

**UNICO PRACTICAL GUIDES**  
Commercialisation Agreements

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students and IP

  
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# Foreword

Over recent years, the Knowledge Commercialisation profession has grown and matured, creating a huge wealth of knowledge, experience and best practice relating to University commercialisation contracts. The UNICO Practical Guides have been produced specifically to share this knowledge, experience and best practice within the profession.

The UNICO Practical Guides are practical guidebooks on University Contracts. They are designed primarily for use by people in the profession, both new and experienced, in order to tap into the collective learning of colleagues and peers.

The Practical Guides have been produced as a resource for Knowledge Commercialisation professionals in the UK. They are not designed to replace or compete with existing manuals or guides, but to provide a new and, we believe, vitally important set of support materials to those of us in the UK who deal with University commercialisation contracts on a daily basis.

We hope that you find the UNICO Practical Guides useful.

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The UNICO Practical Guides were prepared by UNICO in association with Anderson & Company, The Technology Law Practice™

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# Chapter 1

## General Introduction

Students are no longer just the passive recipients of a State-sponsored education. They are *financial investors* in their education (often underwritten by a bank loan), *consumers* of their university's educational services (e.g. in the context of consumer protection laws), and valuable *assets* of their university. The basic educational relationship between university and student is still there, but these new features have been added, like flying buttresses on a medieval cathedral, ugly, but necessary to ensure the cathedral's long term survival. The causes of these developments are various, and include changes in the funding arrangements for courses and living expenses; an increasingly competitive atmosphere among prospective students and among universities; and a more demanding, consumer-conscious society.

Meanwhile, universities are increasingly expected to work closely with industry on applied research and development. Although this primarily affects academic staff, it has a trickle-down effect on students, particularly where students are funded by industry or work on university research projects.

Many of these developments can be seen together in the single issue of intellectual property (IP) generated by students. The main focus of this Practical Guide will be on how universities can protect their interests in student-generated IP. But in reaching conclusions on this point, it is necessary to consider various aspects of the relationship between the student and the university.

The purpose of this Practical Guide is three fold:

- 1 to provide an introduction to the legal and practical issues surrounding the ownership, and management, of IP created by students;
- 2 to provide some suggested templates together with guidelines concerning their completion; and
- 3 to consider and discuss some issues which are problematic or of particular concern to universities.

This Practical Guide attempts to provide information that is useful for both the beginner and the more experienced research contracts or technology transfer professional (for convenience, referred to collectively below as TTEs). The beginner may wish to focus on the earlier chapters and to use the detailed discussion that appears in the Appendices as a reference source if a specific question or problem arises.

Although this Practical Guide seeks to be reasonably even-handed in its approach, ultimately it is written from the perspective of the university rather than the student. Of course, it will often be in the university's interests to adopt policies that are student-friendly.

In addition to this Practical Guide, users can also access a password-protected page on the UNICO web site at [www.unico.org.uk](http://www.unico.org.uk) which (now or in the future) will contain:

- 1 an electronic copy of this Practical Guide
- 2 additional material as it becomes available, which may include additional precedent material and updates to the Practical Guides; and
- 3 an email discussion forum, where UNICO members can exchange information, ask questions, etc on issues concerning the subject matter of these Guides.

# Chapter 2

## Introduction to Students and IP

### Introduction

Question [1]. Identify the flaws in the following statements:

- *Universities should generate commercial income.* Where the results of a research programme have a commercial application, the university should seek to generate income from those results.
- *Universities should protect and commercialise IP.* The best route to generating such income is for the university to protect the results by means of patents and other IP, and then to commercialise the IP by licensing an existing company or by forming a spin-out company.
- *Universities should obtain assignments of IP from their employees.* Where the individuals who generated the results are employees of the university, they will be required to assign their IP in the results to the university, either as a term of their contracts of employment or under assignment and revenue sharing agreements made in accordance with the university's revenue sharing policy.
- *Students generate IP.* Students participate in university research programmes, and contribute to inventions or other creative aspects of the results, and therefore are joint inventors or creators of any resulting IP.
- *But students are not employees.* Students are not employees of the university and therefore will not be bound by any terms in the university's employment contracts.
- *Therefore, students should agree to assign their IP.* It is therefore reasonable for the university to require the student to enter into a binding agreement with the university, under which the student agrees to assign to the university any IP that he or she generates, so that the university can commercialise the complete package of IP arising from the research programme. In return, the university may agree to treat the student as an employee for the purposes of the university's revenue sharing policy for academic inventors.

- The university needs to have this binding agreement between the student and the university in place prior to the student generating any IP, so that the university can in turn enter into binding agreements with sponsors and licensees for the commercialisation of the IP package. The obvious stages at which any such agreement with the student can be made are either (a) at the time of enrolment at the university and as a condition of enrolment, or (b) prior to allowing the student to participate in the research programme.

It is easy enough to pick holes in every one of these statements, although readers may feel that the general sense of them (with some editing, and subject to exceptions) is broadly correct. To take a couple of examples, a student (or any other worker) may make a valuable contribution to a research project without being named as an inventor on any resulting patent application. And some students are employees as well as being students, particularly some post-graduate students.

Most of the arguments that are raised by these statements, or at least those that are specific to students, are discussed later in this Practical Guide. The key points, at this stage in the discussion, are that there are situations in which:

- students generate IP; and
- the university should own that IP; and
- the university should take steps to ensure that it does own the IP, e.g. so that a larger package of university IP can be commercialised. These steps will include:
  - having an appropriate policy for student IP;
  - having appropriate contractual documents (e.g. assignments) to give effect to the policy; and
  - having appropriate procedures to ensure that the documents are signed.

### **When should the ownership of student-generated IP be dealt with?**

There are three main possibilities:

- at enrolment (e.g. see Template 1);
- before a student commences on a specific research project (see Template 2); and/or

- after the IP is created by the student (see Template 3).

This topic is considered further below and in Appendix C.

### When does the question of student IP tend to surface?

The subject of student-generated IP comes into sharp focus when the TTE is trying to commercialise a package of university IP and it is discovered that a student may own some of the IP. For example:

- an academic research project conducted by the university has resulted in an invention that is suitable for patent protection. The invention has the potential to be commercially exploited. If a student has been involved in the creation or development of the invention, he or she may have rights in the invention;
- the university has been sponsored to undertake a research project by a commercial organisation. The academic involved requires several students to undertake work on the research project. The students may create or generate IP, either alone or together with others. The provisions of the research agreement may require that IP generated during the research belong to the sponsor.

In such circumstances the TTE will wish to ensure that IP generated by a student belongs to the university and/or the sponsor of the research. However, if the topic is not addressed until this point, it may be more difficult for the TTE to obtain clean title to the IP for the university. Among the factors that may create such difficulty are:

- by the time the question of IP ownership is considered (e.g. when applying for patents or when doing due diligence in relation to a potential spin-out transaction), the student may have ceased to be at the university, and it may be difficult to trace him or her; or
- the student may place a higher value on his contribution to the IP than is justified, and it may prove difficult to agree an appropriate revenue-sharing arrangement, particularly if there are multiple inventors/creators.

For these and other reasons, the TTE will generally wish the subject of student IP to have been dealt with before the IP is generated.

## Why doesn't the university just require the student to assign all his/her IP to the university?

Where a university has generated a package of IP to which a student has contributed, the TTE will typically wish to ensure that the university owns any IP that the student has generated.

If the only issue were one of making sure that the university owns the IP, the best way of achieving this would be for the university to enter into an agreement with the student ('IP agreement'), preferably at the time of enrolment as a student, under which the student agrees to assign all of his or her IP to the university. This can then be followed up by formal assignments once any IP has been generated, on the basis that the student is contractually obligated to execute the formal assignment. By making the execution of an IP agreement a condition of enrolment (whether as a separate agreement or as part of the written conditions of enrolment), the TTE's job is greatly simplified. In principle, this reduces the need to negotiate terms with the student on a case-by-case basis, and allows the TTE to negotiate terms with sponsors, licensees and others on the basis that student IP, at least, is clearly owned by the university.

Entering into an IP agreement at the time of enrolment, rather than, say, prior to a student starting work on a university research project, avoids the risk of overlooking the signing of an IP agreement on the latter occasion (particularly if the process is not controlled by the TTE but instead is left to the individual academic or department to administer).

Any such approach should, however, take account of the following issues:

- *Competitive position of the university.* Like universities, students are increasingly becoming aware of IP issues. If a university's IP agreement is drafted too widely, prospective students may view this as a disincentive to attend that university. Any reader who is sceptical about this may be interested to read an email discussion, mostly by students, of Australian and New Zealand student IP policies at [www.sumea.com.au/forum/topic.asp?TOPIC\\_ID=3146](http://www.sumea.com.au/forum/topic.asp?TOPIC_ID=3146). The discussion quotes what appear to be extracts from various universities' student IP policies. The discussion is mostly concerned with the development of computer games by students.

Each university needs to decide whether it requires an assignment of all IP generated by the student. If considered appropriate, a way of dealing with the concerns raised in the email discussion mentioned above would be specifically to exclude from any IP assignment any IP generated by the student in a purely personal capacity during their time at the university, particularly if university facilities are not used.

- *General policy grounds.* Although the comments in the previous paragraph are concerned specifically with the competitive position of the university, similar comments could be made from the perspective of general policy on how the university should deal with its students. The authors are aware that some universities are actively encouraging entrepreneurial activity by their students, and there is at least the potential for a conflict with any such policy if the university requires that all IP generated by the student should belong to the university.
- *Contractual relationship.* To be enforceable, the IP agreement will need to comply with the basic rules for legally-binding contracts (as to which, see the summary in the Practical Guide to General Legal Issues in University Contracts). For example, contracts with a 'minor' (under 18 years) may need to be counter-signed by a parent or guardian.
- *Duties of university to 'look after' its students?* It is not clear to what extent a university has duties towards its students that may override the arm's length relationship that normally operates between contracting parties, and may constrain the terms of any contract that a university enters into with its students. This is discussed further in Appendix D.
- *Rights of the student as a consumer.* Consumer protection laws may constrain the terms of any contract that a university enters into with its students. This is discussed further in Appendix D.

