

The Netherlands

WHO OWNS IP IN RESEARCH & DEVELOPMENT?

- With a special focus on university joint ventures -

1. Applicable Laws

Inventions, if innovative, new and suitable for a technical application, can be protected through registration of a patent under the Patent Act 1995 (*Rijksoctrooiwet 1995*). The results of creative work in the field of software or in any other area (images, designs, technical drawings, publications etc) are protected without further formalities under the Copyright Act 1912 (*Auteurswet 1912*). As regards designs and drawings, protection can be sought under the Benelux Treaty on Intellectual Property. In addition, more specific forms of protection can exist for chips and semi-conductors and for plant breedings. Specific protection for business secrets is only available in the employment relationship, under Article 7:611 of the Dutch Civil Code (*Burgerlijk Wetboek*). More generally, the use of a party's know-how can under circumstances qualify as an unlawful act under Article 6:162 of the the Dutch Civil Code.

2. Who owns IP in research & development?

a) Patent Act 1995

In principle, the person/legal entity that is the first to file a patent, is deemed to be the owner of the invention (*Art.8 Rijksoctrooiwet 1995*). Some specific rules set out how the right to file a patent should be apportioned in various working relationships. In a regular employment relationship, the person making the invention may as a rule claim (and file for) the patent; only inventions which are the specific object of his or her employment contract are directly owned by the employer (*Art. 12 (1) Rijksoctrooiwet 1995*). For universities and research institutions a more favourable rule is set out in Article 12 (3): if the invention is made by an employee of a university or research institution, the employer is entitled to the patent. Parties may derogate from this provision by agreement. It should be kept in mind that this derogation is sometimes set out in Collective Bargaining Agreements. As a general rule for all working relationships Article 12(6) of the Patents Act provides that under circumstances the employee can claim an equitable remuneration insofar as this has not been provided for in the employment contract. Parties may not derogate from this right to equitable remuneration by agreement.

b) Copyright Act 1912

In principle the person/legal entity that has created the work (such as software), is the owner of the copyrights in that work. However, article 7 of the Copyright Act provides that if the invention is made by an employee, the employer is entitled to the copyrights. Parties may derogate from this by agreement.

The Netherlands

In this respect, the position of professors and other academic staff has been the topic of some discussion in the Netherlands. The general view in Dutch literature and case law is now that if the work is created during independent academic research, for which academic work the academic researcher bears the responsibility (such as promotion research) the academic researcher is entitled to the copyrights in this work.

As in other jurisdictions, copyright includes a claim to “moral rights”. Some of these can be waived (such as the right to have the work published under the creator’s name) while others can not be waived (such as the right to oppose deformation). There is some controversy as to whether the employee/creator remains entitled to his moral rights, if the copyrights in his work are owned by the employer.

3. From the point of view of the employer or principal which (contractual) precautions have to be taken?

a) Patent Act

As regards employees, it is necessary to describe the scope of the duties under the employment contract as broadly as possible so as to include all inventions by the employee while performing these duties. In addition, we recommend including an obligation for employees to promptly notify the employer in writing of each invention and to provide the employer with any and all available technical information needed to prepare, file, prosecute and review patent applications.

Please note that parties may not derogate by agreement from the right to equitable remuneration of the employee-inventor.

For works made-for-hire, the contract should contain an explicit transfer of the entitlement to all patent rights and other IP rights that might arise during the performance of the contract.

b) Copyright Act

As regards employees, the employer automatically becomes the owner of the copyrights. As explained before, although the employer is regarded as the owner of the copyrights in the work created by its employee, the moral rights might remain with the employee-creator. Therefore, we recommend including a waiver by the employee to invoke his moral rights. As regards the moral rights which cannot be waived, we recommend including an obligation for the employee not to invoke these rights.

For works made-for-hire, the employment contract should contain an explicit transfer of all copyrights, including a waiver of moral rights, and other IP rights that will arise during the performance of the duties under the contract. As regards the moral rights which cannot be waived, we recommend to include an obligation for the employee not to invoke these rights.

The Netherlands

4. Current trends and particularities in university joint ventures?

There is a trend towards more joint ventures between universities and third parties, such as private equity companies and high-tech industry, and between universities themselves. This is caused, *inter alia*, by the necessity for universities to provide for funding of research activities. Traditionally, the IP rights in jointly developed research are often owned by the industry partner, or jointly owned by the university and the industry partner. The current trend is that universities are more aware of their position vis-à-vis third parties and are more aware of the importance of the protection and exploitation of their IP rights. Some universities, such as the University of Leiden, have quite recently set up professional tech-transfer offices.

A good example of the cooperation between universities, hospitals and industry is the Top Institute Pharma (*Top Instituut Pharma*). The Top Institute Pharma has been heavily sponsored by the Dutch government and has been established to stimulate universities, hospitals and the industry to cooperate more closely in research and development of medicines and treatments against diseases. This cooperation has already proved to be effective: several research networks have been established in which approximately 300 researcher will be active.