V. POLICY MATTERS FOR DECISION OF THE BOARD

K. Proposed Governing Principles and Policies on Intellectual Property Rights of the University of the Philippines System (Please see attached)

Board action: Approval

30 May 2003

cc: The Vice President for Academic Affairs
    The Vice President for Planning and Finance
    The Vice President for Development
    The Vice President for Administration
    The Vice President for Public Affairs
    * The Chancellor, U.P. Manila
    * The Chancellor, U.P. Diliman
    * The Chancellor, U.P. Los Baños
    * The Chancellor, U.P. Open University
    * The Chancellor, U.P. Visayas
    * The Chancellor, U.P. Mindanao
    * The Chancellor, U.P. Baguio
    * The University General Counsel, OLS
    * The Auditor

Note: All Chancellors will please see to it that copies of this excerpt are furnished to all units concerned.
GOVERNING PRINCIPLES AND POLICIES ON INTELLECTUAL PROPERTY RIGHTS
OF THE UNIVERSITY OF THE PHILIPPINES SYSTEM

(PROPOSED)
DRAFT FOR BOARD OF REGENTS
VER 3 MAY 26, 2003

RATIONALE

The University of the Philippines, an academic institution with a large pool of intellectual and creative resources, encourages and supports research among its faculty, students and staff. Complementary to its pedagogical tasks, the University is engaged in various research activities to expand its stock knowledge thereby enriching its ability to implement educational programs and to engage in socially responsive extension work.

The University's research activities may result in inventions, materials, designs, technology solutions and related intellectual property which can serve the public good. In many instances, recognition of intellectual property rights may become incentives to further research, ensure accessibility of research output and materials, and increase accountability. Protection of intellectual property rights may also contribute substantial financial resources for the sustainability of the activities of the University and its various units as well as of the individual faculty, staff or student involved.

On the other hand, the University is also cognizant of its role in providing intellectual output for the public good--i.e. not unduly influenced by the agenda of the current government administration and other commercial as well as private interests. Clearer guidelines on intellectual property rights therefore can result in better protection of the University's constitutionally mandated right to academic freedom as an institution. It can also provide the standards by which to mediate between interests of various constituencies vis-a-vis the public market at large (i.e. between research collaborators, between faculty adviser and students, between university administration and individual faculty interests et al.)
These intellectual property guidelines therefore are based on the current perception of its constituents of the University's mission. The guidelines are bounded by the constitutional mandate to maintain the academic freedom of the faculty and of the university as a whole, the provisions of the Intellectual Property Code (Rep. Act No. 8293, 1997) and other laws pertaining to intellectual property rights such as the Plant Variety Protection Act.

In 1985, the University's Board of Regents in its 982nd meeting, approved the "Proposed Policies, Rules and Regulations Governing Copyrightable and Patentable Works Produced by University Personnel." This policy document had three major sections. Section 1 covered copyright ownership, production and distribution, royalty and utilization of revenues. Section 2 covered patent ownership, invention disclosure procedure, royalty, utilization of revenues and disposition of invention. Section 3 identified the administrative mechanism to effect the policy. Specifically, the Office of the Vice President for Planning and Finance, with the assistance of the Office of Legal Services (OLS), was given the primary responsibility to formulate standards and policies on copyrightable and patentable works. At the constituent university level, the Office of the Vice Chancellor for Planning and Development or its equivalent was given the task of implementing the standards, guidelines, rules and regulations on copyrightable and patentable works, with assistance from their respective legal offices and foundations.

In 1987, the UP President issued Executive Order No.2 outlining the implementing guidelines for this policy. In 1997, the Board of Regents approved "A Proposal to Create the University Intellectual Property Office" in its 1109th meeting. The Intellectual Property Office, however, did not materialize.

In August 2000, the Board of Regents in its 1144th meeting approved the creation of the Technology Licensing Officer (TLO) under the Office of the Vice President for Planning to conceptualize, initiate, organize and coordinate technology licensing activities at the UP.
In the meantime, several other statements or guidelines have been issued. The Office of the Vice Chancellor for Research and Development of UP Diliman, for instance, issued its "Guidelines Governing Intellectual Property Rights for Research Projects and Undertakings Funded and/or sourced by the Office of the Vice Chancellor for Research and Development (OVCRD)".

The first draft of these new governing principles and policies was presented for comment to university constituents starting February 15, 2002.

The initial draft from the TLO drew heavily from the intellectual property guidelines of the University of Michigan, Stanford University, and University of California at Berkeley. The references for this draft are included in an annex to these guidelines.

