

Alternative proposed Intellectual Property policy

1. Introduction

1.1 The crux of copyrights.

- (A) **What copyright is.** Copyright is intellectual property owned by the author of an original expression of an idea. That original expression can be through words, sound, or pictures, but copyright does not attach until the author fixes that expression to a tangible medium of expression that enables us to perceive the expression. Examples are writing on paper, saving expression on a computer hard drive, recording visual images on film or DVD, recording sound on magnetic audio tape.
- (B) **How the author gets the copyright.** Copyright vests immediately and automatically in the author at the moment that the author fixes that original expression on the tangible medium, and lasts for a fixed period of time. Ownership does not require registering with the United States Copyright Office, but enforcing ownership does.
- (C) **What rights the author owns through copyright.** A copyright owner has the exclusive right to copy the original work, distribute copies of it, create works derived from it, and to publicly perform and publicly display the work or copies of it. The copyright owner can transfer to anyone any of those exclusive rights, or retain ownership but license someone to exercise any of those rights under specified conditions.

- 1.2 **Work-for-hire: when employers own a copyright.** Typically, employers automatically own the copyright in every original work of authorship that their employees create while working within the scope of their employment. That is called the "work for hire" doctrine

of the United States Copyright Act. For example, when a newspaper columnist writes a column for the newspaper, the publisher automatically owns the copyright in that column and in the columnist's drafts of that column. A "work-for-hire" means that ownership of the copyright automatically vests in the employer and never vested in the employee.

1.3 The crux of patents. By issuing patents, the United States government grants to inventors a limited monopoly in certain novel, useful, and nonobvious processes, machines, manufactures, or compositions of matter that they discover or invent. For a limited period of time, patent holders get the exclusive right to make, use, and sell their inventions and discoveries.

1.4 Who owns patentable inventions and discoveries.

(A) **Inventor is owner.** Usually, the owner of a patentable invention or discovery is the inventor. Through a written contract, the inventor can transfer his or her rights in the invention or discovery to someone else, such as the inventor's employer.

(B) **When employer automatically is the owner.** If an employer hires someone to invent something or to solve a specific problem that might entail a patentable discovery, the employer may automatically own the invention or discovery.

(C) **Employer usually is not the owner absent a written transfer of ownership.**

Otherwise, the employer does not automatically own every patentable invention or discovery that an employee makes even while performing services for the employer.

(D) **Employer's shop rights.** Under patent law, no employer acquires a patent automatically in an employee's invention or

discovery solely because the inventor used the employer's facilities to create the invention. But the employer automatically may acquire a license of limited scope to use the invention without having to pay royalties to the inventor-employee.

1.5 **Faculty versus university: who owns copyrights and patent rights.**

- (A) **Not typical employees.** Most faculty members of a university are not typical employees. As the federal courts have recognized, university faculty members traditionally have created works of authorship related to their professional fields of study or expertise that administrators neither assign nor approve or control.
- (B) **Collaborate with external scholars and professionals.** Also by tradition, faculty members often collaborate with faculty at other universities or with professionals outside the academic community to produce works protected by copyright that relate to the faculty member's professional field of study. Professionals and scholars outside a university may be reluctant to collaborate with the faculty of any university that claims to own automatically the resulting joint work of authorship.
- (C) **Using university facilities does not automatically vest copyright in the university.**

No university acquires a copyright automatically in an original work of authorship *solely* because a faculty member used facilities owned by the university to create the work. But using a university's facilities to create a work of authorship can be one of several factors that courts weigh in deciding that the university owns the copyright in the work through the work-for-hire doctrine.

1.6 What this policy can and cannot do about resolving ownership of patents and copyrights that faculty invent or create.

