Act
on the Right in Inventions made at Higher Education Institutions

Section 1 - *Scope of the Act*

This Act applies to inventions patentable in Finland and made by persons employed by Finnish higher education institutions (HEI) during employment.

This Act also applies to inventions patentable in Finland and made at Finnish higher education institutions by persons holding a research post funded by the Academy of Finland.

If under this Act the HEI claims a right in the invention which will restrict the inventor's right to apply for a patent for the invention, the invention will be deemed to be an invention patentable in Finland, unless the HEI presents probable reasons for obstacles to the grant of a patent.

Section 2 - *Purpose of the Act*

The purpose of this Act is to promote the recognition, protection and exploitation of inventions made at Finnish HEIs, as appropriate from the inventor's, the HEIs' and society's perspective.

Section 3 - *Definitions*

For the purposes of this Act, the term:
1) *institution of higher education* refers to universities under section 1 of the Universities Act, the National Defence College under section 4 of the Act on the Defence Forces (402/1974), the polytechnics under the Polytechnics Act (351/2003), as well as separate departments under the HEIs or shared by several HEIs.
2) *open research* refers to
a) research performed in employment for the fulfilment of the research duties of the HEIs, without outside funding and without external contractual partners participating in the research;
b) research performed with the funding of an external party but which does not imply any provisions other than those related to the publication of the results; or
c) research which would otherwise meet the criteria of collaborative research, had the HEI and the research co-operation partner not expressly agreed before the start of the research that it is open research;
3) *collaborative research* refers to
a) research constituting chargeable services under the Act on Criteria for Charges Payable to the State (150/1992); or
b) research other than that referred to in paragraph 2 above or subparagraph a) of the present paragraph, involving at least one party external to the HEI, either as the party performing part of the research, a

financier or other participant, and including liabilities related to results or the mode of implementation of the research;
4) *invention made under other circumstances* refers to an invention under the scope of this Act, made during operations other than the research referred to in paragraphs 2 or 3.

Section 4 - *Right in an invention*

The person making an invention covered by the scope of this Act has the same right in the invention as any other inventor, unless otherwise provided in this Act or any other Act. The person making an invention covered by the scope of this Act has the right to be recognised as the inventor.

Section 5 - *Invention disclosure notification*

The inventor must inform the HEI without delay after having made an invention covered by the scope of this Act. The invention disclosure notification must be made in writing, and the inventor must specify his/her view on whether the invention was made in open or collaborative research or under other circumstances. If there are several inventors of an invention, they must file a joint invention disclosure notification.

The invention disclosure notification must contain sufficient information about the invention to enable the HEI to evaluate the invention, as well as information about each of the inventors. Moreover, the inventor must at request provide the HEI with other necessary information about the invention.

The HEI must provide the inventor with written notice of the admissible measures under this Act without undue delay and no later than within two months from the date in which the HEI has received the invention disclosure notification with the sufficient information. The invention disclosure notification must also specify whether the HEI agrees with the inventor's view on whether the invention was made in an open or collaborative research situation or under other circumstances. If the invention disclosure notification made by the inventor does not meet the requirements under subsections 1 and 2, the HEI must notify the inventor in writing of the deficiency without delay.

Section 6 - *The HEI's right in the invention in open research*

The HEI can acquire the rights in the invention made in open research if the inventor has not published the invention or notified his/her willingness to exploit the invention within six months of the invention disclosure notification under section 5(1). The notification regarding the acquisition of the rights must be made in writing, and before the notification is issued, the HEI must enquire of the inventor whether he/she intends to exploit the invention.

If the HEI fails to make the notification under section 5(3) within the given time limit, the HEI is deemed to have waived its secondary right in the invention as referred to in this section.

Section 7 - *The HEI's right in the invention in collaborative research*

The HEI will have the right to acquire the right in the inventions made in collaborative research within six months from the notification under section 5(1). The notification related to the acquisition of the rights must be made in writing.

If the HEI fails to make the notification under section 5(3) within the given time limit, the HEI is deemed to have waived its rights in the invention as referred to in this section.

When the HEI has acquired the rights in the invention under this section, the inventor must, upon the demand of the HEI, sign the deed of transfer regarding the invention as well as other necessary documents without delay.