### University policies

Many universities have developed a policy on the subject of student-generated IP. In simple terms the policy usually involves the student agreeing to give up ownership of any IP that he or she may generate, usually in return for the student sharing in any revenue that the university receives from the successful commercial exploitation of the IP. Often universities apply the same revenue-sharing policy to students that they apply to employee-inventors.

As can be expected, different universities have different policies. At one extreme, some universities require that students, when registering for their course, must agree that all IP they generate will belong to their university. A small number of universities appear to have this policy.

The other extreme is that students will retain ownership of all IP they generate and will not be required to assign their IP. This approach appears to be popular with some arts-based (as distinct from science-based) universities. Where a student creates a work of art or non-industrial design (e.g. a clothing design), it may instinctively seem appropriate that the IP in such items should belong to the student. However, it seems doubtful whether there is any real difference in principle between the arts and the sciences. Arguably, the real distinction should be between (1) IP generated by the student without substantial use of university resources, and (2) IP generated with the substantial use of university resources, under a university contract, or at the direction of academic staff.

Several universities have not developed a policy to handle ownership of student-generated IP. Where this occurs, the “default” position in law is that the student will usually own any IP that he or she generates.

Between these two extremes, some universities take a middle course. With this approach, most IP that a student generates will belong to the student. But if the student is invited to take part in a research project, or is studying for a degree which is based on a funded research programme, then the student will be required to assign any IP he or she generates from that research programme, normally in advance of participating in the research project or study programme, and normally in return for sharing in any commercial revenue generated.

### **Why should a university have a student IP policy?**

If the university does not have a policy (backed up by suitable IP agreements or otherwise giving the policy contractual force) on ownership of student-generated IP, then

- the university may not be able to license “its” IP because it cannot obtain full ownership to it; or

- the university may be able only to license an invention or some technology on less favourable terms than would be available if it had complete ownership; or
- the university may find itself in breach of its obligations to sponsors and others, e.g. if it has accepted a contractual obligation to ensure that all IP arising from a project belongs to the university or the sponsor.

It is therefore worth spending a little time considering the default position on IP ownership in the situation where a suitable IP agreement has not been made. This subject is discussed further in Appendix D.

### Which IP should the student IP policy cover?

Each university will have its own views on which categories of IP, generated by a student, should be owned by the university. As discussed above, some universities will prefer to have the policy cover all IP; others will have more limited ambitions. The policy may differ according to the type of student (e.g. post-graduate versus undergraduate) or the type of IP (patented inventions versus copyright in books) or for other reasons. Some of the more obvious candidates for university ownership include the following:

- IP generated under a contract (research contract, consultancy, etc), where the funder of the work done under the contract has certain rights in respect of the results.
- Where the student participates in a university research project, e.g. assisting a professor with the professor's work.
- Any work that builds upon the know-how of the university department.
- Where the student makes substantial use of university resources in generating the IP.

Some candidates for student ownership including the following:

- Where the work is 'stand alone', created primarily by the student (albeit with support from academic staff), and without substantial use of university resources or background know-how. Some arts-based work, e.g. paintings or clothing designs, may fall into this category.

- Copyright in books. Many universities have a policy that copyright in books written by academics will belong to the academic, and there would seem to be no obvious reason to treat students differently in this area. If the book includes material from other copyright works, e.g. papers, theses, course materials, there may be issues over infringement of the underlying copyright.

This is an area where circumstances will be different in each university, and it should not be assumed that a university that takes a stronger line than outlined above will necessarily be acting inappropriately.

### **Who decides the policy?**

Where a university has a student IP policy, the policy may have been decided by a different group or department to the one that has to implement it. The TTE's priority may be to ensure that the university (or a sponsor or other person with whom the university has a contract) has unencumbered ownership of any IP generated within academic departments. The university's policy-makers may have wider or different objectives, e.g. to encourage students to apply to the university. The TTE is likely to have a role in helping the university to formulate or revise its student IP policy, including:

- Explaining to policy-makers any background issues, e.g. the circumstances in which student IP may be generated;
- Advocating particular IP provisions that are necessary or desirable;
- Advising policy-makers of the implications of any policy for the university's commercial activities (e.g. that the policy may result in a breach of contractual obligations to sponsors, if that is the case); and
- Working on the detailed wording of any policy to ensure that it is accurate and reflects the broad policy objectives of the policy-makers.

# Chapter 3

## Summary of best practice

The following points are some indicators of possible “best practice” (on some points, readers may feel they are “ideal practice”) in relation to dealing with student and their IP.

### Policy

Have in place an institutional policy for student IP covering such matters as:

- the circumstances in which:
  - a student can retain ownership of the IP he or she generates;
  - a student will be required to assign his or her IP;
  - a student will be eligible to receive a share of any revenue generated from the exploitation of the IP he or she has generated (or he or she has participated in);
- Is the revenue sharing policy for academic staff to be followed in the case of students who assign their IP to the university, or should a different (or any) policy be implemented?
- the procedure the student needs to follow if he or she is unhappy with a decision that he or she has to assign his or her IP to the university;
- the documents that a student will be asked to sign to give effect to the policy; and
- the legal status of the policy, e.g. as a university regulation to which the student has agreed as a condition of enrolment

### Communication of policy

Students are often not aware of the policy of the university in relation to ownership of IP they generate. If not properly explained (or outlined at the right time) students can feel that what is theirs is being taken away from them (or will not be managed properly or they will not be compensated properly or fully).

Proper explanation of why, in certain circumstances, it is necessary for a university to have the IP developed by a student can overcome this. This could be done in a number of ways, such as

- distribution of written materials describing the process of developing and commercialisation of IP and the role of students in this process;
- ensuring that written materials are made available as widely as possible and in as many different medias as possible (ie not just put on a web site);
- allowing TTEs to meet with students to explain and discuss IP matters and related issues (ie hold IP clinics, or meetings which are only attended by students and not academics or funders).

### **Due diligence procedures**

Have in place a procedure for carrying out 'due diligence' to establish:

- the exact status and role of the student, to determine in which capacity the student has created any IP, e.g. as:
  - an undergraduate;
  - a postgraduate;
  - an employee of the university;
  - a sub-contractor or consultant, etc.
- the terms and conditions of any funding for the research project the student has been working on;
- what documentation has been signed by the student prior to starting on the research project.

### **Procedures to ensure student 'signs up' to IP policy**

Other procedures should be established to deal with student IP, including:

- Where the student has apparently not signed anything (see previous bullet), establish procedures to ensure that:
  - the student is asked to sign an assignment;
  - if appropriate, any standard student IP agreement or assignment is adapted to reflect the particular circumstances, e.g. special requirements imposed by the sponsor; and

- an appropriate discussion is held with the student to explain why this is required and is in the interests of both the student and the university.
- determining which department is to handle the above tasks (due diligence and other procedures), e.g.:
  - academic department carrying out the research project;
  - research contracts department which may have negotiated and then administered the research project;
  - technology transfer section/company which is concerned with the exploitation of the invention or technology which contains some student-generated IP;
- determining who is authorised to sign the student IP agreements on behalf of the university;
- taking any appropriate steps to ensure that the student complies with the provisions of a student IP agreement and assignment.

### Templates

Have in place templates to cover:

- any student IP policy document that the student may be asked to sign on enrolment; and/or
- student IP agreements where the student agrees to assign IP he or she generates in the future; and/or
- formal assignments of student IP.

### Negotiation and administration

Have in place procedures covering:

- who is responsible for ensuring that a student IP agreement and/or assignment is put in place, e.g.
  - research contracts or technology transfer section/department/company;
  - academic department;
  - registrar or human resources department.
- whether any of the provisions of a student IP agreement are negotiable. The default position should normally be “no”, because

- the contribution of a student is likely to be small;
- the time and cost of negotiating is likely to outweigh any benefit derived from using a student;
- and any significant changes to a complete assignment is unlikely to be acceptable to commercial sponsors or other research funders;
- a structured system for dealing with particularly difficult areas, e.g.
  - where there is use of pre-existing IP, or
  - where the student has significant other relationships (e.g. a company placement) which might affect the ownership of IP he or she has generated; or
  - whether the warranties (including the “full title guarantee” warranties) that the student is required to provide (such as in Template 3) cannot be provided. The meaning of “full title guarantee” is considered in Appendix D;
  - where there may be conflicting or overlapping agreements made by the university concerning the ownership of IP generated by a particular student (e.g. studentship agreement versus EC Framework 6 conditions of contract);
- what training and information are available to students about IP issues;
- is there a procedure for determining which issues need the assistance of a specialist adviser (e.g. patent agent, lawyer, or insurance broker)?
- Is the student given an opportunity (and time) to consider the terms that he or she is being asked to agree to? Under consumer protection laws, it may be necessary to give the student such an opportunity, failing which there may be doubts over whether the agreement is enforceable against him or her. See further the discussion of students as consumers in Appendix D.

# Chapter 4

## Key issues in student IP agreements

### What are the essential elements of a student IP agreement?

The templates in Appendix A illustrate some of the main terms that are encountered. It should be pointed out that these templates overlap to some extent, and that different universities have different procedures for dealing with student IP which may involve one or more of these types of documents being signed. The critical point is that the student agrees in writing to assign the relevant IP. It may also be important to have the student sign formal documents, e.g. forms of assignment required by national Patent Offices. In practice, universities are likely either (a) to adopt a system where the student agrees to assign IP on enrolment (with IP terms similar to those in Template 1) or (b) to adopt a system where students are required to agree to assign IP when they are admitted to a project or department (in which case an IP agreement similar to Template 2 may be used). The formal assignment at Template 3 is for use after IP has been generated, and could be used irrespective of whether any earlier agreement to assign has been made.