- (A) Bona fide legal questions exist about whether the University or the faculty member automatically owns every work of authorship and patentable invention and discovery originated by that faculty member at the University or related to the faculty member's professional field of study (regardless of whether the faculty member originated it at the University).
- (B) Neither the faculty member nor the University is the final arbiter of who owns all intellectual property that a faculty member creates using University facilities or that relates to the faculty member's professional field.
- (C) The law of copyrights and the law of patents disable this policy from finally determining who owns a particular copyright or patentable invention or discovery. Because owners can transfer their copyrights or patent rights only through signed writings, this policy cannot effect any transfer of ownership from faculty to the University or from the University to faculty.
- (D) This policy, therefore, functions to give notice that the University will claim or will not claim to own certain intellectual property. But claiming or not claiming to own intellectual property cannot finally resolve whether the University actually owns or does not own that property. The best way to finally resolve genuine uncertainty about ownership is through signed written contracts.

- 1.7 The policy's chief objectives.** This policy identifies:
- (A) specific situations where the University will or will not claim to own copyrights or patentable inventions or discoveries that faculty members originate;
 - (B) situations in which the University will or will not claim to have a license to use copyrights or patentable inventions or discoveries that faculty members originate;
 - (C) some terms and conditions upon which the University will offer to contract with faculty members to commercially exploit copyrights and patentable inventions or discoveries.

1.8 To whom this policy applies & the meaning of "Faculty members."

This policy applies to "Faculty members," which includes all of the following:

- (A) members of the faculty who are employees of the Arkansas State University System;
- (B) members of the faculty who are independent contractors with the Arkansas State University System;
- (C) other individuals with whom the University employs or contracts to create original works of authorship, to conduct research, or to make patentable inventions or discoveries;
- (D) students enrolled in the University, but only to the extent that the University employs those students and only to the extent that they originate copyrighted works or patentable inventions or discoveries while performing services as employees.

- 1.9 Some other limits and effects of this policy.** This policy:
- (A) does not apply to students whom the University does not employ;
 - (B) does not supersede any term or condition of any signed written contract to between a person and the University;
 - (C) supersedes every term and condition in all unsigned contracts between a person and the University, but only to the extent that the unsigned contract conflicts with this policy.
- 1.10 Meaning of the term "University."** The term "University" means the Arkansas State University System, any campus within the Arkansas State University System, and any entity or activity the exists or operates under the authority of the Board of Trustees of the Arkansas State University System.

2. The University will not claim automatic ownership of certain copyrights.

2.1 The University neither claims nor disclaims automatic ownership of copyright in works created by Faculty members.

Under copyright law, the University may or may not automatically own the copyright in an original work created by a Faculty member.

2.2 "Traditional Faculty works": the kinds of works to which this section applies.

This subparagraph and all later subparagraphs of this section apply only to the kinds of works of authorship originated by Faculty members listed in this subparagraph, which are "Traditional Faculty works":

- (A) textbooks, scholarly writing, literary works, works of art, and musical compositions;

- (B) works comprising all or part of the content of courses taught by the faculty member in person to University students; examples are a course syllabus, lecture notes, and audio or visual materials presented in person;
- (C) questions and their answers administered or to be administered as tests for courses taught by faculty in person;
- (D) works unrelated to the faculty member's professional field of study or expertise, regardless of who owns the facilities used to create the work.

2.3 The University will not claim automatic ownership of copyright in certain kinds of works originated by Faculty members.

The University will not claim that it owns any of the exclusive rights that belong automatically to a copyright owner in Traditional Faculty works; consents to Faculty members contracting to assign to publishers or other persons all right, title, and interest in Traditional Faculty works; and will cooperate where reasonably needed to ensure full legal effect of such assignments.

2.4 The University will not claim an automatic, permanent, royalty-free, unlimited license to use certain works originated by Faculty members.

The University will not claim that it automatically acquires a permanent royalty-free, nonexclusive license of unlimited scope to copy, distribute copies of, create derivative works from, or publicly display or perform Traditional Faculty works.

