties on behalf of the university;
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- (e) Advise on the best stage at which a technology or invention should be out-licensed. This is with full regard to the university's responsibility of providing the public with reasonable access to the technology or invention while receiving a reasonable return on investment;
 - (f) Assist university researchers and business/other organizations seeking technology solutions by brokering licensing agreements, from initial negotiations to concluding contracts;
 - (g) Assist university researchers in in-licensing particular technologies required for commercializing their inventions and/or for product development;
 - (h) Assist university researchers in obtaining non-assert agreements, entering patent pools, negotiating royalty ceilings and floors and other business-to-business negotiations;
 - (i) Advise university researchers on the best route to market for a particular technology or invention. This can take the form of, among others: licensing, co-development, joint venture, university subsidiary or spin-off company;
 - (j) Negotiate with university faculty, researchers, staff and students with respect to the development of independently owned technologies after a determination of their commercial potential for purposes of registration, licensing, joint venture or other technology transfer arrangements;
 - (k) Assists in securing research collaborations with and funding from commercial enterprises;
 - (l) Assist in doing due diligence on the best partners for collaborative research and development, taking into consideration their expertise, product portfolio and priorities, track record, and financial status;
 - (m) Help leverage the university brand and specialist expertise across subject areas in securing consultancy contracts for faculty and staff. Corollary to this, the TTBDO shall ensure that university
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intellectual property is not compromised during the provision of consultancy services;

- (n) Review and recommend, upon consultation with the appropriate units of the constituent universities, appropriate intellectual property policies for the university, including possible legislative initiatives in this area;
 - (o) Promote a culture of innovation and entrepreneurship in all U.P. campuses through the provision of training courses and seminars on intellectual property and invention disclosure, management of technology and innovation, company formation, technology valuations, and the conduct of business plan competitions, business surgeries, etc.; and
 - (p) Such other related and necessary functions in order to carry out the mandate of the office such as the issuance of primers, frequently asked questions and other similar documents regarding this policy and other intellectual property matters.
- (4) *Request for Assistance* – the Vice President for Development through the Chancellors may request assistance from any department or unit of the university that can provide expert advice on any trade or discipline that will be the subject of any patent application, litigation, evaluation of the commercial value of the work or invention or any aspect of the work of the Technology Transfer and Business Development Office.
- (5) *Relation to Other System Units* –
- (a) The Office of the Vice President for Legal Affairs of the UP System and the legal offices of the constituent universities shall have sole jurisdiction to prosecute and defend actions relating to the university's intellectual property rights. Legal interpretations of the university General Counsel of constitutional, statutory and university regulations shall be binding on the university unless overturned by the President of the university or the Board of Regents.
 - (b) The Office of the Vice President for Public Affairs shall have jurisdiction to lobby for or advocate any possible executive issuance or legislation.
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- (6) *Relation to Constituent Universities* – The TTBDO serves as an assisting and coordinating unit for the constituent universities on matters relating to intellectual property protection. Nothing in this policy shall prevent a constituent university from performing the functions mentioned in article 9 (3) subject only to system-wide coordination.

ARTICLE 10 ADDITIONAL PENALTIES

Aside from penalties which may arise from the violation of any other law or university policy or guideline, any person/s found to have violated any of the provisions of this policy shall suffer the following penalties:

- (1) Ineligibility for research grants from the university or any of its affiliated foundations for a period not to exceed five years;
- (2) Automatic removal of research load credits and ineligibility to receive these benefits for a period not to exceed five years;
- (3) Removal from any university administrative position and disqualification for any administrative position for a period not exceeding five years; and
- (4) Ineligibility for outside teaching activities or the privilege to practice profession for a period not exceeding five years.

ARTICLE 11 REPEALING CLAUSE

This Policy expressly repeals the following policies approved by the Board of Regents:

- (1) Policies, Rules and Regulations Governing Copyrightable and Patentable Works Produced by University Personnel approved during its 982nd Meeting;
 - (2) Creation of the University Intellectual Property Office approved during its 1109th Meeting;
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- (3) Creation of the Technology Licensing Office under the Office of the Vice President for Planning approved during its 1144th Meeting; and
- (4) Governing Principles and Policies on Intellectual Property Rights of the University of the Philippines System approved during its 1171st Meeting.

All other university policies inconsistent with this policy are repealed accordingly.

ARTICLE 12

EFFECTIVITY

- (1) *Conditions for Effectivity* – This policy shall take effect after
 - (a) An extensive information and education campaign to be led by the Office of the Vice President for Development in coordination with the various system units and the Chancellors of the constituent universities, which shall commence no later than the first Monday of the month from the approval of this policy by the Board of Regents;
 - (b) The publication of this policy –
 - i. In the web page of the University of the Philippines System;
 - ii. In the University of the Philippines Gazette;
 - iii. In the Forum or Newsletter or Collegian; and
 - (c) The deposit of the guidelines with the Office of the National Administrative Register at the UP Law Center.
 - (2) *Effectivity* – This policy shall take effect on 03 June 2011, as approved by the Board of Regents during its 1269th meeting.
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