Section 8 - *The right of the HEI in the invention under other circumstances*

The HEI takes priority in negotiating with the inventor on the rights in the invention if the invention under the scope of this Act has been made in a manner referred to in section 3(4).

If the invention referred to in subsection 1 is necessary for the operation of the HEI, the HEI has the right, in addition to the priority referred to in subsection 1, to obtain the right to use the invention against reasonable compensation.

Section 9 - *Compensation*

When the HEI has acquired the rights in the invention under this Act in a manner referred to in sections 6—8, the inventor will have the right to obtain reasonable compensation for the invention. A contractual clause through which the inventor waives his/her right to reasonable compensation and stipulated prior to the conception of the invention, will be void.

When determining the amount of the compensation, the circumstances contributing to the conception of the invention, as well as the returns on the invention to the HEI, must be taken into account.

The HEI must provide the inventor with the necessary information for the determination of the compensation.

Section 10 - *Adjustment and limitation of compensation*

Notwithstanding any provisions in an agreement, decision or judgement on the compensation under section 9, a court of law can issue a different ruling on the compensation if this is justified by materially changed circumstances. However, the inventor cannot be obliged to refund compensation already paid.

The provisions of the Contracts Act (228/1929) apply regarding the adjustment of an unreasonable condition in a contract concerning the right in an invention under this Act.

If a claim for compensation has not been instituted within ten years from the HEI’s notification of claiming the right in the invention, the right to bring action has been lost. If a patent for the invention has been applied for, the action can, however, always be instituted within one year from the grant of the patent.

Section 11 - *Publication of research outcome*

Unless otherwise agreed, the inventor must not publish the research outcome in a manner that would jeopardise the protection or other exploitation of the invention, if the HEI is entitled to acquire the rights in the invention under section 7. Before the expiration of the time limit under section 7(1), the inventor must not file a patent application for an invention made in collaborative research or otherwise dispose of an invention, unless the HEI informs the inventor in writing that the HEI will not acquire rights in the invention or will give the inventor permission to patent his/ her invention.

The HEI must not disclose the information given to it about the invention until the invention has been protected in a sufficient manner and there are no other particular reasons for confidentiality.

Notwithstanding the provisions of subsection 2 above, the HEI can disclose information about the invention to the parties of the research co-operation if the research contracts provide for the exploitation, transfer or notification of the results, or to other parties if such disclosure is necessary for the exploitation of the invention. In that case the HEI must ensure that the dissemination of the information does not jeopardise the protection, exploitation or the primary scientific publication right of the inventor.

Section 12 - *Discharging the burden of proof*

The HEI must prove it has the right, as referred to in sections 6—8, to acquire the rights in the invention.

Notwithstanding the provisions of subsection 1 above, the inventor must clarify the circumstances under which the invention was made, if it was made in close connection with a collaborative research project. If the invention was made at the earliest after six months from the end of a collaborative research project, the invention must be deemed to have been made in open research, unless the HEI presents very cogent reasons according which the invention is materially based on a collaborative research project.

If a patent is applied for such invention which, had the employment continued, would have been covered by the scope of this Act, or other measures are taken for its exploitation within six months from the termination of an employment relationship, the invention is deemed to have been made during the period of employment unless the inventor shows probable reasons demonstrating that the invention was made during a period after the employment.

Section 13 - *Solving of disputes*

The Employee Invention Committee referred to in sections 11, 11a and 11b of the Act on the Right in Employee Inventions is competent to give opinions on matters related to the scope of this Act.

The Helsinki District Court will be the competent court of law for disputes related to the scope of this Act. Where applicable, the provisions concerning litigation in patent matters must be applied.

Section 14 - *Issue of further provisions*

Further provisions, common to the HEIs, on filing of the invention disclosure notification, the procedures to be followed for the transfer of rights, and payment of compensation may be issued by Government Decree.

The HEIs may issue more detailed orders on the application of this Act following the order laid down in the Acts regulating the HEIs.

Section 15 - *Transition period and entry into force*

This Act will enter into force on January 1 2007. Measures necessary for the implementation of this Act may be undertaken before the entry into force of the Act.

Regarding the inventions made before the entry into force of this Act, the provisions under legislation in force at the moment of the invention will prevail.

This Act will not apply to research contracts already concluded or research projects initiated before the entry into force of the Act. This Act also will not apply to inventions subject to contractual obligations arising prior to the entry into force of the Act.