It may be worth summarizing the key elements of each type of document, as follows.

### Student IP policy

There tends to be a greater variety in policy documents than there is in the agreements and assignments described later in this chapter. Some of the main subjects covered in student IP policies that the authors have encountered are:

- A summary of the purpose of the university and why it is important, as part of that purpose, to protect IP.
- An explanation of how IP is protected and commercialised within the university.
- A brief summary of underlying IP laws, including reference to ownership of employee inventions and copyright works. (Sometimes the summary is concise at the expense of accuracy.)

- A statement of the circumstances in which the university requires ownership of IP generated by students, sometimes accompanied by reasons for this policy and examples (e.g. if the university is under a contractual obligation to a sponsor of research with respect to IP in results of a research programme).
- Sometimes, the policy mentions related issues, e.g. confidentiality and so-called 'moral rights' (as to the latter, see Anderson: Technology Transfer – Law, Practice and Precedents, Butterworths, second edition 2003 at pages 513 to 517)
- A reference to any further documents that the student may be required to sign, e.g. formal assignments.
- A statement of the scope of the policy, for example, which students it covers.
- A description of the status of the policy, e.g. that it forms part of the university's financial regulations and is binding on the student as a condition of enrolment to which the student agreed.
- Details of who to consult if the student has any questions or wishes to discuss any aspect of the policy.

Template 1 (which covers only the most important of the issues listed above) assumes that the wording of the student IP policy has been extracted from some official policy source (e.g. the university's financial regulations) and repeated for the student's benefit, and that the student is now being provided with a copy of the policy, e.g. on enrolment as a student.

### Student IP agreement

Depending on when the agreement is to be signed (e.g. on enrolment or prior to joining a department or research project), it may cover the following areas:

- The student agrees that certain IP generated by the student (e.g. it may refer to all IP generated by the student whilst working on a particular project or in a department) will belong to the university. The agreement may also recite that the student wishes to join a particular project or work in a particular department.
- Often, the IP agreement will state that, in return for the assignment, the student will be entitled to benefit under the university's revenue sharing policy for academic inventions. In any event, if the agreement is not executed

as a deed, then to make the agreement binding there will need to be some consideration for the agreement to assign IP. Such consideration may be found in the university agreeing to admit the student to a project, or a nominal consideration of £1 may be included in the agreement (as to the need for consideration in contracts generally, see the UNICO Practical Guide on General Legal Issues in University Contracts).

- The student agrees to sign further documents at the request of the university to give effect to the agreement, etc if a Patent Office requires a formal assignment in a particular form.
- Sometimes, the agreement may include a power of attorney in favour of the university, allowing the university to sign documents in the student's name, e.g. if the student cannot be found. If a power of attorney is included, the agreement should be executed as a deed.
- The agreement may also cover related areas, such as confidentiality obligations (e.g. the student may be asked to comply with confidentiality obligations imposed by the sponsor), rights of publication, procedures to keep any thesis written by the student confidential etc.
- The agreement may include some 'boilerplate' contract terms, e.g. stating the law and jurisdiction of the contract.
- The agreement may have attached to it a template of any formal assignment that the university may require the student to sign once specific IP has been generated.

### Student IP assignment

Formal assignments of IP tend to be used once specific IP has been generated, e.g. once an invention has been made. The formal assignment will identify any specific items of IP that are being assigned (e.g. by referring to a patent application by its number) and will usually include the following terms:

- Formal language to assign the IP.
- Where the assignment covers a package of different types of IP and property, e.g. patents, copyright, materials (e.g. a cell line) and know-how, the assignment will sometimes include both a formal assignment clause and further clauses clarifying what the assignment 'means' for each type of property.

- A reference to any consideration given for the assignment, or the assignment may need to be executed as a deed (as to the need for consideration in contracts generally, see the UNICO Practical Guide on General Legal Issues in University Contracts).
- The student may be asked to give warranties, e.g. that he or she did not knowingly incorporate any third party IP into the IP being assigned. The main reasons for asking for warranties are to focus the student's mind on any problems with the IP of which he or she is aware, and to prompt him or her to discuss them with the TTE. On the question of whether the student should take their own legal advice on the terms of any assignment, particularly the personal consequences of breach of warranty, see the discussion in the final paragraphs of chapter 6.
- The student may be asked to agree to sign further documents at the request of the university to give effect to the agreement, etc if a Patent Office requires a formal assignment in a particular form.
- Sometimes, the agreement may include a power of attorney in favour of the university, allowing the university to sign documents in the student's name, e.g. if the student cannot be found. If a power of attorney is included, the assignment should be executed as a deed.
- The agreement may also cover related areas, such as confidentiality obligations (e.g. the student may be asked to comply with confidentiality obligations imposed by the sponsor), rights of publication, procedures to keep any thesis written by the student confidential etc.

### **What are the common areas of negotiation?**

Once a university has set its policy on student IP, and has established suitable contractual documents to implement the policy, it is unlikely that there will be much negotiation of individual contracts, particularly if the student is required to agree to the terms as a pre-condition of enrolment or participation in a research project. It may be a different matter if any negotiation with the student is entirely 'after the event', i.e. the student has generated IP which the university needs to have assigned to it, but the student is under no obligation to execute any assignment (e.g. because he or she is not bound by any university policy). In the latter case, the most likely area of negotiation may be the financial terms.

## Warranties

Unlike other agreements in the Practical Guide series the student IP agreement and assignment will not usually be substantially adapted, except in the following technical points:

- extent of warranty; and/or
- assignment with full title guarantee (as to which, see Appendix D).

If the student-generated IP is encumbered in any way then it may not be possible to give the type of warranty or assign with full title guarantee (as set out in Template 3). Instead, more limited warranties, or exceptions to the warranties, may need to be inserted and then explained to the student as to their effect.

## Dividing up inventor's share among multiple inventors

Where there are multiple inventors, each inventor's "share" under the university's revenue sharing policy may need to be agreed, but this is a matter of implementation rather than negotiation of the underlying terms.



# Chapter 5

## Checklist

The checklists provided below list (i) some preliminary points that may need consideration and (ii) the main clauses usually found in a student IP agreement and related assignment together with the main issues that should be addressed regarding each provision. Some of these points are discussed further in the Appendices and in another Practical Guide, particularly:

Appendix B – notes on completion of template agreements

Appendix C – in-depth discussion of commercial issues

Appendix D - special legal issues concerning students and IP

and in the Practical Guide entitled 'General Legal Issues in University Contracts'.

### Student IP agreement/assignment

This checklist is based on Templates 2 and 3.

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#### Preliminary

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##### *Parties*

- Has the status of the student been checked, i.e. is the student really a student and not, e.g. an employee in relation to the IP generated?
- Is the student a 'minor' i.e. less than 18 years old, in which case will a parent or guardian be co-signing the agreement (see UNICO Practical Guide on General Legal Issues in University Contracts)?
- Is the agreement clearly stated to be between the university and the student?
- Are the parties to the agreement correctly described—

- has the full legal name and "official" address been included of the university?
- has the full, proper name of the student been used? Has a permanent address been used for the student? For example, for younger students their parents' address might be more appropriate. Generally a term-time address is unlikely to be permanent (unless dealing with a mature student living in his or her permanent home).

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### Definitions (and schedules of IP)

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#### *Definition of IP*

- Is the definition of IP suitable to cover all the types of IP generated, or to be generated, in which the student has participated or will participate?

---

#### *Schedule*

- Does the schedule list all the IP that is to be assigned?
- Have the listed items of IP been checked with the academic responsible for the research project?
- Have the items been checked against the research proposal, reports, or any patent applications/registrations?

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### Warranty

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#### *Warranty by student*

- Can the student state he or she is not party to any agreement or understanding etc which is inconsistent with the assignment?
- Is the student an employee of any third party or does he or she have any contractual obligations to any third party which may mean that the IP that the student has generated is subject to third party ownership or rights?
- Does the funding for the research contract mean that the IP generated by the student is subject to third party ownership or rights?

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## Power of attorney

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### *Granting of a power of attorney*

- If the assignment contains a power of attorney the assignment must be executed as deed, as is anticipated by the signature blocks (as to which, see below).

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## Assignment and other main terms

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### *Full title guarantee*

- Can the student assign the IP with full title guarantee? If the IP is encumbered in any way then he or she may be only able to give a more limited form of guarantee or none at all. (See appendix D for an explanation of the term “full title guarantee”, etc.)
- Has the student been asked about any third party IP rights of which he or she may be aware?

---

### *Other terms*

- Should any other obligations be added to the standard agreement, e.g. confidentiality obligations, assignments of moral rights, etc? For example, if the agreement is intended to meet the requirements of a sponsor under a research agreement, have the terms of the IP agreement been checked against the terms of the research agreement to ensure that all obligations that must be passed on to the student have been passed on?

---

## Boilerplate provisions

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### *Contracts (Rights of Third Parties) Act 1999*

- Should a third party be given any rights or benefits under the agreement or the assignment?
- Is there any special circumstance why a third party should be able to enforce a right or benefit under the agreement or assignment?

---

### *Law and jurisdiction*

- Does the agreement or assignment state which law and jurisdiction should apply to the agreement/assignment?
- Does the chosen law and jurisdiction comply with the university’s insurance policies and internal policies?

---

## Execution of the document

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### *Formalities*

- *For the student.* The student needs to sign the document in the presence of a witness. The witness will need to add their name and address.
- *For the university.* The document will need to be signed according to the constitution of the university, usually two council members (or a council member and the secretary to the council). The university seal will then need to be added.