This document therefore:

(a) Adjusts the interpretation of the Intellectual Property Code in order to ensure and maintain the academic freedoms of both faculty and the university;

(b) Provide a more effective and efficient mechanism that will--

i. resolve conflicts between research collaborators;

ii. effectively document and register intellectual property rights;

iii. define procedures for technology transfers, assignments, licensing and the like.

(c) Clarify the relationship of these rules to other related university policies such as those governing conflict of interest.
THE GUIDELINES

ARTICLE 1

COVERAGE

(1) Personnel Covered -- This policy shall apply to all faculty, researchers, students, research staff and visiting professors participating in any program, project, contract or research activity in the University.

(2) Matters Covered -- These guidelines shall cover all researches, research contracts, 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 – These guidelines shall cover all types of intellectual property rights enumerated under the Intellectual Property Code as follows: copyright and related rights, trademarks and service marks, geographic indications, industrial designs, patents, layout designs (topographies) of integrated circuits, protection of undisclosed information.

(4) Other Staff – The intellectual property rights to all works created and inventions conceived or reduced to practice of all non-academic and non-research staff during office hours or with university resources regardless of amount shall be owned by the university.

(5) Other Intellectual Property Rights - These guidelines do not comprehensively cover guidelines for fair use of intellectual property rights owned by the university, university personnel or third parties.

ARTICLE 2

GENERAL PRINCIPLES
(1) The University subscribes to a policy of recognizing the traditional academic practice of treating faculty members as copyright owners of works they create independently and at their own initiative 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 favorable 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 such as plagiarism and dishonesty.

(2) To alter existing University policy affecting conflict of interest including guidelines for outside teaching activities or practice of profession;

(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 February 25, 1999;

(5) To interfere with the discretion of editorial boards, textbook committees and the like to publish works.

**ARTICLE 4**

**COPYRIGHT**

(1) *Works Covered* -- all literary, artistic and derivative works collectively referred to in these guidelines 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 University Owns Copyright -- The University shall have exclusive ownership over institutional works. Institutional works include:

(i) works that are supported by a specific allocation of University funds or other resources other than the usual salary and resources made available to every faculty, student or staff;

(ii) works created at the direction and control of the University through its officials or designates for the purpose of a specific project or purpose;
(iii) works whose authorship cannot be attributed to one or a discrete number of authors despite the application of processes prescribed under these rules;

(iv) 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;

(v) works created through substantial use of University resources such as libraries, research facilities, buildings, utilities, equipment, tools and apparatus, including services of its employees working within the scope of their activities not for University purposes but for the personal gain or advantage of the faculty, research staff or student involved. There is a presumption of substantial use of University resources if the work has in any way been done during official work hours or within the premises of the University and is related to unauthorized outside teaching or the practice of profession without the requisite permission.

(3) Disclosure and Assignment -- In cases of institutional works, creators shall disclose their existence and assign copyright over the work to the university in accordance with these rules and the implementing rules that may be promulgated by the Office of the President.

(4) Waiver of Copyright Ownership by the University --

(a) In case of institutional works 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 of 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 not decided to publish or exhibit the
works within one year from its disclosure, its copyright is automatically
waived in favor of the creator. The one-year period may also be 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 belongs. The contribution of the
University shall be duly acknowledged in all publications or exhibitions
of the work.

(5) Collaborative Works Among Institutions -- 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 creators and the outside entity.

(6) 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 stipulation in the research contract;

(ii) by application of the rules for joint, primary and sole
authorship as determined by a publication for which the work was
intended;
(iii) through alternative modes of dispute processing including mediation and arbitration to be facilitated by 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 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
PATENTS

(1) Inventions Covered -- All inventions which may be or may relate to a product, process, or an improvement of any of the foregoing, that is new, involves an inventive step, is industrially applicable and potentially patentable, including utility models and industrial designs referred to in these guidelines as inventions, shall be covered by these rules on patent.

(2) Right to Patent -- Except as otherwise provided in these rules, rights to patents shall belong to the inventors.

(3) University Ownership of Patent – The University shall own all patents to commissioned invention. Commissioned inventions are:

(a) inventions that are supported by a specific allocation of University funds or other University resources;

(b) inventions produced at the direction and control of the University in pursuit of a specific project or purpose regardless of the source of funding;

Last printed 5/26/2003 7:33 AMUP IPR guidelines VER 3, Page 9 of 21
(c) works whose inventorship could not be attributed to one or a discrete number of inventors despite the application of processes provided in these rules;

(d) those that may be stipulated by contract as commissioned inventions.

(4) Disclosure and Assignment -- Creators of commissioned inventions should disclose and assign the patent to these works to the University in accordance with these rules and the implementing guidelines which may be promulgated by the President of the University.

(5) Inventions Funded by Outside Entities

(a) 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.