2.5 Why the University will not claim to own certain copyrights or claim to have licenses in certain works.

The University recognizes that:

- (A) It is customary for publishers of works originated by Faculty members to require the author to transfer all right, title, and interest in the work to the publisher.
- (B) Publishers require those transfers to ensure against others having the right to compete against the publisher with copies of the same work and to ensure against claims that the publisher is infringing the copyright.
- (C) Publishers will be reluctant to enter into contracts to publish works originated by Faculty members if the University's policy claims automatic ownership of the copyright of all works of authorship created by Faculty members in their professional fields or by using University-owned word-processing software or other University-owned facilities.
- (D) It is impractical for the University to be a party to every contract between publishers and Faculty members or for the University to approve all contracts before the Faculty member can agree to terms with every publisher.

2.6 The University may claim a limited nonexclusive, royalty-free license to copy or use certain works originated by Faculty members.

The University *may* claim that it automatically acquired a limited, royalty-free, nonexclusive license to copy, distribute copies, create derivative works from, or publicly perform Traditional Faculty works for the purpose of teaching students enrolled at the University. But, absent the expressed written consent of the Faculty member who originated those works, the University will not:

- (A) commercially exploit the work; or

- (B) use its claimed automatic license if a Faculty member discloses to the University, using the form provided at www.ASUresearch.edu that the Faculty member has assigned all right, title, and interest in the Traditional Faculty work to a publisher or other person.

3. Copyrights in online courses.

- 3.1 **Online courses to be taught to non-University students.** The University will not claim that creating an original online course to be taught to students who are not enrolled at the University is within the scope of a Faculty member's employment with the University. If the University asks a Faculty member to create such a work, it will enter into a contract with that Faculty member upon such terms and conditions as the University and the Faculty member agree.

This subparagraph does not apply where the University hired the Faculty member for the expressed purpose of creating original online courses to be taught to students who are not enrolled at the University and where that Faculty member creates those kinds of online courses as part of that Faculty member's regularly performed duties.

- 3.2 **Online courses to be taught to University students and created at the University's initiative.**

Where the office of the Provost or higher office assigns to a Faculty member the duty to create an original online course to be taught only to students enrolled at the University, and approves or otherwise controls the content of that course before it is taught to students, the University will claim that it automatically owns the copyright in that online course under the "work for hire" doctrine.

- 3.3 **Online courses created at the Faculty member's initiative.** Where teaching courses to students enrolled at the University are among a Faculty member's regularly performed duties, the University will not

claim that it automatically owns the copyright in an online course created by that Faculty member at his or her own initiative.

3.4 **Online courses created using University property.**

- (A) **Automatic license claimed.** The University will claim that it automatically acquires a limited nonexclusive, non-transferable, and royalty-free license to copy, distribute copies, create derivative works from, and publicly display and perform every original online course created by a Faculty member using University-owned property to create it.
- (B) **Limits of the claimed automatic license.** The license described in the preceding subparagraph will last for four years from the date upon which the University discovers that the Faculty member used University-owned property to create the course. The University will claim the license only for the purpose of teaching courses to students in classes in which they are enrolled at the University.
- (C) **License that the University will not claim.** The University will not claim an automatic license of any kind, scope, or duration for the purpose of enabling any person to commercially exploit an online course created at the initiative of a Faculty member, or to enable any person to copy that work, distribute copies of that work, create derivative works from that work, or publicly display or perform that work for the purpose of teaching courses to students who are not enrolled at the University.
- (D) **Right to commercially exploit, teach non-University students through contract.**

The University may commercially exploit the online course described in the preceding subparagraph, or otherwise enable its use for teaching students who are not enrolled at the University, through a written contract signed by the Faculty

member and offering to the Faculty member the net royalties as described later in this policy.

4. Patent rights that the University will claim that it automatically owns.

Where the University has employed a Faculty member for the expressed purpose of making inventions or discoveries, the University will claim that it automatically owns every invention and discovery made by that Faculty member within the scope of that employment.

5. Shop rights that the University will claim even though it does not claim to own the patent rights in an invention or discovery.