# Chapter 6

## Administration of student IP agreements and assignments

It is important to keep track of which students are participating in which research projects – ideally before a student has started participating and essential when an invention or IP is ready for commercialisation. This is probably best administered centrally in order to ensure that before a student participates in a research project the appropriate student IP agreement is entered into. Also such an approach will facilitate the due diligence necessary when commercialisation of the invention or technology takes place, as discussed in chapter 3. A number of administrative issues may need to be addressed, including the following.

### Having a Standard Operating Procedure (SOP)

It is helpful to the person negotiating or administering a research project (and then, subsequently, TTEs) if their university has an established written policy or written standard operating procedure (SOP) for dealing with policy issues regarding ownership of IP by a student and the procedure that the university should follow when a student participates in a research agreement. Such policy and procedure needs to be updated and adapted as the university's policy is changed and updated. The policy is likely to develop and become more complex and nuanced to take account of the different circumstances in which a student can create IP.

In addition to aiding the negotiator, having an SOP is also in the university's interest by setting out clear guidelines (and emphasising which clauses should be referred to more senior staff or legal advisers) the potential for errors or matters to be overlooked is reduced. An SOP might usefully include the following information. Some of the following items have already been discussed in other chapters of this Practical Guide (e.g. the need to get details on the student) but they are included here for the sake of completeness.

### Getting all the essential information

- details on the student (status at the university, age, contact details (particularly a permanent address));
- details on the IP provisions relating to the research project;
  - provisions found in contract between the funder or sponsor and the university concerning ownership of IP in the research project;
  - provisions found in any other document/contract governing the status of the student (employment contracts, consultancy contracts etc which relate to the research);
- details of the IP that is to be assigned (description, any patent application or registration numbers etc). This may need to be checked with the academic concerned. All final or interim reports arising from the research project, plus the research agreement and other related documents may need to be reviewed so that the IP is correctly and fully identified;
- checking with the student whether he or she is aware of any pre-existing IP that has been used or of any obligations that he or she has to third parties that may constrain his or her ability to fully assign the IP to the university.

### The steps to be taken

- the procedure to be followed before a student signs on to a research project;
- the procedure to be followed if the assignment of IP is to take place post-generation of the IP;
- what is to happen if the student refuses to agree to assign their IP:
  - who is to be involved in discussing the matter with the student;
  - how the matter might be referred upwards, especially where the academic is insistent on the participation of the student;
- a list of persons authorised to sign the student IP agreement and the assignment and the procedure involved for getting a deed signed by a university and an individual;
- the steps to be taken if standard warranties cannot be given in the assignment document or the assignment cannot take place with full title guarantee—who the matter should be referred to and minimum and maximum positions that can be taken.

### Maintaining records and other administrative procedures

The documents signed by the student can be kept with other documents relating to the research project. In many cases it may be essential to have the original of the assignment of IP available, for example:

- when commercialisation takes place: due diligence exercises will usually take place. The organisation funding the commercialisation will often wish to see all original documents relating to the IP;
- in some cases it is necessary to provide the original or copies of the assignment to patent offices for registration or other related purposes.

Assignments should be stored securely, e.g. in an office safe, with copies of the signed version kept with the rest of the file. As students are involved, in subsequent times it may be difficult (or impossible) to trace the student to sign the document again. Although Template 3 provides a power of attorney allowing the university to sign documents in the name of the student, this may not always be acceptable to some commercial parties (or they may require extra warranties from a university).

### Making students aware of the IP policy of the university

- See discussion of best practice in Chapter 3.

### Contracts databases

Many universities enter into large numbers of research contracts, with many different organisations. Maintaining a general contracts database which includes (brief) details of the students involved, and what steps have been taken to get the student's agreement to assign their IP, and searchable fields, can be of invaluable assistance.

### When to involve the lawyers

- *Overlapping or conflicting IP ownership provisions.* Where there might be several documents governing the ownership of IP generated by a student, it can be sometimes hard to interpret which takes precedence. Legal advice in this area may be needed.

- Warranties. The question of why it may be considered appropriate for the student to give warranties is discussed under the heading of student IP assignments in chapter 4. Where a student is not able to make a “simple” assignment of all his or her rights and provide the warranty in the terms seen in Template 3, drafting a warranty to cover a more involved situation may be difficult. In the authors’ view, the drafting (and effect of) warranties is usually one of the more difficult and contentious areas of contract drafting. Especially if a student gives a warranty which does not accord four-square with the facts (i.e. they sign up to the “standard” assignment but it is clear from what they have said that they should not be doing so).
- The university may rely on or “pass-on” that warranty when the invention or IP is commercialised. If the warranty is incorrect the university may be exposed to liability. A student is unlikely to have the financial resources to meet any claim, while a university will. In any case a student may state they relied on the document presented to them by a university official as being correct. In some situations (particularly in high value or problematic cases) it may be appropriate to recommend to the student that they take their own legal advice. In some cases, it may even be appropriate to offer to pay for that advice.



# Appendix A – Templates

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Students and IP

Below are examples of:

- **Template 1: Policy.** A sample outline of a university policy indicating how ownership, use, exploitation and rewards are dealt with as far as students are concerned.
- **Template 2: Agreement.** An agreement where a student agrees to assign all the IP generated during the course of a research project to a university.
- **Template 3: Assignment.** An assignment of IP. This would either be included as a schedule to Template 2 or could be used as a stand-alone document.

## Template 1– Sample outline university IP policy

### IP generated by students

(Extract of Appendix [ ] of the University Regulations)

#### Introduction

This policy provides guidance for [staff and] students on the policy and procedures of the [ ] University (the “University”) in relation to Intellectual Property. “Intellectual Property” includes patents, copyright, database rights, design rights, rights in respect of confidential information, physical property rights in materials, applications for any of the above, and similar property and rights in any country of the world. This policy forms part of the University Regulations and accordingly is binding upon [students] as a condition of enrolment at the University. [The University reserves the right to modify or add to this policy at any time[, although any such modifications or additions will not affect any Intellectual Property that has come into existence prior to the date of the modification or addition]].

The University, like most other universities, recognises the importance of protecting the research findings of its academic staff by obtaining Intellectual Property in appropriate cases. The University puts considerable effort and resources into:

- Registering and maintaining Intellectual Property;
- Finding suitable companies and investors to commercialise such Intellectual Property, including both established companies and “start-up” companies; and
- Negotiating suitable agreements with such companies under which they agree to develop and commercialise the University’s Intellectual Property.

The University recognises the substantial contribution made by academic staff in generating new Intellectual Property and their involvement in the commercialisation process. Accordingly, The University’s [Revenue Sharing Policy] provides for a substantial part of revenue received from commercialisation to be given to the inventors.

As a student at the University, you are not a University employee and therefore the University does not automatically own Intellectual Property generated by you in the course of your degree course. However, there are occasions when the College does require such ownership. In such situations (which are described in more detail below), the University requires you to assign (transfer ownership of) your Intellectual Property to the University and to complete and sign formal documentation to give effect to such an assignment. In exchange, the University undertakes to treat you in the same way as a member of staff for the purposes of sharing any revenues arising from the commercial exploitation of that Intellectual Property. This is done by applying the University's [Revenue Sharing Policy] to you as if you were an employee.

### **Circumstances in which you may be asked to assign Intellectual Property to the University**

Research projects form a part of many degree programmes at both undergraduate and postgraduate level. Such projects are usually proposed by members of academic staff in your department and will often be connected in some way to that academic's on-going research interests. You may be joining a team to investigate one particular aspect of a much larger research programme. This is usually of great benefit to you, the student - rather than starting from a blank sheet, you can draw on the considerable expertise, reputation and infrastructure of the group and thereby get a valuable head-start in your research project.

There are, however, some important intellectual property issues associated with inviting students to work closely with existing research teams, including the following:

- The Intellectual Property developed by the student will sometimes be needed to enable use to be made of the whole technology developed by the research team - in such cases the University does not want to find itself in a position where a small gap in its Intellectual Property portfolio precludes it from being able to commercialise the technology.
- The Intellectual Property will often be based on advice and ideas contributed by many others in the laboratory, and may be based on

confidential, proprietary or otherwise valuable information that already belongs to the University or a sponsor.

- The research programme may be conducted under the terms of agreements with, or research grants from, outside parties, including both commercial and non-commercial funding bodies. These terms may require that Intellectual Property generated in the research programme be owned by the outside body or the University, or be licensed to the outside body.

*[Note: some university policies require assignments of student IP in additional or different circumstances to those described above, eg if substantial use is made of university resources. TTEs should treat this template as a starting point and adapt it as appropriate to meet their universities' requirements.]*

### **Procedure for assignment of student generated IP**

As a general rule, in cases where you are, in your supervisor's opinion, likely to generate IP that falls into one of the above categories, the University requires you to complete and sign a confidentiality and intellectual property agreement before commencing work on the project. By signing that document:

- you agree to keep confidential any information that is disclosed to you relating to the project;
- you agree to assign ownership of the intellectual property to the University if and when requested; and
- the University agrees to treat you as a member of staff for the purposes of royalty sharing (in accordance with the University's [Revenue Sharing Policy]).

### **Advice and assistance**

This is only an outline summary of the key terms of the confidentiality and intellectual property agreement. You should read all of its terms carefully. If you are in any doubt about the meaning or effect of the agreement then you should seek independent legal advice before signing it. If you decline to sign this form then you may be offered an alternative project on which to work. In any circumstances:

- participation in the research should not interfere with the assessment of your academic performance.

- your future career choices should not be closed by the choice of work in a confidential area of research.

If you would like to discuss any aspect of this policy or the agreement with a member of staff, please contact [     ].

## Template 2 – Student intellectual property agreement

**THIS DEED** dated \_\_\_\_\_200[ ] is made by and between:

[*full name of student*], whose permanent home address is [*address*] (the “Student”); and

[*name of institution*] [incorporated by Royal Charter] whose address is [*address*] (the “University”).

