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INTELLECTUAL PROPERTY RIGHTS FOR A WORK CREATED IN CONNECTION WITH THE PERFORMANCE OF AN EMPLOYMENT CONTRACT

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Abstract

Copyright law protects a work after it has been created and given an objective form. The general rule is that copyright belongs to the author who created the work. However, there are exceptions to this general rule. In particular, in the case of creation of a work by the author in accordance with official duties. If the employer assigns the employee the task of creating a work in the course of work, he is considered the owner of property rights to such a work protected by copyright. It has been established that the complex of rights to service objects of intellectual property law is unique in the sense that it consists on the one hand of exclusive and non-exclusive property rights to objects of intellectual property, expressly specified in the legislation, which refer to all relevant objects objects, and on the other hand - from specific rights and

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obligations provided by special legislation in the field of intellectual property exclusively for service objects. At the same time, the second group of rights and responsibilities are not intellectual property rights in their classical sense, but procedural norms that establish the procedure for the actions of the parties to the legal relationship in the event of the creation of an official object.

Key words: intellectual property, intellectual property rights, service work, employment contract, terms, consent, copyright, property and non-property rights

1. INTRODUCTION

In the modern world, intellectual and creative activity is gaining more and more importance in various spheres of human activity. Intellectual property is the driving force of social and economic development of society. Authors create a large number of works while performing their official duties. The recognition of works as official significantly affects the scope of copyright and the mode of use of these works.

The practice of creating a work in connection with the fulfillment of an employment contract is quite widespread in the world, in particular in Ukraine. The legal regulation of the intellectual property rights of such persons is carried out both by the general norms of the Civil Code of Ukraine and by the norms of special legislation. As part of the study of various aspects of intellectual property rights for a work created in connection with the performance of an employment contract, a number of questions arise regarding the specifics of the acquisition and content of rights in the case of the creation of a work in connection with the performance of an employment contract.

In the Civil Code of Ukraine, only one article, 429, is devoted to relations arising in connection with the acquisition and exercise of intellectual property rights on official objects. The Law of Ukraine "On the Protection of Rights to Inventions and Utility Models" contains a group of articles related to service

inventions, and there are several norms of the Law of Ukraine "On Copyright and Related Rights" regarding service works. The labor legislation does not contain any provisions relating to the service object at all. The problem requires comprehensive legal regulation, therefore relevant articles should be provided both in the labor legislation and in the Civil Code of Ukraine.

Such researchers as V. Bazhanov, V. Dozortsev, Z. Kozlieva, I. Kozharska, Yu. Kononenko, O. Kulbashna, Yu. Osypova, O. Tverezenko, R. Shyshki paid attention to the study of the subject of official objects of intellectual property law , O. Shtefan, O. Kharitonova, O. Yavorska and others. However, the many aspects, the complexity and applied importance of this issue, the conflict between different (including by level and by branch) regulatory acts complicate the enforcement and understanding of the legal nature of such relations and require further scientific research.

2. MATERIALS AND METHODS

The methodology of the chosen problem is a systematic approach, as well as dialectical, formal-logical and structuralfunctional methods and other general scientific research methods, as well as special legal methods: comparative law and formal law. The methodological basis of the study is theory cognition, its general method of materialist dialectics. The following were used as general scientific research methods: formal-logical and systematic methods.

3. RUSULT AND DISCUSSION

Problems related to rights to service objects arise in connection with the opposite approaches of civil and labor law. For a civilian, the main thing is the result (the created service object), while the focus of labor law is on the process of creating an object of intellectual property on the task or on behalf of the employer. It is the misunderstanding of the subject of legal regulation of the specified

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branches of law that leads to conflicts in which the employee believes that the employer should pay extra for the creation of a service object, and the latter is convinced that he has already settled with the creator with the salary. On the one hand, the creator of the service object is certainly an employee, and in this status he has indisputable rights to it as an author. On the other hand, an official work was created during working hours, paid for by the employer and, as a product of labor, should belong to the employer.

