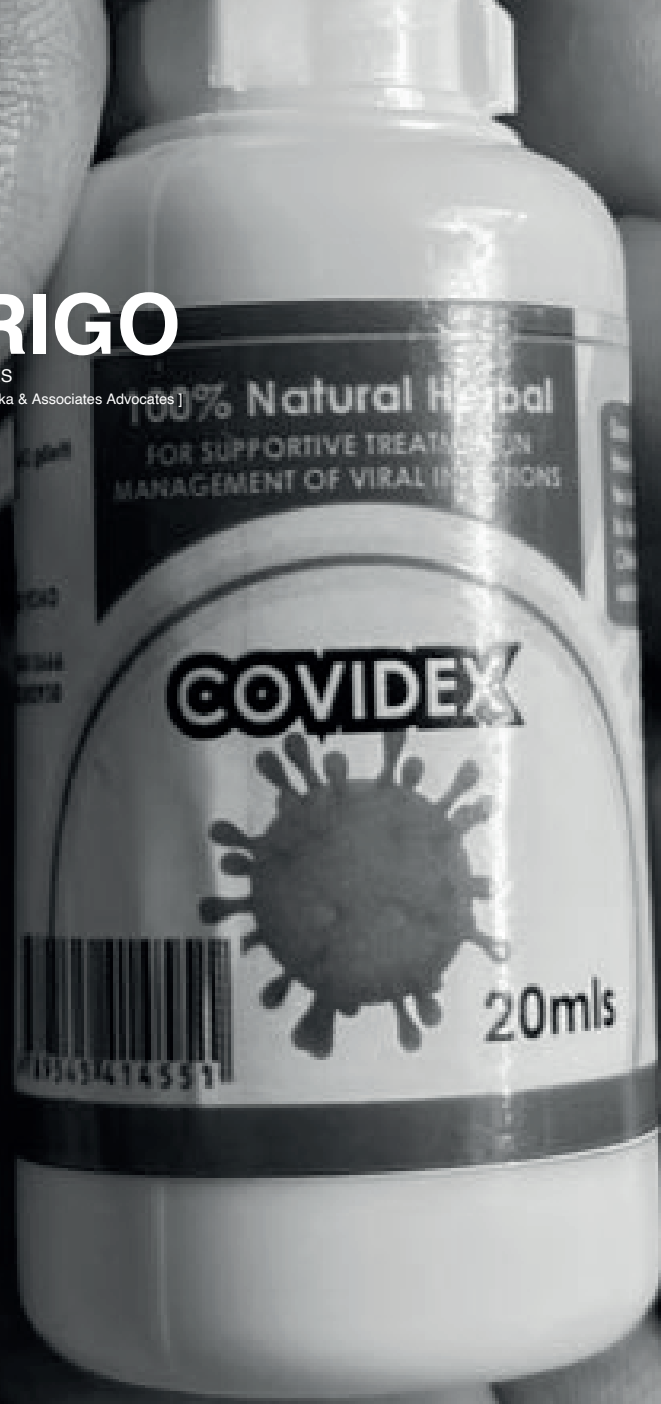




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**CONTROVERSY SURROUNDING THE OWNERSHIP OF "COVIDEX".
CAN A FAIR BALANCE BE SET BETWEEN THE
INTERESTS OF EMPLOYEES AND EMPLOYERS?**

Intellectual property refers to creations of the mind and what is a product of human intellect. The element of "property" is the grant of exclusive rights that exist in a manner similar to private property rights over tangibles. IP, just like any other tangible asset is property that is commercialised from value creation. An intellectual property owner merits protection from those that want to exploit their effort and unjustly enrich themselves. A great advantage of IP is that one- piece of work may warrant protection in different regimes such as trademarks, copyright, patent and or design rights.

The employer- employee relationship has been at the centre of inventions throughout intellectual property jurisprudence. If an invention is made by an employee and belongs to an employer, the employee may none-theless be entitled to certain compensations in certain circumstances.

