Intellectual Property Creations Developed under Employment Contracts: 
A Critical Study of Jordanian Legal System

Huthaifa M. Albustanji *

ABSTRACT

Intellectual Property Rights have developed in the recent years, many controversial issues have been raised as a result of the explosion in intellectual property, the creations that developed under employment contracts one of these issues. Therefore, the study critically examined the Intellectual Property Rights of employment contracting parties under several Jordanian laws; it proved that the Jordanian situation of the Intellectual Property Rights developed under employment contracts isn’t stable one; the Jordanian Copyright Law as well as the Jordanian Industrial Designs and Models Law contradict with the general rules under the Jordanian Labor Law. The study recommends that the legal related provisions under the Jordanian Copyright Law and the Industrial Design and Models law should be modified to comply with the general rules under the Jordanian Labor Law. Moreover, it recommends to create uniform system for intellectual property creations developed under employment contracts.

Keywords: Copyright, Industrial Designs, Creations, Employment Contracts, Jordan.

Introduction

Copyright system was established to protect copyrightable creations from any potential violation, the author of copyright creation enjoys in the protection from the moment of creation, the registration process isn’t required condition for enjoying in copyright protection (1), while Industrial Design system was founded to protect an ornamental features of the products from others infringement, the registration process is a very important requirement for enjoying in the protection (2). Although both creations are classified globally as creations of the mind (3), Jordanian copyright system regulated each kind of them separately under specific provisions; Copyrightable creations are listed under the Jordanian Copyright laws, while Industrial Design creations are listed under the Jordanian Industrial Designs and Models laws.

This study examines critically Intellectual Property creations developed under employment contracts. The examination involved several Jordanian legal systems, such as Copyright system, Industrial Designs system and the general rules under the Jordanian labor law system.

The purpose of the study is to reveal the differences between legal provisions in various related laws within the Jordanian legislative framework which is relatively still unfamiliar with the general rules provisions, moreover the study aims to prove that there is a need to regulate whole system for Intellectual Property creations developed under employment contracts in order to make solutions for the Intellectual Property disputes that arising between employment contracting parties, the study found that there is a type of contradiction between the provisions of the Jordanian Copyright Law, Industrial Designs and Models Laws, and that the provisions of the Jordanian Labor law. Therefore the study recommends that article six of the Jordanian Copyright Law and article five of the Jordanian Industrial Designs and Models Law should be modified to comply with the general rules under the Jordanian Labor Law, therefore establishing a clear system for Intellectual Property creations developed under employment contracts is the best solution for removing the contradiction between the related legal provisions.

This paper explores in Part One the relationship between creativity and employment according to Jordanian general rules provisions. Part Two examines the case of works made for hire under the Jordanian copyright law. The third and last part examines the employment relationship under the Jordanian Industrial Designs and Models Law.

* Faculty of Law, The University of Jordan. Received on 18/12/2014 and Accepted for Publication on 6/5/2015.
Part one: The Relationship between Creativity and Employment

The Jordanian Civil Law and the Jordanian Labor Law have specified the nature of the relationship between employment contracting parties. The Jordanian labor law defined the employment contract as an oral or written agreement between the employer and the employee who binds himself to do work under the employer’s authority and management in return for a salary.(4)

An employment contract has a special nature which doesn’t exist in other bilateral contracts, simply because the relationship between the employer and the employee is subjected to subordination standards (5). The term "subordination standard" doesn’t reflect the “economic subordination”, but rather it means that the employee shall use his efforts for submitting services to the employer who has the right of supervision. on the other part, the contracting parties don’t have the right to make an agreement for excluding subordination’s standard from the scope of the employment contract, yet it could be agreed on the methods of applying the subordination standard according to the employment agreement terms.

The Jordanian Labor Law and The Jordanian Civil Law recognize that the employment contract is the fundamental basis of the employment relationship (6). Both legal provisions determined the rights and obligations for employment contract parties(7), thus; could the employee’s creativity be regarded as one of his duties according to the legal provisions?