According to the general rule of Art. 421 of the Civil Code, the subjects of intellectual property rights are: the creator (s) of the object of intellectual property rights (author, executor, inventor, etc.) and other persons who own personal non-property and (or) property rights of intellectual property in accordance with the Civil Code, another law or contract. The actual dispositive nature of this norm refers to other acts of civil legislation, assuming the possibility of differentiation of subjects of intellectual property rights. Part of the objects of intellectual property are created by employees during their performance of the employment contract and it is customary to call them "official".

The concept of "service work" is defined in Art. 1 of the Law of Ukraine "On Copyright and Related Rights", namely:

service work - a work created by an employee in connection with the performance of duties under an employment contract (contract).

From the definition of official work, its dual nature can be seen. On the one hand, its creator is certainly the worker, and in this capacity he has indisputable rights to it as an author. On the other hand, the object was created during working hours, paid for by the employer, and as a product of labor should belong to the employer.

Historically, the purpose of distinguishing the result of intellectual activity as "official" was, first of all, to protect the interests of the employer, with whom the employee-author is connected by labor relations, and, ultimately, to ensure

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that the author does not transfer the result of creative activity to third parties, i.e. in one way or another, to guarantee the interests of the employer first of all.

The rather interesting opinion of Y. Osipova deserves attention, who believes that the classification of objects created by scientific and scientific-pedagogical workers as official is possible and expedient according to the criterion of normative classification of their positions to certain categories and analysis of the scope of ordinary labor duties responsibilities of such employees, functional job duties assigned to their direct functions by such normative legal acts. Accordingly, it can be considered that intellectual, creative activity is part of the scope of work duties of the specified employees, and the objects of intellectual property created during the performance of such duties are official, based on the requirements of the law for their job duties (Osipova Y., 2013).

Yavorska O.. defines the following features by which the work should be considered official:

1) an employment contract (contract) has been concluded between the author (authors) and the employer;

2) the creation of such a work must be stipulated in the employment contract (contract) or be the result of the author's performance of an official task.

In order to recognize a work as official, the process of its creation must be covered by the employee's work functions. If the work is performed in accordance with the official task of the employer, then the official task itself cannot go beyond the labor functions of the employee (author) (Yavorska O., 2016).

As noted by Pihurets O. a legal entity or a natural person, where or for which the author works, cannot become the subject of the original right to the result of intellectual, creative activity and acquire the right to the service object through its own actions, without connecting such property right with acquisition from other persons. Since the legal entity or individual, where or for whom the author (employee) works, cannot become the subject of the original right to the

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service object. Creative, intellectual, mental activity of natural persons (people) is required for the emergence of such a primary right. Therefore, no matter how much the employer contributes to the creation of a service object, the creation of such an object is the business of individual individuals (people). First, the employee, as the author (creator), will create this service object, and then the property right may pass to the employer. The activity of the employer can be expressed in the actions of its employees or employees, if they are carried out on behalf of the employer. The process of creating an official object, as a creative process, does not take place on behalf of the employer, even if it is performed within the scope of official duties. The creative activity of anyone by itself cannot lead to the emergence of copyright in the employer, even if all the employees-authors acted within the scope of official duties for him. Therefore, the employer can be the subject of property law as the legal successor of the employee-author of the official work, that is, he can be the subject of derivative intellectual property law. This derivative intellectual property right may arise from the employer on the basis of a special civil law contract with the author or his successors (Pikhurets O., 2016).

As O. Shtefan points out, the literal interpretation of the legislation leads to the conclusion that the official object is not created by the author or creator with his creative work, but by the employee, performing standardized work in accordance with the official task. That is, such a subject as the "author" disappears, and an "employee" appears, who does not have any copyright to the official work, since the legislation of Ukraine on copyright does not provide that the copyright belongs to the "employee" (Shtefan O., 2009).