Professor Ogwang has made rounds in the media through June and July, 2021 as he is known to be behind the herbal covidex. He is an Associate Professor at Mbarara University of Science & Technology (MUST). The drug has compounds that provide relief from

symptoms of COVID-19. Importantly, Prof. Ogwang has stated publicly in the media that the creation of covidex is not meant to commercialise the herbal but to make it available to Ugandans and is essentially doing his part in building our nation. The invention falls under the patent regime of intellectual property, although in Uganda we do not of course patent pharmaceutical products and so the inventor may be looking at seeking protection in other countries where it may be manufactured or supplied other than registering a patent in Uganda.

In patent law, creativity warranting intellectual property creation is derived from the novelty requirement. For a patent to be granted, it must meet this element, that is, it should not have been anticipated by prior art or disclosed to the public. Prior art means everything that by disclosure has been made available anywhere in the world, and disclosure means any non-confidential information the inventor has made available to one or more members of the public, that divulges the existence of the invention and enables an appropriately skilled person in the art to reproduce the invention.

The emphasis on novelty and prior art demonstrates the essence of patents to protect inventors and encourage more invention for discovery of better methods of doing things. If an invention is anticipated, it will obviously not be 'new' and will lack the quality that warrants protection.

The element of an inventive step is also a key element before patent protection is granted. An invention is taken to involve an inventive step if it is not obvious to a person skilled in the art. It should exhibit inventive power. This then, will go on to exclude inevitable conclusions that if followed from different avenues could arrive at the invention; and the rationale for this is to protect inventors. Creativity may be substantial even in the slightest alteration in the invention, and this may be a vital principle in case *Covidec's* inventors intend to pursue patent protection. A patent will subsist if there is a worthwhile exercise of the inventive faculty hence small alterations on existing technologies can produce vital results since there can be in those slight alterations, very significant ingenuity employed by the patentee.



Importantly, Prof Ogwang is an employee of MUST under an employment contract and this brings about employment issues to the ownership of covidex. Although we do not patent pharmaceuticals in Uganda, it still makes a good case for understanding the employment relationship for other patentable inventions.

In Uganda, under our Industrial Properties Act, 2014, in the absence of a contract to the contrary, the right to a patent for an invention made in execution of a commission or of a contract of employment, belongs to the person having commissioned the work or to the employer. Where the invention is of exceptional importance, the employee has a right to equitable remuneration taking into consideration their salary and the benefit derived from that invention, and this is the law in Uganda on inventor compensation. Section 19 of the Industrial Property Act, 2014 provides that where the invention is of exceptional importance, the employee has a right to equitable remuneration taking into consideration his or her salary and the benefit derived by the

employer from the invention.

The employer shall also have the right to a patent in the invention where a contract of employment does not require the employee to exercise any inventive activity but when the employee has made the invention by using data or means available to him or her during his or her employment. In these circumstances, the employee has a right to equitable remuneration taking into account his or her salary, the importance of the invention and any benefit derived from the invention by the employer.

However, in the absence of an agreement between the parties, it is left to the court to fix the remuneration. An invention made without any relation to an employment or contract of service and without the use of the employer's resources, data, means, materials, installations or equipment belongs solely to the employee or the person commissioned. This applies directly or indirectly to a government department or an agency of government, for which MUST is a government institution.



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Firstly, it is important to establish whether the invention belongs to the University as the employer and this has to be established before a patent is granted. Our Industrial Property Act, 2014 is similar to the UK Patents Act 1977, and Uganda applies common law through our Judicature Act, Cap. 13. The inventor has been defined as the "actual deviser of an invention", and this connotes the natural person who came up with the inventive concept & their contribution must be to the formulation of the inventive concept.