The Jordanian Labor Law and the Jordanian civil law lay down several duties that should be fulfilled by the employee in return for the salary; otherwise the employer has the right to terminate the employment contract without any considerable compensation for the employee (8). These duties are mentioned as follows:-

1) The employee has to do the work agreed upon in the employment contract on his own and he should perform his work as any normal person has the possibility to do(9). Moreover, the employee is obliged to execute his work under the employer's instructions (10).

2) The employee should maintain the industrial or commercial secrets of the employer, he does not have the right to disclose such secrets even after the employment relationship has expired (11).

3) The employee shall maintain the employer's materials that are located under his disposal according to the employment contract.

4) The employer shall apply the medical inspection processes for proving his ability to do certain works according to the employment contract.

An employment contract produces reciprocal obligations upon the contracting parties, each of them has rights and obligations, Jordanian Labor Law or under the Jordanian Civil Law never considers creativity as one of employee’s obligations, therefore the contracting parties should explicitly make an agreement on regarding creativity as an obligation of the employee because the care of normal persons cannot reach to the creativity level(12).

Although creativity is neither a right nor a duty of either of the contracting parties, much of the Intellectual Property litigations arise between employers and employees about ownership rights of certain creation developed by an employee during his employment contract term. Typically, such claims arise when an employee-generates an idea or a work of authorship. Therefore; The Jordanian Labor Law as well as the Jordanian Civil Law have provided specific provisions for the ownership of Intellectual Property Rights under employment relationship:-

A) Intellectual Property Rights within the Scope of Employment Contract

For the purpose of determining intellectual property rights reversion within the scope of employment contract, the Jordanian Labor Law distinguishes between the case of using the employer's materials and experiences to come up with a certain creations and the case of non-using the employer's materials and experiences (13). This distinction arising because the term “scope of employment” is still vague under Jordanian legal system, neither The Jordanian Labor Law nor The Jordanian Civil Law provided a clear definition for the meaning of “scope of employment”.

When the creator has the initial right of ownership of his creation (14), under the employment relationship the employee has the initial ownership of the creation. Even so, using an employer's materials and experiences isn’t sufficient for transferring the creation’s ownership to the employer, for in this case the employer must make a written agreement for transferring intellectual property rights to him (15).

The drafters of the Jordanian Labor Law provisions made a balance between employment contracting parties; they considered the employee is the weakest part of employment contract, thus he has the creation’s ownership initially without the need for making a written
agreement to this consideration. On the other hand, they decided to give the employer an intellectual property rights as and exception because they may spend much money and efforts for receiving such creations. Therefore the employer should state in the employment contract a specific term recognizes of transferring intellectual property rights to the employer, otherwise losing Intellectual Property Rights will be the result.

B) Intellectual Property Rights outside the Scope of Employment Contract

While the Jordanian Labor Law provisions required two conditions to be fulfilled for granting the employer Intellectual Property Rights initially (16); The same provisions consider the employee as the creator who deserves having intellectual property rights initially regardless whether he used during the creation’s term the employer's materials and experiences or not. Accordingly the Intellectual Property Rights shall be transferred to the employee if the creation never exists as a result of using the employer's materials and experiences, unless agreed otherwise (17).

If the creation has produced as a result of an employee’s creativity outside the scope of employment (18) the employee would receive Intellectual Property Rights initially. However, employment contracting parties have the right of making a written agreement for transferring Intellectual Property Rights from the employee to the employer regardless that the creation was created as a result of the employee’s intellectual efforts outside the scope of employment.

Unlikely the Jordanian Copyright Law, the Jordanian Labor Law gives the employment contracting parties the right of transferring all Intellectual Property Rights from the creator to the employer without any restrictions (19). Therefore the employer may receive all Intellectual Property Rights of an employee's creations even if those not related to employer's employment; this kind of rights transferring makes the employee as a tool to fulfill the employer's interests without taking into consideration the former's creativity.

