

Outsourcing and employee compensation

An *IAM* management report

IP ownership in Jamaica

This text first appeared in the *IAM* magazine supplement
'Outsourcing and employee compensation' May 2005
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IP ownership in Jamaica

The caveat "Take nothing for granted" is apt for corporate executives in their treatment of intellectual property, particularly in Jamaica's context

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With increasing public awareness of IP issues, ownership of the rights in the IP created within the halls of an institution or walls of a company is now being questioned and the answers being given are often surprising ones for many executives.

Given the legal provisions and, in some instances, the lack of provisions, covering IP ownership, corporations are beginning to tread very carefully with their employees, contractors and outsourcers in relation to IP rights and are therefore seeking expert legal advice.

Inventions

The Patent Law of 1857 provides for the granting of patents in respect of inventions and discoveries of new and useful art, machine, manufacture or composition of matter not known or used before in Jamaica as well as new improvements in any such invention or discovery. A patent lasts for 14 years and may be extended for a further seven years.

There are no statutory provisions on ownership of inventions made by employees. The Law outlines those who may apply for and be granted a Jamaican patent. Letters patent may be applied for by, and granted to, the first true inventor or discoverer. Any patentee may assign his right, interest and title in the invention and discovery in the Jamaican patent granted to him, whether totally or partially. Assignments of patents must be written and recorded at the Jamaica Intellectual Property Office. Additionally, an assignee of any person who has obtained a patent abroad may obtain a Jamaican patent in respect of the subject invention for as long

as the foreign patent remains in effect. The assignee's application should be supported by an affidavit exhibiting the assignment from the original inventor(s) or patentee.

A draft Patent Bill, which is intended to replace the 1857 law and conform to standards outlined by the WTO TRIPS Agreement, proposes the inclusion of detailed provisions on ownership and co-ownership of inventions, and ownership of inventions made by employees, outlining, among other things, circumstances in which ownership would vest in the employer or the employee, as well as provisions on compensation. The Bill has not yet been circulated publicly. It is, however, on the legislative agenda for 2004/2005.

Copyright material

Under the Copyright Act 1993, original literary works (including computer programs), dramatic, musical and artistic works, sound recordings, films, broadcasts, cable programmes and typographical arrangements of published editions are all subject matter for copyright protection. Copyright in literary, dramatic, musical and artistic works lasts for the author's life plus 50 years, and 50 years from the year of creation or publication in relation to films, sound recordings, broadcasts and cable programmes.

Understanding who is deemed by statute to be the author of a particular work is the initial step in determining the first in the chain of title to copyright. The term author in relation to a work means the person who creates it. For dramatic and literary works, it is the creator. It follows that the author of a computer program is the computer programmer. The author of a musical work is the composer. For an artistic work, other than a photograph, it is the artist; for a photograph, it is the photographer.

For a computer-generated work, the author is deemed to be the person who undertakes the arrangements necessary for the creation of the work. The publisher is the author of a typographical arrangement of a published edition. In respect of sound recordings and films, the author is the person who undertakes the arrangements necessary to make the recording or film. In relation to broadcasts, the author is the person making the broadcast. The author of a cable programme is the person providing the service that includes the programme.

The author is deemed by statute to be the first owner of the copyright unless there is an agreement to the contrary. Where more than one author makes a work, the authors are deemed to be co-owners of copyright.

There is no statutory exception to the first ownership rule for works created under employment or by commission. Hence, there is no work for hire exception. Unless there is an agreement to the contrary, copyright initially belongs to the author regardless of any employment or commissioning relationship. In some instances, an agreement to the contrary may be implied from the circumstances. In certain cases, an implied licence may be found to exist in respect of use of a work that was created under commission but this may largely depend on what is customary. Where there is no agreement to the contrary, legal title will only pass by assignment. To be valid an assignment of copyright must be in writing and signed by or on behalf of the assignor.

The only statutory exception to the first ownership rule is where a work is first published by or under the direction or control of a specified international organisation and would not otherwise qualify for copyright protection in Jamaica but for this provision. In such a case, the copyright may vest in the international organisation, which would be deemed the first owner of copyright if the author did not reserve the copyright by way of agreement, or the work was made in such circumstances that if it had been first published in Jamaica the organisation would have been entitled to the copyright in the work.

No order has yet been made under the statute specifying the international organisation(s) to which this provision would apply.