### **BACKGROUND:**

- 1 The Student is enrolled as a student at the University, and wishes to work, or continue working, in the laboratory of [insert name of lab head or other distinguishing name of laboratory] (the “Laboratory”) in the Department of [state name of department ] at the University.
- 2 The University’s intellectual property policy (a copy of which is attached to this Agreement as Attachment 2) requires that students working on the University’s projects should assign to the University any intellectual property generated whilst working on a University project.

### **THIS DEED WITNESSES as follows:**

- 1 In consideration of the University permitting the Student to work in the Laboratory and providing access to the University’s equipment and facilities, and in further consideration of the University agreeing that the Student will be treated as a University employee for the purposes of the University [Inventor Compensation Scheme], the Student agrees that all Project IP shall vest automatically in the University.
- 2 To the extent that Project IP does not vest automatically in the University under Clause 1, the Student hereby assigns and agrees to assign all Project IP to the University on the terms set out in Attachment 1 to this Agreement. The Student shall execute such other documents and do such other acts to give effect to such assignments as the University may require from time to time. The provisions of Attachment 1 shall form part of this Agreement as if set out here.

- 3 For the purposes of this Agreement, "Project IP" means any and all inventions, results, data, technology, biological or other materials, know-how, designs, copyright works and other technical information and developments, and all patents, design rights, copyright, trade marks and other intellectual property in respect thereof in any country of the world, and all applications and the right to apply for any of the foregoing, which in each case are developed wholly or partly by the Student whilst working at the Laboratory or under the supervision of [ ], including without limitation whilst working on the project entitled [ ] (the "Project").
- 4 [The Student acknowledges that the Project is being funded by outside bodies including [ ] (the "Sponsor"). The Student agrees the he or she has read and understood the obligations on the University in relation to intellectual property and confidentiality (clauses [ ]) as set out in an agreement between the University and the Sponsor dated [ ] (the "SponsorshIP agreement"), and undertakes to comply with those obligations.] [or insert here *university's general confidentiality terms for contractors, etc*]
- 5 The validity, construction and performance of this Agreement shall be governed by English law, and the Student and the University submit to the exclusive jurisdiction of the English courts in respect of any dispute arising in connection therewith.

**AGREED** by the Parties through their authorised signatories:

**SIGNED** and **DELIVERED** upon

Witnessed by:

signature as a **DEED** by

Witnessed by:]

\_\_\_\_\_  
signature

\_\_\_\_\_  
signature

\_\_\_\_\_  
description

\_\_\_\_\_  
address

**EXECUTED** and delivered as a deed by [full name of the University] in accordance with its constitution by the application of its common seal in the presence of [two members of its council][one member of the council and the secretary to the council]:

[seal]

\_\_\_\_\_  
signature of Council member

\_\_\_\_\_  
signature of Council member

#### **ATTACHMENT 1**

Form of Assignment

#### **ATTACHMENT 2**

University IP policy

### Template 3 – Form of assignment

**THIS DEED** dated \_\_\_\_\_ 200[ ] is made by and between:

[*full name of student*], whose address is [*address*] (the "Student"); and

[name of institution] [incorporated by Royal Charter] whose address is [*address*] (the "University").

#### **BACKGROUND:**

- 1 The Student has made certain inventions and developed certain technology, materials and know-how (defined below as the "Technology"), [including the specific items of intellectual property described in the attached Schedule (defined below as the "Assigned Property")].
- 2 The Student is willing to assign all his right, title and interest in the Technology and the Assigned Property to the University subject to the provisions of this Assignment.
- 3 [This Assignment is made pursuant to an agreement between the Student and the University dated [date] (the 'Revenue Sharing Agreement').]

#### **THIS DEED WITNESSES as follows:**

##### **1. Definitions**

In this Assignment, the following words shall have the following meanings:

**Intellectual Property** the Assigned Property and the Technology.

**Assigned Property** the [patent(s), patent application(s) and other] intellectual property identified in the attached Schedule and any future intellectual property and applications therefor which are based upon or derive priority from the items listed in the Schedule

**Technology** any and all inventions, technology, materials and know-how relating to the areas described in the attached Schedule and which have been developed by the Student alone or jointly with any other person, and all their rights in such inventions, technology, materials and know-how.

## 2. Assignment

- 2.1 Pursuant to the Revenue Sharing Agreement and in consideration of the sum of £1 now paid by the University to the Student (receipt of which he hereby acknowledges) the Student as beneficial owner and with full title guarantee hereby assigns and transfers to the University absolutely, all his right, title and interest in the Technology and the Assigned Property.
- 2.2 The assignments effected by this clause 2 shall include, without limitation, the assignment and transfer of:
- (a) all [patents and other] intellectual property that may be granted pursuant to any applications listed in the attached Schedule, as well as all [patents and other] intellectual property that may derive priority from or have equivalent claims to or be based upon the Intellectual Property in any country of the world (and including supplementary protection certificates, divisions, continuations, continuations in part, reissues and extensions), and the Intellectual Property shall be deemed to include all such items of property; and
  - (b) [any [copyright and other] unregistered intellectual property in respect of the [copyright works] listed in the attached Schedule; and]
  - (c) [all rights in respect of any know-how that is described in the attached Schedule; and]
  - (d) [all rights of ownership of any materials that form part of the Technology, including without limitation any cell-lines, antibodies or other materials; and]

(e) all rights of action, powers and benefits arising from ownership of the Intellectual Property, including without limitation the right to sue for damages and other legal and equitable remedies in respect of all causes of action arising prior to, on or after the date of this Assignment.

2.3 [To the extent that the Technology and Assigned Property includes any know-how protected under the laws governing confidential information, references to the "assignment" of such know-how shall include the following obligations on the Student:

(a) the Student transfer to the University such rights as they may have in law to prevent the unauthorized use or disclosure of such know-how;

(b) to the extent that such rights cannot be, or are not transferred by virtue of the provisions of paragraph (a) above, the Student will agree to be joined in any action (whether as claimants or otherwise) brought by the University or its assignee against any third party that is alleged to infringe such rights, subject to the University effectively indemnifying the Student against any damages, costs and expenses incurred in relation to any such action;

(c) the Student will neither use nor disclose any such know-how without the prior written consent of the University; but these obligations of non-use and non-disclosure shall cease upon the know-how becoming publicly known (other than as a result of breach of this clause by the Student);

(d) the Student warrants and represents that [s]he is not aware of any disclosure of such know-how to any third party, prior to the date of this Assignment, except under written obligations of confidentiality; and

(e) if required to do so by the University, the Student will make such acknowledgements to third parties as the University may reasonably require stating that the University owns all such know-how and that the Student does not retain any ownership rights in such know-how.]

- 2.4 [To the extent that the Technology and Assigned Property includes any materials or other physical property, references to the “assignment” of such property shall include the following obligations on the Student:
- (a) The Student shall provide to the University the samples and other items of such property described [Where? When? etc];
  - (b) The Student transfers to the University all [of his or her] right, title and interest in and to such property; and
  - (c) The Student warrants and represents that [Schedule ?] sets out a full and accurate description of all other quantities of such property that, to the best of his or her knowledge, are in existence and are not being supplied to the University under this Assignment (“Retained Items”); and
  - (d) The Student shall not provide the Retained Items to any other person [commercial organisation?] and shall not use the Retained Items for any purpose [other than teaching and research].
- 2.5 The Student shall execute such documents and give such assistance as the University may require:
- (a) to secure the vesting in the University of all rights in the Intellectual Property;
  - (b) to uphold the University’s rights in the Intellectual Property; and
  - (c) to defeat any challenge to the validity of, and resolve any questions concerning, the Intellectual Property.

### **3. Appointment**

The Student hereby irrevocably appoints the University as his Attorney in his name to execute any document and do any act or thing which may be necessary to comply with the provisions of clause 2 above.

### **4. Warranties and disclaimers**

The Student warrants, represents and undertakes that he is not currently a party to any agreement or understanding, oral or written, which would, in any manner, be inconsistent with the assignment of rights provided for in this Assignment, and he shall not enter into any agreement or understanding,

oral or written, during the term of this Assignment, nor, during the term of this Assignment, directly or indirectly engage in any activity which would, in any manner, be inconsistent with the provisions of this Assignment.

**5. Duration of obligations**

The obligations on the Student under clauses 2.[5], 3, and 4 shall continue in force without limit of time.

**6. Law and jurisdiction**

The validity, construction and performance of this Assignment shall be governed by English law, and the Student and the University submit to the exclusive jurisdiction of the English courts in respect of any dispute arising in connection therewith.

**EXECUTED** as a Deed by the parties on the date first above written:

<b>SIGNED</b> and <b>DELIVERED</b> upon	Witnessed by:
signature as a <b>DEED</b> by	
_____	_____
signature	signature
_____	_____
	description
_____	_____
	address

**SIGNED** and delivered as a **DEED** by [full name of the University] in accordance with its constitution by the application of its common seal in the presence of [two members of its council][one member of the council and the secretary to the council]:

[*seal*]

\_\_\_\_\_

signature of Council member

\_\_\_\_\_

signature of Council member

**SCHEDULE**

[describe general subject area covered by this assignment and specific patents and patent applications or other intellectual property]

# Appendix B

## Completing the template agreements

### Introduction

This appendix provides a step-by-step list of the main points to be noted or filled in when completing the template agreements (but not the policy document) in this Practical Guide

The template agreement and template assignment included in this Practical Guide are relatively short. They are intended to be provided “as is” to students for them to sign without the need to negotiate or change any of the provisions (except for those details which need to be added). The previous sentence is subject to the following clarifying points:

- In some cases it may not be possible for a student to provide the warranty or give an assignment with full-title guarantee as set out in Template 3. In some cases these provisions may need adaptation once the TTE has obtained any background information about the IP in question, e.g. after discussion with the student.
- When preparing an agreement or assignment for the student to sign, and before sending the draft to the student, the TTE may need to adapt the wording of Templates 2 and 3 to deal with:
  - the specific types of IP being assigned. The authors are conscious that traditional, patent-based assignments do not always cover the range of IP being assigned, particularly if know-how or materials are the main items being assigned.
  - Any obligations imposed by a sponsor of the research project on which the student has been admitted, which need to be passed on to the student, e.g. specific confidentiality obligations.