The Jordanian Labor Law and the Jordanian Civil Law stipulated for Intellectual Property Rights reversion between the employer and the employee. The law’s provisions granted the employee Intellectual Property Rights initially and the employer have to make a written agreement for vesting Intellectual Property Rights from employee to him; which means that Intellectual Property Rights never belonging to employer automatically, however; does the employment contract provisions of the Jordanian Intellectual Property Laws comply with the legal provisions under the Jordanian general rules??The following part of this study discusses works made for hire under the Jordanian Copyright Law.

Part two: Works Made for Hire under the Jordanian Copyright Law

The copyright system protects copyright owners against unauthorized copying or imitation of their works (20). The work is protected under copyright law provisions if two conditions are fulfilled; expressing the copyrightable creation in a tangible form and the originality condition (21). And yet such creations fulfilled the copyright protection requirements but the question is: - who has the initial ownership when the copyrightable works are made for hire?

In compliance with the international developments in the copyright system, the Jordanian Copyright Law stipulates in specific provisions for works made for hire doctrine (22). The doctrine distinguishes between works prepared by an employee and works made by another person who never connects with the hiring party by an employment contract (23).

Similar to American copyright system (24), the Jordanian Copyright Law stipulates for works made for hire as an exception to the principle of granting the creator the initial authorship. Therefore; how the Jordanian Copyright Law provisions regulated works made for hire doctrine?

A) Works Prepared under Commission or Special Order

There are many works which can be made by authors under certain authority without the existence of employment relationship. The most common example thereof is works made for an independent contractor; where there is no supervision and subordination from the contractor above the person who works under his disposal.

Works prepared under commission are different in their nature than works prepared under an employment relationship. Therefore the Jordanian legislator determined specific provisions for those; the statutes provisions of the copyright law stipulates that even though the works were created for the account of another person, the copyrights shall revert to the author who created it, unless there is a written agreement stipulating otherwise (25).
According to the Jordanian Copyright Law, the author of works prepared under commission has initial ownership of his works, therefore the works ownership couldn’t belong to the hiring party without a written instrument for transferring the works’ ownership. In certain cases, when the author uses the hiring party’s materials or experiences, they may request to be given the copyrights besides the author, but the Jordanian Copyright Law never gives those copyrights initially, unless their contributions are sufficient to be regarded as Joint work.

B) Works Prepared under an Employment Relation

While the author is the creator and he has the initial ownership of the work. The Jordanian Copyright Law determines that the works’ ownership may revert initially to persons other than the creator who might lose his copyrights under certain circumstances.

The Jordanian Labor Law provides certain provisions for the reversion of Intellectual Property Rights under employment relationship which differs from Copyright Law Provisions. Under later provisions, there is no written instrument required to give the employer initial ownership in the case of using his materials, experiences and information which were set under the employee’s disposal.

Granting the employer an initial ownership is an exception of copyrights general rules because the employee should use employer's materials or experiences under his disposal for giving the employer initial ownership. Otherwise, copyrights revert to the employee initially unless the contracting parties had agreed otherwise.

Even though the employee has to use the employer's materials, experiences or information to consider the work created for hire, “the scope of employment” term isn’t clear as it might seem to be, because the time and the place of the creation are not determined precisely. Therefore it is not clear whether that copyrighted work should be created in the employer’s business place and within the working term. Moreover The Jordanian Copyright Law never stipulates for a definition for the terms “employer” and “employee”; therefore it might be inferred from the general rules under the Jordanian Labor Law.

The Jordanian Copyright Law stipulates for copyrights reversion to employer with taking into consideration employees' intellectual efforts. But the later statement doesn’t add any legal value to the article's provision due to two reasons:

A) The meaning of “taking into consideration an employee's intellectual efforts” isn’t clear because no one other than the creator himself can determine the intellectual efforts. Some creations look great and plenty of efforts were consumed to create them but the truth is otherwise.

B) The interpretation of the statement “the copyrights revert to the employer taking into consideration the employee’s efforts, unless otherwise agreed upon in writing” poses two possibilities.

1) Unless otherwise agreed upon in writing is rendered to copyrights transferring from the employer to the employee.

2) Unless otherwise agreed upon in writing is rendered to an agreement that never takes into consideration an employee’s intellectual efforts.