In case covidex was made in the execution of Prof Ogwang's contract as an employee, the patent shall belong, in the absence of contractual provisions to the contrary, to the University as the employer. However, where the economic gains extracted by the University are disproportionately high as compared to the Professor's salary and the reasonable expectations of gain that the University had from his inventive output at the time his employment contract commenced, then the Professor is rightly entitled to an equitable remuneration. In case covidex was invented outside

execution of Prof. Ogwang's contract with the University, and in doing so he used materials or data know-how of the University, the right to the patent shall belong, in the absence of contractual provisions to the contrary, to the University as his employer. Under our Industrial Property Act, 2014, an employee is entitled to a remuneration that is at least equivalent to one third of the net direct and indirect gains obtained by the employer from exploiting the invention, and this may guide the commercial aspect of the invention in case any of the two parties intends to commence negotiations.

Patents are extremely time sensitive. Here, the law provides that in case the University as the employer neglects to file a patent application within one year from the date on which the employee communicates to them the invention, the employee shall have the right to the patent, including the right to assign that right to an interested party and to license or transfer the patent, if granted. The University needs to keep this in mind while deciding on whether to proceed with registering intellectual property subsisting in covidex.



100% Natural Herbal

COVIDEX



20ml



Also, as regards timelines, an invention claimed in a patent application filed by the employee within one year after the expiry of the employment contract and where the invention falls within the scope of the former employer's main business, it shall be presumed to have been made under the expired contract, unless the employer produces evidence to the contrary.

In the course of the "normal duties of employment" has been construed widely in the employment sphere and may extend to day- to- day work and so an invention may still belong to an employer even if it represents a departure from what they are expected to be working on. The outstanding benefit that accrues to the employer is a question of fact that may nonetheless be sufficiently proved in a court of law. What is vital for courts is that the employee in this case is able to secure a fair share of the benefit that has now accrued to the employer and this may need to be quantified.

It is important to note that this is made on the assessment of the benefit of the patents and not the product as it is, and the benefits that subsequently accrue such as from assignment or licensing negotiations. The final conclusion would be that the patent in covidex is of outstanding benefit to the University and this profit goes beyond anything which could normally be expect to arise from the sort of work Prog. Ogwang was employed to do.

Precedent deriving from common law¹ has set out guiding points for quantifying outstanding benefit that may accrue to an employee. It therefore takes into account;

- **The nature of the employee's duties, remuneration and the other advantages derived from employment.**
- **The effort and skill devoted toward the invention**
- **The effort and skill which any other person has devoted to the invention jointly with the employee concerned, and the advice or assistance contributed by any other employee who is not a joint inventor of the invention**
- **The contribution made by the employer to the making, developing and working of the invention by the provision of advice, facilities and any other assistance such as by the provision of opportunities and by managerial and commercial skill.**

Another sub set of intellectual property that may come into issue with the creation of covidex are restrictive covenants especially on the side of employer. Covenants are able to protect employer's interests. An otherwise reasonable non complete clause may have the effect that it reasonably prevents former employees from holding a passive or minority interest in a competitor which is necessary to protect the employer's interests as a subsequent employment may form into a genuine threat of competition. More importantly, these restrictive covenants when drafting employee contracts for academics in research institutions and universities may assist them to mitigate the risk and confidently issue cease and desist letters or commence legal action upon a breach.

Issues of passing off covidex may also arise. Passing off is essentially misrepresentation as to origin or quality of goods. There may be other herbal sellers on the market who intend to sell goods of an inferior quality and misrepresent them as covidex. Misrepresentation is a very similar cause of action in courts of law to passing off and it need not be fraudulent- done with wilful deceit. It is enough that it causes confusion to the public as regards the origin or source of the particular item. Passing off and misrepresentation are causes of action for which one may obtain relief in courts of law and the crux of the matter here will be identifying the source of the reputational product and that the get up (external appearance, look and feel of the product) when put on the market constitutes a misrepresentation of covidex.

In sum, for Prof. Ogwang, this employment relationship and circumstances of covidex's invention will undoubtedly determine ownership of covidex. His intellectual property rights as an employee are satisfactorily covered by our laws, although the underlying principle in intellectual property will always remain that rights to a creator cannot apply without some accommodations to recognise the investment and interests of employers.



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