Designs

The Designs Act 1937 provides to the proprietor of a new and original design copyright in the design for 15 years from the date of registration.

The author, ie, the creator, of a new and original design is deemed to be the proprietor

thereof. There are no specific provisions relating to ownership of designs created under employment. However, as regards designs created by commission, the law provides that where the author has created the design on behalf of an approved society (meaning a society, institution or organisation of a public, philanthropic or self-help character approved by the responsible minister of government), whether for consideration or otherwise or on behalf of another person for a good or valuable consideration, that society or other person is deemed to be the proprietor thereof.

Trademarks

The Trademarks Act 1999 defines a trademark as any sign that is capable of being graphically represented and capable of distinguishing the goods and services of one undertaking from those of another undertaking. A sign includes a word (including a personal name), design, letter, numeral, colour, combination of colours or a combination of the foregoing or the shape of goods or their packaging. Protection is granted to the proprietor for 10 years from registration and for subsequent 10-year periods upon renewal. A registered trademark gives clear title to the proprietor and tends not to give rise to ownership disputes for corporations in Jamaica as with other forms of intellectual property. Rights in a trademark can usually be verified through searches of trademark registers and by certificates of registration.

Trade secrets

Protection of trade secrets is not conferred by way of statute as such. Where confidential information is imparted in a manner that confers a duty of confidence on the recipient and is used without authorisation, an action may lie in breach of confidence.

A duty of confidence arises where one person provides information to another on the condition that it is kept secret or commissions or employs another to acquire information and keep it secret and the other person accepts or should reasonably expect that it is to be so treated. Whereas fiduciary relationships, as between employer and employee, or agent or principal, give rise to an obligation of confidence, common law courts have been hesitant to find a fiduciary duty in commercial relationships and there is case law to the effect that in the absence of express covenants, an obligation of confidence may not apply to an ex-employee.

Integrated circuits

The Layout-Designs (Topographies) Act 1999

provides protection in respect of original layout-designs embodied in integrated circuits for 10 years from the date of first commercial exploitation anywhere in the world. Registration is not a requirement for protection.

The creator of a protected layout-design is the first owner of the right unless there is an agreement to the contrary. There is no statutory exception to the first ownership rule for layout-designs created under employment or by commission. The right initially belongs to the creator regardless of any employment or commissioning relationship, unless a contrary agreement exists. Where two or more persons make a layout-design, they are deemed to be co-owners of the right. The right can be transferred by assignment, which must be in writing and signed by or on behalf of the assignor to be valid.

Securing your rights

In most instances, executives need to employ contractual tools to secure their proprietary interests. For independent contractors and outsourcers, close attention should be paid to contractual provisions concerning IP rights to ensure that they reflect the mutual intention of the parties and afford the corporation what it needs to exploit the resulting material properly.

Inventions

In the absence of legal provisions on ownership of inventions corporations are advised to address this issue specifically in their contracts with employees and outsourcers. Employment contracts should include provisions outlining, among other things:

- The circumstances in which ownership would vest in the employer, eg, where the employee creates the invention in the normal course of duties or by virtue of a specific assignment from the employer, or is employed specifically to participate in an inventive process.
- The employee's obligation concerning disclosure or non-disclosure of the invention.
- The employee's agreement to do all such things and sign and execute all such documents and deeds as may be required for the vesting and perfecting of the rights in the invention in the corporation.

A similar course of action should be adopted by corporations that outsource work with a view to acquiring rights in the inventive outputs.

Non-disclosure or confidential agreements are critical in respect of proprietary information and know-how that are expected to result in a patentable invention. Disclosure

or publication in Jamaica prior to filing a patent application is fatal.

Copyright material

Given the absence of statutory exceptions for works done within the scope of employment or by commission, executives need to ensure that employment and commissioning contracts include provisions vesting copyright in the corporation wherever required. An assignment of future copyright by a prospective right owner is legal. Corporations may therefore seek an assignment of copyright for past, current and future work.

Ownership of copyright in works prepared by independent contractors is usually a matter for negotiation. A corporation may not need to own the copyright in order to exploit the material properly. A limited or exclusive licence may be sufficient. Where a corporation is desirous of owning copyright, then a full or partial assignment would be necessary.