It is clear that the Jordanian Copyright Law stipulates for Intellectual Property creations developed under employment contracts as well as Jordanian Labor Law, but each of them addressed it from different point of view, thus; The Jordanian Copyright Law resolves any possible confliction in the matter of applicable law between the Copyright Law and other laws by providing that the article 6\b of the Jordanian Copyright law shall be applied in spite of any provision ruled in other laws.

Part three: Designs Created under Employment Contracts

The Jordanian legal system corresponds to the global evolution in Intellectual Property Rights by enacting the Industrial Designs and Models law which came into force on 2 April 2000. The law provisions provide protection to the aesthetic feature of the product and any imitation or copying for an aesthetic feature of the product is regarded as infringement of Industrial Designs and Models Law provisions.

There are two questions which should be answered to know the design’s ownership that is created under employment contracts: - Who is the creator of Industrial Designs and Models under the employment contract?
Who has the initial ownership of designs created under the employment relationship?

**Who is the designer?**

The Jordanian Industrial Designs and Models Law specifies the owner of industrial designs or models to be a natural or moral person, the law’s provisions grant those persons the right to register under their names the Industrial Design or Model in compliance with the Industrial Designs and Models Law. Article 5 of the Industrial Designs and Models Law determined the person who has the right to registering Industrial Design or Model as follows:-

1- The creator or to whomever the right of layout design passes thereafter.

2- The persons whom participating in the creation, if it is a result of their joint effort, provided that it is registered jointly and equally, unless they agreed otherwise.

3- The creator who is firstly filing an application for registration, if the creation of the layout design is independently made by more than one person.

4- The employer, if the creation is a result of an employment contract, which requires the employee to accomplish such a creation, unless otherwise agreement by contract.

**B) The ownership of design’s created under employment contract**

While The employee has the initial ownership of creation’s developed under employment contract, the Jordanian Industrial Designs and Models Law restricts this principle by providing certain conditions which should be met under the employment contract for giving the employer the initial right of designs registration; these conditions are mentioned under the Jordanian Designs and Models Law as follows:-

1- The design should be created as a result of employment contract terms application; unlike the Copyright Law, the Intellectual property rights under the Industrial Designs and Models Law belong initially to the employer regardless the case of using his materials, information and experiences.

2- The employee should bind himself to accomplish such design during the employment contract term. Thus the contracting parties shall explicitly agree for specific designs to be created as a result of applying employment contract terms, otherwise; the creation then belongs initially to employee.

The foregoing conditions made hard restrictions for applying the law provision because the creation should be made as a result of applying the employment contract terms in order to consider the creation belonging to the employer initially.

The Jordanian Industrial designs and Models Law gives the employer the right of design’s registration which exists as a result of the employment contract application taking into consideration that the employee should bind himself to create the required design according to the employment contract terms unless otherwise agreement by a contract, the statement “unless otherwise agreement by a contract” isn’t clear because the Jordanian legislator didn’t determine whether the contracting parties’ agreement otherwise refers to transferring an employer’s right of design’s registration, or to the perspective that regards the contracting parties might have never agreed on a specific design to be created for the purpose of granting the employer the right of designs’ registration.

**Results and Recommendations**

In spite of stipulation for Intellectual Property creations under employment contracts under Jordanian laws. The statutes provisions are still insufficient to comply with the international development in intellectual property laws, there is a need for modifying the Jordanian copyright law and the Jordanian industrial designs and models law.

There is some type of contradiction between the provisions of the Jordanian Labor Law and the provisions of the Jordanian Copyright, Industrial Designs and Models laws. The reason is the absence of a clear position for Intellectual Property Rights reversion under employment contracts. Therefore, the study recommends modifying article 5 paragraph (d) of the Jordanian Industrial Designs and Models Law and the article 6 of the Jordanian Copyright Law.

While a modification process is required for the Jordanian related laws, establishing a clear system for Intellectual Property rights under employment contract is very important too, simply because applying justice comes from applying same provisions on all persons, current provisions force the courts to apply different provisions for creations developed under employment contract even though the creation is mutual subject matter under Intellectual Property laws.