5.1 Patent rights that the University will not claim to own. Where the University has not employed a Faculty member for the expressed purpose of making inventions or discoveries, the University will not claim that it automatically owns every invention and discovery made by that Faculty member, regardless of whether it relates to that Faculty member's professional field of study or expertise and regardless of whether that Faculty member used University-owned property to make the discovery or invention.

5.2 Shop rights that the University will claim. The University will claim that it automatically has shop rights – a nonexclusive, non-transferable, royalty-free license – to use for three years any invention or discovery that a Faculty member makes using University-owned property. The University will not commercially exploit claimed shop rights except through a signed written contract with the Faculty member, offering the net royalties described later in this policy.

6. **Conflicts of interest.** Even though the University may decline to claim that it owns a copyright in a work of authorship or patent rights in a discovery or invention, all Faculty members have a duty of loyalty to the University. Nothing in this Policy authorizes any Faculty member to use, create, or transfer intellectual property in any way that conflicts with the Faculty member's duties as an employee of the University; creates in any faculty member a duty of loyalty to any educational institution other than the University; or that has the potential to attract students to enroll in any educational institution other than the University. For example, this Policy does not authorize Faculty members to create original online courses to be taught under the auspices of any person except the University.

7. **Obligations to disclose to the University information about original works and novel inventions and discoveries.**

7.1 **Complete disclosure form every 90 days.** Beginning on _____ 1, 2012, and every 90 days afterward, each Faculty member must complete the University's disclosure form at www.ASUresearch.edu.

7.2 **Purpose of the disclosure form.** The purpose of the University's disclosure form is to ensure that the University receives notice of original works of authorship and patentable inventions and discoveries that the University may own or claim to own, or to which the University may have a license or claim to have a license.

7.3 **Information that Faculty members must disclose about works of authorship, inventions and discoveries.**

Using the University disclosure form, every Faculty member must disclose every original work of authorship that the Faculty member created and every novel invention and discovery that the Faculty member made during the preceding 90 days unless this policy, the form, or a signed written contract excuses the Faculty member from making the disclosure.

7.4 Works of authorship, inventions, and discoveries that Faculty members have no duty to disclose to the University.

Unless a signed written contract requires otherwise, no Faculty member has a duty to disclose to the University:

- (A) any work of authorship unrelated to that Faculty member's professional field of expertise or study unless created using property owned by the University;
- (B) any invention or discovery unrelated to that Faculty member's professional field of expertise or study unless created using property owned by the University.

8. Copyrights and Patents – written contracts

8.1 Right to contract. Notwithstanding any provision of this Policy, the University may enter into a contract with any Faculty member and with any other person to resolve or otherwise govern the respective rights of each in any copyright or patent that either owns, claims to own, or may own in an original work or patentable invention or discovery not yet made.

8.2 Offered terms for distributing earnings. Among the contractual terms that the University will offer in a contract to commercially exploit works of authorship, inventions, and discoveries that Faculty members have originated are the following for distributing net royalties:

- (A) 85% of the first \$10,000 of net royalties would be divided among all Originators, with the remaining 15% belonging to the Arkansas State University campus at which the Originator is employed, or which contracts for or finances the commercial exploitation or creation of the work.
- (B) 50% of all net royalties received after the first \$10,000, up to \$2 million, would be divided among all Originators, with the

remaining 50% belonging to the Arkansas State University campus at which the Originator is employed, or which contracts for or finances the commercial exploitation or creation of the work.

- (C) 40% of all net royalties received after the first \$2,010,000 would be divided among all Originators, with the remaining 60% belonging to the Arkansas State University campus at which the Originator is employed, or which contracts for or finances the commercial exploitation or creation of the work.

8.3 Meaning of the term "net royalties." Net royalties = the gross revenues that the University receives from commercially exploiting intellectual property minus the costs for registering a copyright, applying for a patent, and commercially exploiting the copyright or patent. Those costs do not include:

- (A) any portion of any fixed overhead expense that is not related directly to the cost of registering a copyright or applying for a patent;
- (B) any portion of any fixed overhead expense that is not related directly to the cost of commercially exploiting the copyright or patent;
- (C) any portion of any earnings or other compensation paid to any employee or officer of the University unless the sole duties of that employee or officer are to register copyrights in works created by Faculty members; apply for patents in inventions or discoveries made by Faculty members; or to commercially exploit such patents or copyrights.