(6) Required Assignment of Patent to the University--Regardless of the source of funding, patents to the following inventions shall be assigned to the University:

(a) those conceived or first reduced to practice by employees, faculty or students in the university in the course of the performance of their duties;
(b) those created through substantial use of University resources such as libraries, research facilities, buildings, utilities, equipment, tools and apparatus, including services of its employees working within the scope of their employment.

(7) 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 me a patent application and the inventor is prepared to do so. It shall be presumed that the University elects not to me a patent application if no application is filed two years after the disclosure of the invention or from the time the University is reasonably presumed to have known of its existence;

(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.

(8) Collaborative Efforts between Institutions -- If the work is the result of collaborative efforts of the University, an outside entity and the creator/s, the copyright shall belong in joint ownership among the University, the creator/s and the outside entity.
(9) Inventions as a Result of Collaborative Efforts

(a) The identification of inventorship, whether sole, primary or joint, shall be determined as follows:

(i) by contractual stipulation;

(ii) by application of the rules and standards of a publication primarily intended by the collaborative effort;

(iii) by alternative modes of dispute processing including mediation and arbitration to be facilitated by the Vice Chancellor for Academic Affairs if the persons contributing their efforts belong only to one constituent university, or by 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 inventorship or patent rights to an invention referred for legal 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) Proprietary information -- Proprietary information includes information arising from work within the University. These also include processes which may fall under the concept of "trade secrets".

(a) Proprietary information such as proposed terms of research agreements including their financial arrangements shall be covered by existing rules relating to the constitutional duty of a state university to public disclosure;

(b) Research information and processes used for academic purposes shall be presumptively considered part of the public domain and shall not be considered as "trade secrets", except when anyone of the following is present--

(i) The protection is necessary in order to pursue an academic research project to its completion;

(ii) The information being protected is necessary in order to protect intellectual property rights' of the University on an invention;

(iii) Upon the determination of the President, circumstances are such that well defined interests of the general public will better be protected by temporarily claiming legal protection of research processes as "trade secrets".

(b) Tangible Research Property (TRP) or research results which are in a tangible form (i.e. integrated circuit chips, computer software, biological organisms, engineering prototypes) which can not be the subject of any other kind of intellectual property protection are presumptively owned by the university. In no case shall biological material in any form be the subject of patents or any form of acquisition.

ARTICLE 7
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 her/his responsibilities to any of her/his Vice Presidents or to her/his Chancellor based on her/his own judgment of what will be efficient and effective for a given constituent university.

(b) The President or the Chancellors shall periodically report to the Board of Regents intellectual property rights owned by the University which are impliedly waived immediately upon their discovery.

(2) Royalties --

(a) In the absence of contractual stipulations to the contrary, royalties derived from copyrights, patents and other intellectual property rights of the University shall be shared as follows:

(i) One-third of net income shall be given to the University.

(ii) One-third of the net income shall be given to the Constituent University to which the author or inventor belongs. This is without prejudice to such policies or arrangements 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 author or inventor originated.

(iii) One-third of net income shall be given to the author/s or inventor/s. Joint authors or inventors shall share equally from
this portion. Collaborating authors or inventors shall share in accordance with the determination of their participation in the authorship or invention as prescribed under these rules.

(b) Net income shall mean gross income less applicable taxes. 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 university and shall be taken from its share in the royalty income. In the disposition of any royalty income accruing to the university from copyrights or patents, first consideration shall be given to support research activities.

(3) Use of copyright, patents and other intellectual property rights of the University – Pursuant to its public function, the University shall not enter into exclusive licensing arrangements. Nor shall the University enter into any kind of contractual arrangement that would deter the public in general from having reasonable access to the works or inventions.

(4) University Contracts –

(a) All contracts for research, regardless of source of funding, should provide for the means for determination of authorship in accordance with these rules.

(b) No allocation of research funds from the University shall be made in cases of works to be produced by collaborative efforts until and unless the provisions for ownership of intellectual property rights and ownership of resulting tangible materials, including processes for settling disputes on authorship or inventorships, shall be clearly provided in a contract.

ARTICLE 8
TECHNOLOGY LICENSING OFFICE
(1) Creation of the TLO -- To implement these rules, a Technology Licensing Office (TLO) shall be set up under the Office of the Vice President for Development to spearhead the technology licensing activities of the University.

(2) Composition of the TLO -- The TLO shall be composed of a director, two licensing assistants (one for information technology and another for biotechnology), a programmer, filing coordinator and an accountant.