The suggested system could be formulated by the
experts in Intellectual Property Rights cooperating with the Jordanian parliament members, they can make better provisions than existed in current laws by enacting a uniform provisions for intellectual property creations developed under employment contracts is the outcome of the suggested system.

**Conclusion**

The Jordanian legal system provides protection to several creations under certain conditions even if those existed as a result of an employment relationship. Therefore, the Jordanian intellectual property system tried to make a balance between the employer’s interests and employee’s interests by stipulation in specific provisions for the ownership of creations developed under employment contract.

**NOTES**

(1) Jordanian copyright and neighboring rights law No. (22) Published in official gazette No 3821 page 684, on 16/4/1992, article 3(A).

(2) Industrial designs and models law No. (14) Published in official gazette No.4423 page 1307, on 2/4/2000, article 10(A).


(6) The Jordanian legislator tried to make balance between the provisions of labor law and civil law because they couldn’t create provisions for employment relationship conflict with Jordanian general rules in civil law.

(7) See Jordanian civil law No. (43)1976 articles (814, 821), Jordanian labor law No. (8)1996 article (19). The duties of each contracting parties are regarding rights of other party.

(8) See Jordanian civil law 1973 article (246:1).

(9) Jordanian labor law as well as Jordanian civil law didn’t clarify the meaning of normal person care which causes difference between interpretations to this term.

(10) An employer's instructions shouldn’t conflict with public order or decency, moreover it shouldn’t put an employee under danger but it should be issued within certain limits.

(11) Commercial and industrial secrets are mentioned exclusively but the employer may have non-trade secrets which may affect the employer’s business, releasing an employer’s personal information’s may cause injury to employer’s trade practices, therefore the statute provision shall include all secrets related to employer.

(12) Creativity level is a high intellectual effort from creator’s mind for creating certain creation, the result of the efforts called an intellectual creation, ”normal care” isn’t clear term.

(13) See Jordanian labor law 1996 article (20).


(15) See Jordanian labor law 1996 article (20:1).

(16) The conditions are 1-The employer shall prove that the employee’s had used his materials, experiences2- The written agreement is required for vesting an ownership to him initially.see article 20(1)of Jordanian labor law 1996.

(17) The paragraph should be rewritten to be as “unless otherwise written agreement”, see article (20:2) Jordanian labor law.

(18) There is no definition for the scope of employment under the Jordanian legal regime.

(19) Jordanian copyright law 1992 article (14) Stipulated “Every disposition by the author regarding his total
futuristic production shall be considered as null and void”.

(20) Jordanian copyright law 1992, article (8, 9).

(21) Jordanian copyright law 1992, article (3).

(22) حارون، ج. (2006) الحماية المدنية للحق الأدبي للمؤلف في التشريعة الأردنية: دراسة مقارنة، دار الثقافة للنشر والتوزيع، ص 93.

(23) The United States of America adopted a definition for works made for hire under the copyright act of 1976 as follows: 1) Works prepared by an employee within scope of his/her employment 2) Works specially ordered or commissioned for use as a contribution to a collective work, a part of a motion picture or other audiovisual work, a translation, a supplementary work, a compilation, an instructional text, a test, an answer material for a test, or an atlas; i.e. if the parties expressively agree in a written instrument signed by them that the work shall be considered a work made for hire.


(25) Jordanian copyright law 1992 article (6).

(26) Jordanian copyright law 1992, article (35).

(27) Jordanian copyright law 1992 article (4).

(28) Jordanian copyright law 1992, article 6 (B).

(29) Jordanian copyright law 1992, article 6 (B).


(31) An employer may suppose that using his materials by employee could be happened outside the place and time of employment while may think the opposite.

(32) While the employee is obliged to do his work according employment contract, he may use an employer materials outside the time and the place of employment for the purpose of creating such creation.

(33) See Jordanian labor law 199 article (2).

(34) This statement was added to Jordanian copyright law in 2003 amendment’s, see Jordanian copyright amendment No. 88 published in official gazette 4634 page 6498 at 1/12/2003.

(35) The contrary has the same judgment.