In individual cases, other provisions may need to be included, such as publication procedures, the specific tasks that the student is to undertake, etc. It may be that some or all of these should be included in a separate agreement.

Generally, where wording appears in square brackets, its suitability or otherwise for the individual transaction should be considered. If left in the document, the square brackets should be removed. Spaces in square brackets need to have wording inserted and the square brackets removed.

## TEMPLATE 2

### Purpose

This template is to record that a student agrees that intellectual property created during the course of a specific research project is to belong to a university.

In return the university will permit the student to work on a specific research project and where appropriate the student will be able to share in any revenue generated from the commercial exploitation of the intellectual property.

This template is not suitable (without modification) where detailed provisions are required as to:

- the ownership of all student-generated intellectual property (e.g. including course work);
- the tasks that the student is to undertake in the research project;
- the compensation (amount, when payment is to be made) for carrying out such tasks;
- any detailed confidentiality obligations; and
- the specific circumstances when (and how) any commercial revenue will be shared.

For a summary of the main provisions that an IP agreement may cover, please refer to Chapter 4 of this Practical Guide.

Completing the agreement	
<b>Clause</b>	<b>What needs to be completed</b>
<b>Parties</b>	<p><b>University.</b> Insert the full legal name of the university and its principal place of business.</p> <p><b>Student.</b> Insert</p> <ul style="list-style-type: none"> <li>• the full name of the student, e.g. if they are known as Jo Smith, but their proper name is Josephine Anna-Marie Smith, the latter should be used;</li> <li>• a permanent home address of the student. A student will, while a student, normally be residing in temporary premises. An address of a relative might be used if the student does not have a permanent address (especially for younger students). Younger students often move from place to place for several years after graduation. Correspondence sent to a relative is more likely to be brought to the attention of the student.</li> </ul>
<b>Recital A</b>	State the name of the person heading the laboratory, department etc and his/her department where the student will carrying the research project or particular tasks in the research project.
<b>3</b>	State the name of the research project. In some cases it may be helpful to include a reference number, and where appropriate, the funding organisation.
<b>4</b>	Sometimes, a sponsor will require students to sign separate agreements in which they agree to abide by specific confidentiality obligations. Or the university may have its own detailed confidentiality requirements which could be added here. It may also be desirable to add provisions dealing with publications, including theses. Usually, the university will have its own rules as to the circumstances in which theses can be maintained in

	confidence, eg in a special section of the university library. If this is an issue, it is suggested that the clause track the language of the university rules about treating theses as confidential.
<b>Signature Block</b>	Insert the full names of the student and the full legal name of the university (as in the Parties clauses).
<b>Signing</b>	<p>University. Unless there is different provision, a deed needs to be signed by members of the governing body of the university (council, senate) and sometimes the secretary to the university governing body. It is usual for a deed to be signed by two council members or a council member and the secretary to the council.</p> <p>For many universities, there are procedures in place which allow certain (usually senior) officials to sign deeds in place of the council members.</p> <p>The university seal must always be used, regardless of who is permitted to sign the document.</p> <p>More information on such matters (as to who is permitted to sign, how and when the university seal is put on documents) is usually available from the secretary to the governing body of the university.</p>

### TEMPLATE 3

#### Purpose

This template formally assigns the IP generated by a student. It can be used where Template 1 or Template 2 are used or separately. For example, in situations where the student has already generated some IP but there is no student IP agreement in place.

The templates aims to give the fullest assignment possible (to the extent that is possible to do so) by a person of his or her rights.

For a summary of the provisions of a typical student IP assignment, please refer to Chapter 4 of this Practical Guide.

Completing the assignment	
Clause	What needs to be completed
Parties	<p><b>University.</b> Insert the full legal name of the university and its principal place of business.</p> <p><b>Student.</b> Insert</p> <ul style="list-style-type: none"> <li>• the full name of the student, e.g. if they are known as Jo Smith, but their proper name is Josephine Anna-Marie Smith, the latter should be used;</li> <li>• a permanent address of the student. A student will, while a student, normally be residing in temporary premises. An address of a relative might be used if the student does not have a permanent address (especially for younger students). Younger students often move from place to place for several years after graduation. Correspondence sent to a relative is more likely to be brought to the attention of the student.</li> </ul>
Recital A	State the name of person heading the laboratory, department etc and his/her department where the student will carrying the research project or particular tasks in the research project.
2	In some circumstances it may not be possible for the student to assign with full title guarantee. In some circumstances only a "limited title guarantee" can be given or no covenant at all. Where there is doubt (whether before or after investigation) that a student can freely assign his or her IP then specialist help should be sought as to the type of wording that can used here. Please see Appendix D on the meaning of full title guarantee.
2.3 and 2.4	Are these clauses relevant to the particular assignment? If not, they should be deleted.

4	Following on from the previous point, if there is any doubt then the warranty that can/could be given by the student may need consideration, again with the aid of specialist help on the precise words to be used.
<b>Signature Block</b>	Insert the full names of the student and the full legal name of the university (as in the Parties clauses).
<b>Signing</b>	<p><b>University.</b> Unless there is different provision, a deed needs to be signed by members of the governing body of the university (council, senate) and sometimes the secretary body. It is usual for a deed to be signed by two council members or a council member and the secretary to the council.</p> <p>For many universities, there are procedures in place which allow certain (usually senior) officials to sign deeds in place of the council members.</p> <p>The university seal must always be used, regardless of who is permitted to sign the document.</p> <p>More information on such matters (as to who is permitted to sign, how and when the university seal is put on documents) is usually available from the secretary to the governing body of the university.</p>
<b>Schedule</b>	<p><i>IP capable of registration:</i> For patents and patent applications, set out the patent application or patent number, name of the patent, date of application, type of patent (e.g. EPO, UK, USA etc).</p> <p><i>IP not capable of registration:</i> Describe the IP fully, perhaps with version numbers or with a detailed specification or outline. For example, a software program might be described by its version/build number, platforms on which it runs, and features, or with a printout of any readme or change log file.</p>

## Appendix C

Detailed discussion of certain key issues concerning students and IP

**When should the IP that a student generates be assigned to her/his university?**

There are a number of possibilities:

- At the time the student signs on to his or her course;
- Before the student works on any research project;
- Subsequent to the student working on a research project.

Considering briefly each possibility in turn:

**At the time the student signs on to his or her course**

There are, in principle, two substantive positions a university can take regarding the IP generated by a student:

- that the IP generated by a student during the normal course of his or her studies belongs to the student, but in particular circumstances the IP the student generates will belong to the university (or a third party);
- that all the IP generated by the student will belong to the university.

There appears to be no set policy among universities on which route to follow. However, there are several issues with the second option, including

- *morally*, some in the academic community feel it is wrong that a university should own the creative effort of a student or an academic. The ownership of IP generated by students, and more particularly academics, is often a highly contentious issue;
- *legally*, it may be “unfair” (e.g. in the context of consumer protection laws) that a student has to agree to give up all ownership of IP he or she generates. This is especially so where the student may not have any real chance to

familiarise themselves with the terms of the contract (mostly found in the university regulations, student handbook etc) or there is no (possible) compensation to the student for giving up ownership of IP they generate.

### Before the student works on a research project

Here the student is required to sign a letter, agreement or other document which specifically acknowledges that in certain circumstances the IP created by the student will belong to his or her university or a third party. The student can sign such a document at different times, such as

- 1 at the beginning of a course, where the course is directed towards the carrying out of a specific research project. This is more likely for certain post-graduate courses such as master and doctorate studies.
- 2 during the course of his or her studies, when the student is invited to work on a particular project.

Both of these alternatives are dependent on there being proper administrative procedures in place to ensure that the student signs the right documentation at the right time. It is a truism that universities are large organisations, where not all activities are controlled or organised centrally. Many research projects are organised and then managed by an individual academic using the administrative resources of his or her department.

Practicalities may suggest that

- 1 in circumstance 1, the academic registrar's department should ensure that the student sign the IP agreement when he or she registers for his or her course.
- 2 In circumstance 2, the academic concerned (or where involved, the research contracts department) should ensure that the student sign the agreement;

However, much will depend on how individual departments and groups interact with one another in the particular university.

### After the student commences work on a research project

This is the least desirable stage (from the university's point of view) to ask the student to assign any IP he or she has generated. As students are not employees of their university, in principle, they will own the IP they create.

This issue is likely to be particularly noticeable when:

- the university wishes to register the IP, e.g. by making a patent application;
- the university wishes to commercialise the IP, e.g. by transferring the IP to a spin-out company).

In such cases, the TTE will normally prepare a package of information, including information:

- to document a proper chain of ownership of the IP;
- to determine who has worked on a project which has led to the creation of the IP; and
- to determine the location of original documents.

### Some problems with assignments entered into post-generation of the IP

As noted above, good practice would indicate that when a student participates in a research project or signs on to a post-graduate course geared towards a specific research project, the appropriate university official will ensure that the student signs a student IP agreement. However, this practice is not uniformly followed by universities.

There are several potential problems where a student does not agree to assign the IP until after it is generated:

- 1 the student may have left the university and/or may not be contactable at the address he or she gave as a permanent address;
- 2 the student may refuse to agree to assign for non-financial reasons. For example, if the IP is to be commercially exploited in the arms trade, or in medical research which might involve testing on animals or stem-cell research or the development of cosmetics etc the student may have moral, philosophical or political reasons for not giving their consent.