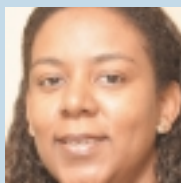
To bolster proof of ownership corporations may utilise copyright notices and registration facilities where available. Under the law where a name purporting to be that of the author appears on a work, a court will presume that that person is the author and the copyright owner until the contrary is proved. The same applies to labels and markings on sound recordings, computer programs and films. Although there is no statutory requirement for copyright registration, a facility for voluntary recordation exists at the Intellectual Property Service Centre in Jamaica, which, by special arrangement, deposits registered works at the National Library.

Designs

Based on the law, as long as a corporation gives a good or valuable consideration in respect of a design created under commission, it is deemed the proprietor. Where a new and original design is created in the course of employment, it would be best practice for a corporation to acquire the design by way of a written assignment from the employee. Assignments may be recorded in the Register of Designs. Similar to patents, novelty of a design is destroyed by any form of publication in Jamaica prior to an application to register the design.

Trademarks

Disputes have arisen where trademarks are unregistered or have been designed, conceptualised and/or registered by a third party, when the intention was for the corporation to own them. This has occurred with program names, personality trademarks,



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Dianne Daley heads Foga, Daley & Co's intellectual property department. Her areas of responsibility include IP rights acquisition, commercial IP transactions, developing corporate IP policies and conducting IP audits. She has worked for local and international corporations, governmental entities, academic institutions and organisations such as the World Intellectual Property Organisation, the United Kingdom Commission on IPRs and the Commonwealth Secretariat.

Ms Daley obtained a master of laws degree with specialisation in intellectual property and international copyright from McGill University in Quebec, Canada, and is a member of the Master of Laws Faculty of the University of the West Indies where she lectures in intellectual property law. She is also a tutor for the WIPO Worldwide Academy.

Ms Daley is a member of INTA, the International Association for the Advancement of Teaching and Research in Intellectual Property (ATRIP) and is a director on the boards of the Jamaican Copyright Licensing Agency, the Jamaica Intellectual Property Office (JIPO), the Digicel Foundation and the Technology Innovation Centre of the University of Technology, Jamaica.

Previous appointments include Special Ministerial Advisor on Intellectual Property, coordinator for the establishment of JIPO, Head of Jamaica's Copyright Unit, Deputy Chairman, Copyright Tribunal and Vice President at the WIPO Diplomatic Conference on the Protection of Audiovisual Performances.

stylised marks and logos. A logo or stylised mark may have artistic elements protected by copyright which may reside in the artist who created it. The moniker of a disc jockey or radio host may become a popular program name and mark. It is critical in such instances for corporations to ensure that their agreements are clear on who owns all the relevant rights.

Trade secrets

A corporation should only disclose confidential information where disclosure is necessary in order for it to benefit from application of the secret. In that event, disclosure should be restricted to the person(s) who needs to know the secret and the company should enter into an express covenant with such a person(s). Employees should generally be requested to sign confidentiality agreements. For outsourcers, non-disclosure contracts with the corporation are essential.

Integrated circuits

Similar to copyright, written assignments and contracts outlining ownership of the layout-designs right are critical. Corporations should ensure that employee, consultant and commissioning contracts include provisions securing the layout-designs right for the corporation wherever necessary.

Corporate approaches

As a starting point to making sure they own what they think they own, corporations are advised to have IP audits conducted to ascertain the status of rights ownership within their organisations, with a view to detecting any defects in the rights and implementing corrective measures in a timely fashion.

Such measures may include: entering into express covenants; evaluating contracts; and acquiring rights by registration or by executing assignments.

IP policies have also become critical commercialisation tools and Jamaican corporations and institutions, have recently begun to use them in line with the growing awareness of IP rights as economic assets.

Executives are encouraged to incorporate guidelines on IP creation and ownership in their corporate policies. Where IP creation or exploitation is a core activity of the company, a detailed IP policy may be advisable. The policy should cover all forms of IP of relevance to the company and outline clear policies on ownership of the rights that attach to them.

Carol Sibbles, managing director of Coffee Industries Limited, a Jamaican corporation, admits that an IP audit awakened the

company to what it owned and did not own and prompted it to take immediate steps to shure up its rights. "It is critical for us as small and medium-sized enterprises to understand what intellectual property we have and how best to harness it and so protect our valuable investment," she says.

The audit is driving policy reform and enhancing the value of the company's IP portfolio.