According to V. Dmytryshyn, the norms of labor legislation can be correlated with the norms of intellectual property law, as a general and special norm. The employment relationship between the employer and the employee includes a much larger scope of rights and obligations, and the relationship regarding the acquisition and disposal of intellectual property rights is only one of

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their aspects. When performing official duties, any author is an employee, however, not every employee is an author. These concepts are related as more general (employee) and more individually defined (employee whose creative work created the object, that is, the author). Taking into account the above, V. Dmytryshyn notes that in the event of a conflict of norms, priority must be given to special norms regulating issues of intellectual property rights (Dmytryshyn V., 2022).

Thus, in order for the work to be recognized as official, it is necessary to comply with the following requirements:

• the creation of a work must be part of the work duties of the author-employee of the enterprise, i.e., not in the labor contract between the employee and the employer, but in the job description of the employee, the duty of the employee to create such works must be stipulated;

• the author must create a work based on an official assignment or employment contract. At the same time, if the contract is urgent and for the performance of specific works, it is enough to indicate the task of creating a work in the contract itself. It should be noted that until now the concept of "official task" has not been specified in the legislation, there are no requirements for the registration of an official task to create a work. In practice, the official task is drawn up in the form of an order on the employee's obligation to create a certain work, an appendix to the order is an official task, which specifies the characteristics of the future work and the criteria it must meet, as well as the deadlines for creating the work;

• only those works created by the employee in connection with the performance of his work duties will be official works: if the employee creates any works not related to the performance of official duties, the employer cannot claim to automatically obtain property rights to such writings.

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On January 1, 2023, the new Law 2811-IX "On Copyright and Related Rights" entered into force.

Accordingly, the previous Law of Ukraine "On Copyright and Related Rights" is recognized as having lost its validity.

In particular, the new law specifies that the terms of contracts regarding the disposition of property rights to objects of copyright or objects of related rights, which limit the right of the creator of such an object to create (make, produce) other objects of copyright or objects related rights are null and void.

The subject of an agreement on the transfer (alienation) of property rights to objects of copyright and objects of related rights cannot be objects and property rights that did not exist at the time of the conclusion of the agreement.

Also, the authors of the law established that hosting service providers are obliged to provide in contracts for the provision of hosting services terms and conditions prohibiting service customers from taking actions to place digital content in violation of copyright and/or related rights of third parties, and also oblige customers of services to enter reliable and correct information about themselves, including their contact data, and in case of their change, to inform about it immediately in the manner specified by law.

The following changes were made to the Civil Code of Ukraine parts three and four of Article 440 in the following wording:

"Intellectual property rights to a work created in connection with the performance of an employment contract (contract) shall be transferred to the legal entity or natural person where or for which the author works, from the moment of creation of the official work in its entirety, unless otherwise stipulated by the contract or by law

Intellectual property rights to a work created to order are transferred to the customer from the moment the work is created in its entirety, unless otherwise provided by contract or law.

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Article 441 in the following wording:

"Article 441. Exercising intellectual property rights to a work

Subjects of copyright may exercise their property rights personally, through a representative or other authorized person, or through a collective management organization in accordance with the law";

"Article 443. Use of the work with the permission of the copyright holder

The use of the work is carried out exclusively with the permission of the subject of copyright or another person authorized to grant such permission, except for cases of lawful use of the work without such permission, established by law.

Article 448. The right to follow

The author has an inalienable right to receive fair remuneration as a share of deductions from each sale of an original work of art, an original manuscript of a literary or musical work, subsequent to the sale of the original made by the author (follow-up right).

For the purposes of this article, the originals of the works specified in the first part of this article shall be equated to their copies, produced in limited quantities by the author himself or under his direction, which are numbered, signed by the author or contain other designations certifying his authorship.

The right of succession belongs to the author, and after his death passes to the heirs of the author and the heirs of these heirs and is valid until the expiration of the intellectual property rights to the work.