- 3 the student may refuse to agree to assign for financial reasons. Although by agreeing to assign they may become part of the university's revenue sharing scheme, the student may believe that "their" IP is worth of a higher share of any commercial income generated.

In circumstance 1 there is also an additional problem where a patent application is envisaged, as the actual individual inventors need to be named in the patent application.

In the event of any these circumstances occurring the following are suggestions for the situation where a student is not contactable to assign the IP or refuses to do so:

- 1 Together with the academic in whose department the student worked, a detailed and careful examination should be undertaken as to the actual contribution made by the student. This examination may reveal that the student's contribution did not amount to sufficient effort that what the student created can warrant IP protection. But if it did, then such examination can help in the next step:
- 2 The university (or its TT arm) may need to disclose to the venture capitalist or other organisation which is to fund the commercial exploitation of the IP that not all the IP has been assigned to the university. The examination can go towards limiting any warranties or indemnities that the university may be asked to give, since any detailed report might reveal the very limited or minor nature of the contribution of the student concerned.

### **Why are assignments signed as deeds?**

As a matter of law, an assignment of IP does not have to be executed as a deed. Assignments need only be in writing and signed by one or more of the parties to the assignment (depending on the type of IP in question). However, conventionally assignments of IP are executed as deeds. Often this is because it is not clear whether there is a binding contract between the assignor and assignee. A deed allows legally binding obligations to arise without the need to be concerned with whether "consideration" has been given for the assignment (as to which, see the UNICO Practical Guide on General Legal Issues in University Contracts).

Another factor to be considered is that if the IP is commercially exploited, commercial parties may prefer to see assignments in the form of deeds. For example, when IP is to be provided to a spin-out company, a commercial investor will often carry out due diligence and will expect to see a proper documentary trail for all the assets which being provided by the university (such as the IP).

### When is a student not a student?

There may be situations when a person studying at a university has generated IP in a capacity other than that of being a student.

#### Kind of situations

An undergraduate is likely to have only one relationship with his or her university: as a student. For postgraduate students, the position is sometimes less clear. The following are some of the situations which arise where the person is studying for a postgraduate degree:

- the person is simply studying for a postgraduate degree;
- the person is also engaged by the university to lecture part- or full-time (whether permanently or on a fixed term contract);
- the person is engaged by the university as an academic but in not in the above category— e.g. a visiting fellow, “academic” consultant etc;
- the person is engaged by the university as a research assistant, laboratory assistant (whether permanently, or more likely on a short-term or fixed-termed basis);
- the person is an employee of another organisation (a commercial company, another university, or a research organisation) and is seconded to study for a post-graduate degree;
- the university has been awarded a grant (whether on its own initiative or by the person applying for the grant to study at the university). The grant may involve a period of work or study at another organisation or in a commercial company (seconded, employed).

## Why understanding the “type” of student matters

There are two primary reasons why understanding the type of student involved is vital:

- the person may be either an employee or self-employed. The position of ownership of IP generated by the person will, in certain circumstances, be governed by their contract of employment, their contract with the university as a self-employed person, or by the general law.
- For example, an academic who is also studying for a degree but is retained as a consultant by a university may be considered self-employed and therefore any IP that he or she generates, in law, may belong to him or her. However his or her contract may provide a different arrangement for some or all of the IP he or she generates while performing his or her consultancy work for, and studying at, the university.
- where their work is being funded, the conditions of funding may provide a more complex position as to the ownership of IP generated as that is found as to the employment/self-employed status of the person studying at the university.

For example, a commercial organisation may fund a junior academic at an university to carry out research which leads to towards a postgraduate degree. The academic may also become a consultant to the commercial organisation. The employment contract, the condition of grant, the consultancy agreement and the student contract may all have provisions relating to the ownership of the IP generated by the academic in this example. In some of these contracts the “student” may have agreed that his or her creation of IP will belong to some other person other than his or herself.

In summary, it may not be enough to simply execute an assignment. In some circumstances it may be necessary to understand whether the student is free to provide the assignment which the TTE ideally would like to see. Template 3, for example, includes a warranty in the following terms:

“The Student warrants, represents and undertakes that he is not currently a party to any agreement or understanding, oral or written, which would, in any manner, be inconsistent with the assignment of rights provided for in this Assignment, and he shall not enter into any agreement or understanding, oral or written, during the term of

this Assignment, nor, during the term of this Assignment, directly or indirectly engage in any activity which would, in any manner, be inconsistent with the provisions of this Assignment.”

# Appendix D

## Special legal issues concerning students and IP

### Students and their legal relationship with a university

#### Contractual relationship

It appears clear that the relationship between a student and a university is governed by contract law. In return for a sum of money from the student, whether directly or more usually indirectly (such as loans from parents or commercial or public funders), the university will provide a range of services, including tuition, library facilities, lectures etc, laboratory access and use of university resources, equipment and staff.

The written terms and conditions of the contract will be found in various places:

- principally in the document that the student will sign at enrolment. This is likely to contain an outline (sometimes no more than a few paragraphs) of the contractual relationship (such as name of course, fees, start dates etc); but
- that document is likely to refer to, and seek to incorporate, the detailed regulations and policies made by the university. These can be one or more documents. These detailed regulations can run to several hundred pages in total. Most students are unlikely to have read (or even to consider reading) these regulations before they enrol or at any stage during their studies unless they have a problem.

Among this documentation there may be a written policy on how students are to be treated where they create IP in a particular research project.

#### Default IP ownership position if there is no written contract

Most students are not employees of the university. Unless there is different arrangement, the IP generated or conceived by a student during the course of studies or where they work on a research project, will belong to the student.

This simple statement needs clarification as students are sometimes involved in other relationships which may affect the ownership position of IP that they generate. This is explored below in “Who is a student” and “Funding of students”.

### Who is a student?

A person who is a student can cover a number of categories, including

- a undergraduate;
- a post-graduate studying for a master or other post first degree first-degree;
- research assistants, laboratory technicians etc who also studying for a degree (usually postgraduate);
- persons who are studying for a course and are employed by the university (whether the employment is permanent, limited to a period or temporary). For example, a junior lecturer may be employed by an university but is also studying for a post-graduate degree;
- persons who are employed elsewhere but are seconded to study for a degree full-time or part-time. For example, a commercial organisation may require an employee to study for a postgraduate degree as part of a sponsored research project at a university;

The contractual or employment relationships created by these arrangements may include IP terms that override the ‘default’ position discussed earlier.

### Funding of students

Many students are now are funded by commercial sponsors or by grant giving bodies. Such funding is often for specific research projects or programmes. Just as the different relationships that a student may have in addition to the student status, the funding provider may also make provision in their contract with the university and/or student about the ownership of IP generated by the student which can cut across, conflict with the status of the student as a student. In some cases the student may have signed documents provided by the funders agreeing that IP they generate will belong to the funders.

## Constraints imposed by consumer laws, etc

The terms of any contract between a university and one of its students may be constrained by consumer protection laws. In addition, the unusual nature of the relationship between a university and its students may impose additional obligations to act in the best interests of the student. These topics are discussed further below.

### The student as a consumer

#### Introduction

There appears to be little doubt that a student enrolling on a course at a university is likely to be a consumer for the purposes of consumer protection laws. This will have several consequences, most of which will not be of direct concern of the TTE as the contract entered into will have occurred (long) before the TTE becomes involved. However, where a student subsequently signs a document where they are agreeing to assign the IP they will generate or have generated, usually in return for sharing in any revenues earned by the university, a contract is also being entered into.

The extensive legislative regime concerning businesses and consumers will affect and control the relationship between the student and the university. As an example of the application of consumer to the student-university relationship, the Office of Fair Trading, in 1998, challenged certain unfair terms in Southbank University's contract to provide educational services. In particular Southbank University was required to change

- 1 a right to change its regulations at any time. This was changed so that changes the university's regulations could only take place at the beginning of an academic year and only for the benefit of the student;
- 2 a right to charge administration fees where the student was not aware of the amount and when they would be charged, etc. This was changed so that the amount and date were spelt out.
- 3 exclusion of liability for breach of contract. This changed so that the student was to provide an indemnity in relation only to matters in the student's control.
- 4 an exclusion of liability for poor services. This provision was deleted.

This part of Appendix D is only concerned with setting out the specific parts of relevant legislation to contracts with consumers in relation to Templates 1 to 3.

### Which legislation is potentially relevant

All of the following legislation could potentially apply to contracts between a university and its students:

- Supply of Goods and Services Act 1982;
- Unfair Contract Terms Act 1977;
- Unfair Terms in Consumer Contracts Regulations 1999;
- Consumer Protection Act 1987;
- Consumer Protection (Distance Selling) Regulations 2000.

In reality only a small part of this statutory material will be relevant. The law relating to goods is not considered as under Templates 1 to 3 the university will only be providing services, and IP rights are not goods but a particular type of property.

### Unfair Contracts Terms Act 1977

In a contract with a consumer, a party cannot:

- exclude or restrict any liability in respect of its own breach;
- claim to be entitled to render a performance substantially different from that which is reasonably expected of it;
- claim to be entitled to render no performance at all in respect of the whole or any part of its contractual obligations

unless the contract term satisfies the requirements of reasonableness (s 3, 1977 Act).

The 1977 Act will not apply provisions in a contract which deal with the creation or transfer a right or interest in any patent and most other forms of IP (Schedule 1, 1977). However, the extent of this exception is uncertain, and readers should be cautious about assuming that it helps them in relation to student IP agreements.