(36) The writer thinks that the meant of unless otherwise agreed between parties is rendered to transferring an intellectual property rights from employer to employee because the term “with take to consideration an employee’s intellectual efforts “ was added in 2003 copyright law amendment, see http://search.lob.gov.jo/Public/MODReportsDetails.aspx?attachID=0&ArtID=166481&LegType=102&LegID=150033MOD&ST=1&retype=102&MOD=0&populate=1.

(37) The nature way is that employee never makes an agreement to dismiss his intellectual efforts but the text literary makes this option.


(40) There is no protection for purely technical, functional features of the product. See the Jordanian industrial designs and models law 2000 article (4:b).

(41) Even though Jordanian industrial designs’ and models law provides same protection for industrial designs and models but each one has definition which different from other, industrial design as any composition or arrangement of lines, which gives the product special appearance and appeal, whether by industry or handicraft, including textile designs while models A three-dimensional form, whether associated with lines or colors or not, which gives special appearance, that may be used for industry or handicraft.

(42) Industrial designs and models law 2000, article (2).

(43) The creator alone has the initial ownership, but there are many rights that belong to him before registering his designs or models, he has the right of selling, renting, denotation, licensing...etc, thus any subsequent registration of designs which appears as a result of transferring transaction of property right is regarded as a waiver of his intellectual property right.

(44) Novelty is an important requirement to regard such ornamental appearance is subject to be enjoyed in protection of industrial designs and models law, therefore if more than one similar design is created at the same time the person who firstly file an application has the right to be a designer because the other person is missing novelty requirement. See Jordanian industrial designs and models law 2000 article(4).

(45) Granting the employer the intellectual property rights initially clashes with general rules provisions under Jordanian labor law. Moreover inconsistent with the
provisions of other intellectual property law; See article (6) of the Jordanian copyright law and article(5\b) of the Jordanian patent law No. (32) published in official Gazette 1999.

(46) Jordanian labor law 1996 article (20).

(47) The design shall be created as a result of applying to the employment contracts terms for regarding that the intellectual property rights belonging to the employer, thus it should be created within the employee's working term and within the place of his work.

(48) The contracting parties should agree upon certain design to be created as a result of employment contract application according to industrial designs and models law provisions, but the law provisions didn’t determine whether this design should be identical to what the contracting parties had agreed or the similarity would be sufficient for giving the employer the right of designs registration.

(49) “The employer has the right of design’s registration, if the creation is a result of an employment contract, which requires by it terms that the employee should accomplish such a creation, unless otherwise stipulated by contract”.

REFERENCES

Books


Cases

Non-Violence v. Reid, United States Supreme Court's (1989), 490 U.S.730 S.CT.2166.

Legislations

Jordanian civil law No.(43) published in official gazette No. 2654, p. 2.

Journals


Online resources

حقوق الملكية الفكرية في إطار عقود العمل

ملخص

راعي المشارع الأردنية مسألة حقوق الملكية الفكرية في إطار عقود العمل حيث سننصوصا خاصية تبين الحالات التي تكون فيها ملكية الإبداع للعامل والحالة التي تكون فيها أرب عمل. لذا قامت هذه الدراسة بتحليل ونقد هذه النصوص لتثبت مدى الحاجة لإجراء التعديل عليها، ولقد توصلت الدراسة إلى أن الموقف التشريعي الأردني كان متحفظا لأن النصوص الوريدة في قانون حماية حقوق المؤلف الأردني، بالإضافة إلىالنصوص الوريدة بقانون الرسوم والنماذج الصناعية الأردني، تعارض مع القواعد العامة الوريدة بقانون العمل، بإنشاء نظام موحد يحكم جميع الإدارات المتبقية في نطاق عمل العمل، كما أوصت بصورة تعديل النصوص القانونية ذات العلاقة في قانون حماية حقوق المؤلف الأردني وقانون الرسوم والنماذج الصناعية الأردني.

الكلمات الدالة: الملكية الفكرية، عقود العمل، الإبداع.

* كلية الحقوق، الجامعة الأردنية. تاريخ استلام البحث 18/12/2014، وتاريخ قبوله 6/5/2015.