As you know, for many years in a row, the Civil Code of Ukraine and the Law of Ukraine "On Copyright and Related Rights" have regulated the issue of ownership of property copyrights to official works in different ways. In particular, according to Article 429 of the Civil Code of Ukraine, intellectual property rights to an official work belong jointly to the employee who created the work and the

legal or physical entity where or in which he works, unless otherwise established by contract or legislation. A similar position was expressed by the Supreme Court of Ukraine in paragraph 24 of the resolution of the Plenum of the Supreme Court of Ukraine dated June 4, 2010 No. 5 "On the application of legal norms by courts in cases on the protection of copyright and related rights." In particular, the Plenum of the Supreme Court of Ukraine noted the following: if the labor or civil law contract between the employee and the employer (the legal or physical entity where or in which he works) does not provide for another procedure for the exercise of property rights to the created object, then they have joint rights both for obtaining a certificate of copyright registration for a work and for the use of such an object. Instead, part 2 of Article 16 of the Law provided that the exclusive property right to the service work belongs to the employer, unless otherwise stipulated by the contract. The Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community, and their member states, on the other hand (Association Agreement), which entered into force in full for Ukraine on September 1, 2017, also defines the ownership of exclusive property rights to the employer, however, only in relation to such a category of objects as a computer program.

The conflict in the norms of the Civil Code of Ukraine and the Law led to ambiguous judicial practice. In particular, in the decision of the Halytsky District Court of Lviv dated June 21, 2018, in case No. 442/1405/18, the court referred to the Law as a special norm and noted that "photographs that could have been taken by the plaintiff during the performance of his work duties connections, are considered official works, the exclusive property rights of which belong to the plaintiff's employer". On the other hand, the decision of the Court of Appeal of Kyiv dated June 20, 2013 in case No. 22ts/796/264/2013 stated the opposite position: "Given the differences in the norms regarding the ownership of property rights provided for by the Civil Code of Ukraine and the Law of Ukraine "On Copyright and Related rights", the specified provisions of Article 429 of the Civil

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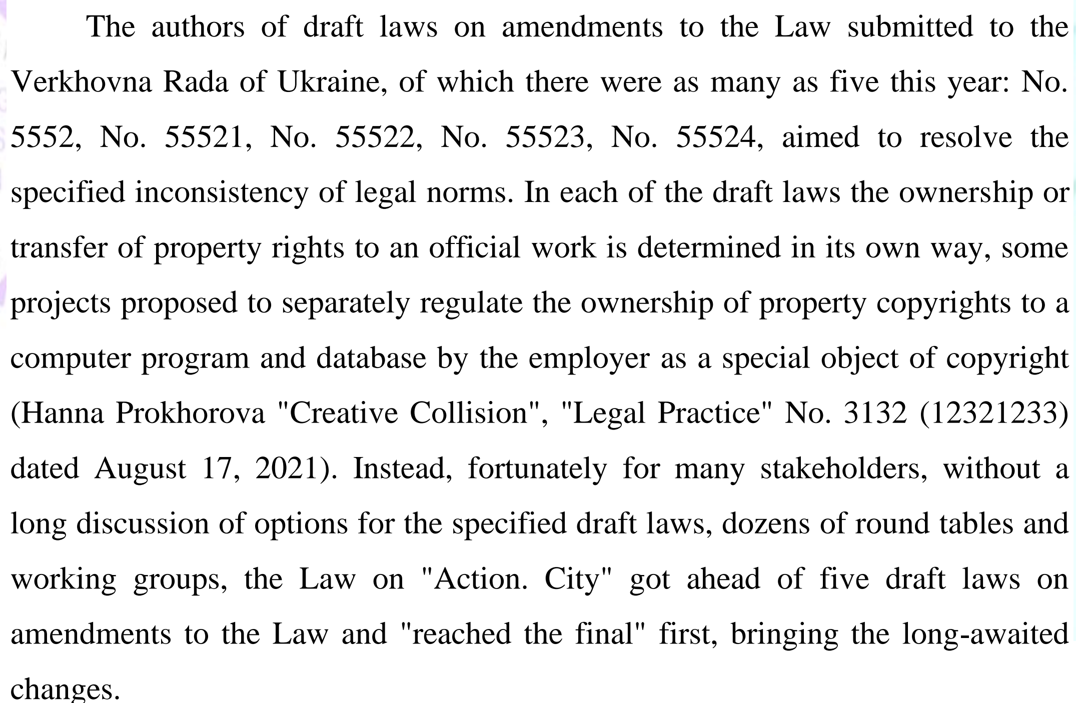
Code of Ukraine should be applied to official works, since it was adopted later (in view of the theory of law, a normative legal act adopted later is applicable, since it is considered that the previous (special) normative legal act was canceled by the law of general actions)". This legislative discrepancy significantly complicated business processes and negatively affected the investment climate of Ukraine. Employers were forced to conduct additional negotiations with employees and conclude contracts on the transfer of intellectual property rights to works each time a work or part of it was created.