## Unfair Terms in Consumer Contract Regulations

- Applies to contractual terms which are not individually negotiated. "Not individually negotiated" means that the contractual term is drafted in advance and the consumer has not been able to influence the substance of the term;
- Applies to all contractual terms, except those concerning the core terms of the contract or the price (as long as these are plain intelligible language);
- Appears to apply to all types of contracts with a consumer (save, it is believed, employment contracts, succession rights, rights under family law, the incorporation and organisation of companies or partnership agreements);
- Contractual terms are subject to test of fairness, the test being: that a contractual term is to be regarded as unfair if, contrary to the requirement of good faith, it causes a significant imbalance in the parties' rights and obligations arising under the contract, to the detriment of the consumer.
  - The unfairness of a contractual term shall be assessed by:
    - taking into account the nature of the goods or services for which the contract was concluded; and
    - referring, at the time of conclusion of the contract, to all the circumstances attending the conclusion of the contract; and
    - referring to all the other terms of the contract of another contract on which it is dependent.
- The 1999 Regulations provide an indicative, non-exhaustive list of terms which are regarded as unfair. Perhaps the most relevant here are:
  - inappropriately excluding or limiting the legal rights of the consumer vis-a-vis the seller or supplier or another party in the event of total or partial non-performance or inadequate performance by the seller or supplier of any of the contractual obligations, including the option of offsetting a debt owed to the seller or supplier against any claim which the consumer may have against him;
  - making an agreement binding on the consumer whereas provision of services by the seller or supplier is subject to a condition whose realisation depends on his own will alone;

- enabling the seller or supplier to terminate a contract of indeterminate duration without reasonable notice except where there are serious grounds for doing so;
- irrevocably binding the consumer to terms with which he had no real opportunity of becoming acquainted before the conclusion of the contract;
- enabling the seller or supplier to alter the terms of the contract unilaterally without a valid reason which is specified in the contract;
- enabling the seller or supplier to alter unilaterally without a valid reason any characteristics of the product or service to be provided;
- giving the seller or supplier the right to determine whether the goods or services supplied are in conformity with the contract, or giving him the exclusive right to interpret any term of the contract;
- limiting the seller's or supplier's obligation to respect commitments undertaken by his agents or making his commitments subject to compliance with a particular formality;
- obliging the consumer to fulfil all his obligations where the seller or supplier does not perform his;
- giving the seller or supplier the possibility of transferring his rights and obligations under the contract, where this may serve to reduce the guarantees for the consumer, without the latter's agreement.

### **Consumer Protection (Distance Selling) Regulations 2000**

Although this may seem unlikely to apply, it is conceivable that, e.g. Template 2 could be entered into entirely without the TTE and the student meeting or speaking (ie communicating only by email). And with any signed document being sent by post or internal university mail.

In such a case the 2000 Regulations might apply. Very briefly,

- certain written information needs to be provided to the student (most which will included in the Templates); and
- a limited right to cancel the contract after it is entered.

If there is likelihood that such a distance contract will be concluded, a text on consumer law should be consulted.

## Some implications of students being regarded as consumers

### Relevance of consumer laws to student IP agreements

At present, there appears to be no definitive position yet on whether student IP agreements (such as Templates 1, 2 and 3) are covered by consumer legislation. However, best practice would suggest that providing such documents to students, without giving them adequate time to consider the provisions or understanding the context (such as in a policy document outlining the university's position of the ownership of student-generated IP) could be detrimental if there ever was a challenge. Hopefully the IP policy document would explain that by the student giving up something (ie their ownership of IP they have generated) they will receive some things in return. These would include the benefit of working (and learning) from more experienced colleagues and academics and possibly the right to receive financial benefits in the future.

### Provision of services to students

As far as it is possible to classify the transactions contained in Templates 1 to 3, the university will be providing a range of services, such as

- facilitating or providing access to research projects;
- treating the student as a member of the university's revenue sharing scheme;
- when commercial revenues are generated, distributing them in accordance with a revenue sharing scheme.

Unless agreed otherwise or specified in more detail, these services need to be provided with reasonable care and skill and carried out within a reasonable time (these are implied terms). It is possible to exclude these implied terms from a contract, even when contracting with a consumer (subject to certain limitations).

The student IP agreements are short documents and contain little or no restrictions or exclusions of implied terms or limitations or exclusion of liability as such. In any event, the issue of whether a university should limit liability for the services that it provides to its students is a very big subject, which applies to all of the educational services that a university provides. It is not proposed to discuss this aspect further.

### “Unfair” terms may not be legally enforceable

As discussed above, certain terms in consumer contracts may not be enforceable if they are “unfair”. The test of unfairness in the 1999 Regulations does not apply to “core” terms (as long as that core term is in plain intelligible language). In some contracts what is a core term can be difficult to determine. However in Templates 2 and 3, it is suggested that the “core” must be the assignment of (or agreement to assign) IP.

The meaning of “unfair” is illustrated by a list of indicative terms found in a schedule to the 1999 Regulations. The provision in the schedule that is likely to be most relevant is the one dealing with “irrevocably binding the consumer to terms with which he had no real opportunity of becoming acquainted before the conclusion of the contract”.

As a matter both of best practice, and with a view to protecting the university’s position under the 1999 Regulation, it would seem prudent to ensure that a student is given a sufficient time to read, consider, question or take further advice on any IP terms that he or she is being asked to agree to. In some circumstances, an assignment has to take place immediately, because

- a TTE discovers that a patent application needs to be filed to beat a deadline; or
- a TTE after carrying out due diligence, discovers that a student inventor has not assigned their IP yet and the TTE is about to sign off on a deal to commercialise some invention or technology.

In these situations, in practice it may not be possible to give a student sufficient time to consider the terms of an assignment. But these situations are likely to be exceptions rather than the rule.

This particular illustrative example of “unfairness” may also occur when a student enrolls on a course. In some cases it may be questioned whether a student has an opportunity (let alone actually has time to read and digest) all the rules, regulations and policies which are indicated in the typical enrolment document as being implied or part of the contract between the student and the university. Again, this is a larger subject than just IP terms, and may be relevant to all of the terms that a student is required to agree to when enrolling on the course. It may be that measures such as extracting the IP terms and bringing

them specifically to the student's attention would improve the chances of the IP terms being regarded as not "unfair".

As regards the use of "plain intelligible language", it may be argued that the wording of Templates 2 and 3 includes rather legalistic language. But a counter-argument might be that these are highly technical documents using precise legal language to create certain legal results. The use of alternative language may not be possible (or may not create the "correct" legal result). In addition, in assessing whether any contract term is unfair, assessment will be made of the surrounding circumstances, such as the type of services being provided, the circumstances surrounding the conclusion of the contract, and the other terms of the contract. Such other factors are likely to be the content of the university IP policy document which will illustrate the benefits that the student might derive.

In conclusion, it seems likely that the effect of consumer legislation on Templates 1 to 3 will be limited as long as sufficient time is given to the student to consider the terms. However, in the absence of any reported court decisions on these points, this commentary is necessarily speculative.

### **Obligation of university to act in the best interest of its students**

It is not clear to what extent a university has duties towards its students that may affect any contract that the university may enter into with the student, irrespective of whether the student is a minor. An analogy may be made with a school that acts in loco parentis when dealing with a pupil. In other words, is there a duty on the university to act in the interests of the student, which overrides the arm's length relationship that normally operates between contracting parties? It is at least possible that a judge might use this line of legal reasoning to make it more difficult for a university to enforce the terms of any IP agreement against the student, particularly if the terms are considered to be unduly one-sided or have not been properly brought to the student's attention. These comments are speculative, and readers should obtain specialist advice if required.

## Transfers of property with “full title guarantee”

The phrase “full title guarantee” has a specific meaning defined by the Law of Property (Miscellaneous Provisions) Act 1994. This phrase implies a number of warranties and obligations into a “disposition of property”, including an assignment of IP.

In addition to “full title guarantee” the other frequently encountered phrase is “limited title guarantee”. The meanings of each are set out, in summary, below.

### Full title guarantee

The phrase “full title guarantee” implies the following covenants into an assignment:

- the person disposing of the property has the right to dispose of the property;
- the person disposing of the property, at his own cost, will do all he can reasonably can to give the person to whom he disposes the property the title he purports to give;
- the person disposing of the property is doing free of all charges, encumbrances (whether monetary or not) and third-party rights, other than charges, encumbrances and rights he does not and could not reasonably be expected to know about.

### Limited title guarantee

The phrase “limited title guarantee” implies the following covenants into an assignment:

- the person disposing of the property has the right to dispose of the property;
- the person disposing of the property, at his/her own cost, will do all he or she can reasonably can to give the person to whom he disposes the property the title he or she purports to give;
- the person disposing of the property has not, since the last disposition for value of that property, charged or incumbered it by any charge or incumbrance which subsists at the time of the present disposition, nor granted any third-party rights in relation to the property which subsist at the

time of the present disposition; nor has he or she suffered anyone else to do so; nor is he or she aware that anyone else has done so since the last disposition for value.

Under the Law of Property (Miscellaneous Provisions) Act 1994, other obligations, in addition to those detailed immediately above, are implied when “full title guarantee” and “limited title guarantee” are used. However, these are rarely relevant to most IP transactions.

Another phrase still utilised in assignments and which has a specific meaning is that of “beneficial ownership” (see Template 3). Under the Law of Property Act 1925, when property was conveyed “as beneficial owner”, similar obligations were implied into the transaction as are now implied by “with full title guarantee”. Strictly speaking, these obligations are no longer implied, as the relevant section of the Law of Property Act 1925 (as amended) was repealed following the implementation of the 1994 Act. The continued use of the phrase “as beneficial owner”, in part, reflects practice among commercial lawyers (just as the practice of signing assignments as deeds). It also reflects the cautious aspect of lawyers in trying to get the best and most thorough assignment of rights by one person to another.



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UNICO is based on, and thrives upon, the sharing of ideas within the profession. We believe that the UNICO Practical Guides are the latest tangible example of this. We thank everyone who has contributed to them, and we thank you for taking the time to read and use them.



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