(3) Functions of the TLO -- The TLO shall have the following functions:

(a) Supervise the disclosure 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 ensure the University's intellectual property rights;

(d) Register copyrights and patents with the Intellectual Property Office (IPO) on behalf of the University;

(e) Evaluate the commercial potential of the works and or inventions and negotiate contracts for the production, distribution and marketing;

(f) Monitor the progress of royalty payments;

(g) Review and settle disagreements that may arise from royalty distribution or sharing in accordance with the provisions of these guidelines;
(h) Negotiate with University personnel with respect to the development of independently owned technologies after a determination of their commercial potential for purposes of registration, licensing or joint venture arrangements.

(i) 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.

(j) Undertake activities in coordination with the constituent universities such as workshops and symposia to familiarize UP personnel with these guidelines as well as to continually solicit feedback on its directions and implementation.

(4) Requests for Assistance -- The Vice President for Development through the Chancellor 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 or the Technology Licensing Office.

(5) Relation to Other System Units

(a) The Office of Legal Services 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 continue to have jurisdiction to lobby for or advocate any possible executive issuance or legislation.

(5) Relation to Constituent Universities – The Technology Licensing Office (TLO) serves as an assisting and coordinating unit for the constituent universities on matters relating to intellectual property protection. Nothing in these guidelines shall prevent a constituent university from performing the functions mentioned in article 8 (3) subject only to system wide coordination.

ARTICLE 9
ADDITIONAL PENALTIES

Aside from penalties which may arise from the violation of any other law or University policy or guideline, any persons found to have violated any of the provisions of these guidelines 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;

(4) Ineligibility for outside teaching activities or the privilege to practice profession for a period not exceeding five years.

ARTICLE 10
REPEALING CLAUSE
All other University policies inconsistent with these guidelines are repealed accordingly.

ARTICLE 11

EFFECTIVITY

(1) Conditions for Effectivity -- These guidelines 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 these guidelines by the Board of Regents;

(b) the publication of these guidelines

(i) on the web page of the University of the Philippines System
(ii) on the University of the Philippines Gazette
(iii) on the Forum/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 -- The University administration shall endeavor to make these guidelines effective on ______________.

Recommend by the Office of the Vice President for Development on ______.
Recommend by the Office of the President's Executive Staff on ________.
Recommended by the Office of the President on ____________.

Approved by the Board of Regents during its ______ meeting, ______.
References
(other than constitutional, statutory provisions)

University of the Philippines Guidelines

- Policies, Rules and Regulations Governing Patentable and Copyrightable Works Produced by University Personnel, 982nd BOR, November 28, 1985
- Creation of the University Intellectual Property Office, 1109th BOR, May 29, 1997
- Creation of the Position of Technology Licensing Officer, 1144th BOR, August 31, 2000
- OVC RD, UP Diliman, Proposed Guidelines Governing Intellectual Property Rights for Research Projects and Undertakings Funded and/or sourced by the Office of the Vice Chancellor for Research and Development (2002?)

Other Universities

- Stanford University, Copyright Policy, Research Policy Handbook
- Standford University, Inventions, Patents and Licensing, Research Policy Handbook
- Standford University, Tangible Research Property
- University of Berkely, Patent Policy
- University of Michigan, Patents Copyrights and Trademarks
- Columbia University, Statement of Policy on Proprietary Rights in the Intellectual Products of Faculty Activity

Academic Literature

- Dreyfuss, Rochelle Cooper, "Collaborative Research: Conflicts on Authorship, Ownership, and Accountability," 53 Vand. L. Rev. 1161 (2000)
- Euben, Donna R., "Distance Learning and Intellectual Property: Ownership and Related Faculty Rights and Responsibilities," in American Association of University Professors web page at www.aaup.org/Legal/info%20outlines/legdl.htm

McSherry, WHO OWNS ACADEMIC WORK (2002)

Packard, Ashley, "Copyright or Copy Wrong: An Analysis of University Claims to Faculty Work," 7 Comm. L. & Pol'y 275 (2002)

Other documents

- Highly Confidential Memorandum from the Director, Research Dissemination and Utilization Office, 24 July 2002
- Matrix: Proposed UP IPR Guidelines (Deveza), Stanford University Guidelines, University of Berkely, University of Michigan
- Draft, Governing Rules on Copyright, Patent and other Intellectual Property Rights, Deputy General Counsel for Corporate Affairs, April 8, 2003
- Office of Legal Services, Initial Comments on Proposed IPR Policies (Deveza), Internal Draft, January 28, 2002
- Letter dated January 10, 2002, Prof. Edward Deveza to Dr. Maria Serena Diokno on joint ownership
- Letter dated February 22, 2002, Maybelle de Guzman to Dr. Maria Serena Diokno, re Prof. Deveza's letter dated January 10, 2002
- Various internal OLS memorandum and handwritten notes