



35 King Street  
Covent Garden  
London WC2E 8JG

Director of Legal Services  
Telephone 020 7420 8925  
Fax 020 7420 8997

Our ref: Legal/Misc/070326.Piper

27 MAR 2007

Ms Tamsin Piper  
Branch Secretary  
UCL Amicus Branch  
c/o Amicus-Unison Office  
UCL  
1<sup>st</sup> Floor, Brook House  
2-16 Torrington Place  
London WC1E 7HN

26 March 2007

Dear Tamsin

**Re: Advice on Intellectual Property**

Please accept my apologies for the delay in getting this advice through. I will be putting a copy of this advice up on our website, however you may wish to circulate it to your members. Let me know if you need a soft copy of it.

As you will be aware, if any of your members believe that they may have a claim, they must contact their officer for the officer to request legal assistance in the usual way. They should only do so after having raised a grievance and availed themselves of internal dispute resolution procedures as per our guidance on the statutory disciplinary and grievance procedures following the Employment Act 2002 (Dispute Resolution) Regulations 2004. At the same time there is the issue of managing members' expectations, as I presume most of our members are employees, the presumption will be that in most cases the intellectual property is owned by the employer (as per the attached note).

Do let me know if you have any questions or concerns about the attached guidance

Yours sincerely

A handwritten signature in black ink, appearing to read "G. Hirsch", with a long, sweeping underline.

Georgina Hirsch  
Director of Legal Services  
Amicus



INVESTOR IN PEOPLE

General Secretary  
Derek Simpson

Enc: Guidance re Intellectual Property

Cc: Rachael Maskell  
Sarah Warburton

## **Intellectual Property Works created in the Course of Employment A Brief Guide**

This note summarises the current state of the law on employees' rights to the ownership or the financial benefits of intellectual property they create in the course of their employment

### *Ownership*

The general position is that intellectual property rights created by employees in the course of employment will be owned by the *employer* unless there is an agreement in place to the contrary.

There are express statutory provisions:

- Section 11 (2) of the Copyright, Designs, and Patents Act (CDPA) 1988 and
- Section 39 of the Patents Act 1977

dealing with ownership of employee works. Under these provisions, employers essentially gain ownership of intellectual property rights in respect of any works created by an employee which he/she

- was required to produce under the terms of their employment contract or
- could reasonably be expected to produce under the terms of that contract.

Obviously, the wider the job description of the individual employee, the more difficult it will be for him/her to avoid the effects of Sections 11(2) and 39 above.

Even if the work is created by the employee in their own time and using their own resources, the employee will not necessarily be able to claim any rights in that work, if the employer shows that the nature of the work created was that which could be reasonably contemplated as part of the employee's duties. This is demonstrated by the case of Missing Link Software v Magee [1989]FSR 361. There, the court held that copyright in a software programme written by an employee outside his work time and on his own equipment was made in the course of employment, as it fell within the scope of the tasks that Mr Magee was employed to carry out.

Consequently, Amicus members who wish to retain their rights in respect of ownership of work created in their own time should ensure that their contract of employment expressly provides for this to happen.

### *Financial benefits*

Where an employee creates a copyright work in the course of their employment, they have no statutory right to share in the financial success of their work unless they have entered into a separate agreement with their employer to that effect.

The position with regard to patents is slightly different. As explained, an invention devised by an employee in the course of employment will belong to the employer. However, in exceptional circumstances, an employee inventor may be entitled to receive compensation from the employer where the invention is of outstanding success. However, in practice, this test of outstanding benefit is very difficult to prove and there has been only one successful case since the legislation was introduced in 1977.

### *Opting out*

Finally, both Acts contain provision for individual contracts of employment to opt out of their provisions regarding ownership of IP rights and some contracts of employment do provide that such rights vest with the employee or that the employee will share in their financial success. For example, some Universities have developed Intellectual Property Policies which include revenue sharing schemes from the exploitation of IP created by employees in the course of their employment. Such schemes are of course a vast improvement on the statutory position, which (as we have seen) generally does not allow for employees to share in the financial success of the IP works they have created and the development of such schemes in other sectors should be actively encouraged.