Course 2, case 1:

In my opinion, employee Z should have requested some written papers attesting his rights over the project at the time he decided to incorporate it into the company. He sould have asked for a percentage of the project, and eventually to not be removed from it if he wanted to continue working on it.

In this moment, he can try to discuss the issue with the manager, outlining the fact that it is his concept and he build the app in his free time, therefore he deserves some kind of consideration: either an amount of money, either to not be removed from the project. Anyway, the employee can only relay on the good will of the manager, because he has no legal rights over the project.

The company could have compensated the employee for his work, give him credit for the prototype and maybe not removed him from the project without consulting with the employee first.