

**26 NOVEMBER 2020**

**10-12 SAST**



***IP CO-OWNERSHIP  
WEBINAR***



***LESI Patent and Licensing Committee, in collaboration  
with the Central South Africa Technology Transfer  
Forum, present***



A South African entity or tax resident, assigning intellectual property off-shore must comply with the provisions of Regulation 10(1)(c) of the Exchange control regulations.

Specifically the regulations place a restriction on export of capital

10.(1) No person shall, except with permission granted by the Treasury and in accordance with such conditions as the Treasury may impose –

...

(c) enter into any transaction whereby capital or any right to capital is directly or indirectly exported from the Republic.



An amendment to the Regulations, dated 8 June 2012, confirmed that for the purpose of sub-regulation (1)(c) [of Regulation 10]-

- (a) "capital" shall include, without derogating from the generality of that term, any intellectual property right, whether registered or unregistered; and
- (b) "exported from the Republic" shall include, without derogating from the generality of that term, the cession of, the creation of a hypothec or other form of security over, or the assignment or transfer of any intellectual property right, to or in favour of a person who is not resident in the Republic.

In terms of Exchange Control Circulars no. 7 and no. 8 of 2017 issued by the Financial Surveillance Department (FinSurv), Authorised Dealers may approve the outright sale, transfer and assignment of intellectual property by a South African resident... to unrelated non-resident parties at an arm's length and a fair and market related price, provided that authorised dealers view the sale, transfer or assignment agreement and the provision of an auditor's letter or intellectual property valuation certificate, confirming the basis of calculating the sale price. The abovementioned dispensation excludes sale and lease back agreements.

If the Assignor happens to be a publicly funded research institution, compliance with Section 12(2) of the Intellectual Property Rights Act 2008 of 2010 (IPR Act) is necessary. This defines that *"A **recipient** wishing to undertake an intellectual property transaction offshore in the form of an assignment ... must satisfy NIPMO that-*

- (a) there is insufficient capacity in the Republic to develop or commercialise the intellectual property locally; and*
- (b) the Republic will benefit from such offshore transaction".*

**What is the case where an invention is made by multiple inventors from different countries and the patent application is co-owned by multi-national research institutions? Do you require FinSurv approval for the assignment of the South African inventor's share to the non-South African co-applicant? Is the South African co-inventor assigning a proportional share of its right to IP to the off-shore entity? Secondly, would NIPMO approval be required?**



**Moderator:** Dr Madelein Kleyn, CEO and Founder, Mad K P Consulting (Pty) Ltd, Immediate Past- President LES SA, Co-Chair of LESI Patent and Technology Licensing Committee and Director of Technology Transfer, Innovus, Stellenbosch University

**Panel:**

- **Ralph van Niekerk**, Partner, Von Seidels Intellectual Property Attorneys
- **Dirk Hanekom**, Partner, Spoor & Fisher Attorneys
- **Theo Doubell**, Director Bouwers Inc
- **Darren Margo**, Director, Margo Attorneys Inc
- **Andrew Bailey**, Senior Manager: Innovation, University of Cape Town
- **Glen Sommerville**, Head - Exchange Control at Standard Bank