The authors of draft laws on amendments to the Law submitted to the Verkhovna Rada of Ukraine, of which there were as many as five this year: No. 5552, No. 55521, No. 55522, No. 55523, No. 55524, aimed to resolve the specified inconsistency of legal norms. In each of the draft laws the ownership or transfer of property rights to an official work is determined in its own way, some projects proposed to separately regulate the ownership of property copyrights to a computer program and database by the employer as a special object of copyright (Hanna Prokhorova "Creative Collision", "Legal Practice" No. 3132 (12321233) dated August 17, 2021). Instead, fortunately for many stakeholders, without a long discussion of options for the specified draft laws, dozens of round tables and working groups, the Law on "Action. City" got ahead of five draft laws on amendments to the Law and "reached the final" first, bringing the long-awaited changes.

So, the conflict regarding the ownership of property rights to the service work was finally eliminated. The Law on "Action. City" amendments were made to the Central Committee of Ukraine and the Law. The provision on ownership of property rights to the employer was removed from the Law of Ukraine "On Copyright and Related Rights". Instead, it is stated that the distribution of property rights to an official work is determined by legislation, unless otherwise stipulated by the contract between the author and the employer. According to the new wording of Part 2 of Article 429 of the Civil Code of Ukraine, intellectual

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property rights to an object created in connection with the performance of an employment contract (contract) belong to the employee who created this object, and to a legal or natural person, where or in which he works, jointly, unless otherwise established by the Central Committee of Ukraine or the contract. That is, as a general rule, taking into account the latest changes in the legislation, property copyrights for official work belong to the employee and the employer jointly.

4. CONCLUSIONS

Further, in the development of legislation related to the creation and use of objects of intellectual property rights, one should work in the direction of ensuring a stable and fair balance between the rights and obligations of the participants in these legal relations. This balance must take into account that labor law norms are interrelated with intellectual property law norms, acting as general and special norms. In the event of a conflict between norms, priority should be given to special norms that regulate the issue of intellectual property rights. The creation of the result of intellectual, creative activity, and not the conclusion of an employment contract, should be recognized as the only basis for the emergence of the original intellectual property right to the service object. The creation of the result of intellectual and creative activity, the emergence and exercise of the right to the result are exclusively civil legal relations

For the contractual arrangement of relations in the field of intellectual property between an employer and an employee, compared to an employment contract, a more rational option is the conclusion of an appropriate civil law agreement on the creation and use of an official object, which must be concluded separately from the employment one.

The obtained scientific conclusions can serve as a basis for further scientific and practical solutions to the problems of improving the legal regulation of such relations, as well as the harmonization of domestic practices with the best relevant practices of the European Union in the context of the integration vector of Ukraine enshrined in the Constitution of Ukraine.

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