8.4 Meaning of the term "Originator." The term "Originator" means each author of a copyrighted work and each inventor under a patent and the heirs, estates, and assigns of each author and inventor.

9. University System Intellectual Property Committee.

9.1 5-member University System Intellectual Property Committee. The President of the University will appoint a five-member University System Intellectual Property Committee ("the Committee") comprised of:

- (A) one representative of the Office of the Provost;
- (B) one member of the faculty of the Arkansas State University – Jonesboro campus who has published scholarly work;
- (C) one member of the faculty of another campus in the Arkansas State University System who has published scholarly work;
- (D) one representative of any college or office of the University, or member of the faculty, who owns or has owned rights in a patent;
- (E) a Revolving member, defined below.

9.2 Meaning of "Revolving member." The Revolving member is a representative of any college or office of the University, or member of the faculty, who holds an advanced degree in the field that is the subject of a request for recommendation pending before the Committee.

9.3 Terms of the Committee members & Chair of the Committee. The term of the Revolving member will end upon the Committee's recommendation or other resolution of the request for recommendation that caused the President to appoint that Revolving

member; the term of the representative of the Office of the Provost will be five years; the term of every other member of the Committee will be four years. The representative of the Office of the Provost will serve as Chair of the Committee.

9.4 Duties of the Committee. The Committee will:

- (A) recommend changes to this policy following periodic review;
- (B) assist in reviewing the disclosures required by this policy as requested by any campus office or individual charged with research and technology transfer;
- (C) recommend that the University grant a requested exception to this policy after evaluating the request;
- (D) mediate and try to resolve disputes about ownership of, or rights in, works of authorship, inventions, and discoveries that Faculty members originated, invented, or discovered, or claimed to originate, invent, or discover;
- (E) recommend to the President of the University whether the University should or should not claim ownership or other rights in any work of authorship, invention, or discovery that a Faculty member originated, invented, or discovered, or claimed to originate, invent, or discover;
- (F) recommend to the President of the University one or more potential contractual options for resolving disputes about ownership of, or rights in, works or authorship, inventions, and discoveries that Faculty members originated, invented, discovered, or claimed to originate, invent, or discover;
- (G) resolve issues referred by any individual charged with research and technology transfer;

(H) advise the President of the University about intellectual property matters as requested.

9.5 Counsel to the Committee. The Office of University Counsel shall serve as legal advisor to the Committee.

9.6 Meetings of the Committee. Every discussion of the business of the Committee by its members arranged in advance, and every vote taken by the Committee, will be open to all Faculty members and to all officers and employees of the University.

9.7 Decisions of the Committee. The affirmative voice vote of a majority of the members of the Committee in favor of a decision or recommendation shall be the decision or recommendation of the Committee. All votes must be cast in person or by live telephone via speakerphone with the voices sufficiently amplified so that all members and spectators can hear each member's expressed vote. The Committee shall not issue a recommendation that contradicts this policy unless coupled with a written recommendation to grant an exception to the policy or to change the contradicting provision together with a summary of the grounds for either.

9.8 Notice of the meetings of the Committee.

The Committee will conduct one regular meeting during the fall semester and one regular meeting during the spring semester, and at such other times as set by the Chair. At least one week in advance, the time, date, place, and agenda for each meeting will be made available to all Faculty members and to all employees and officers of the University.

9.9 Record of the decisions and recommendations of the Committee. The Chair will appoint a member of the Committee to keep and make available to all Faculty members and employees and officers of the University an accurate record:

- (A) describing every decision and recommendation of the Committee;
- (B) of the identity of every member who voted for or against every proposed decision and recommendation upon which any member of the Committee voted or abstained from voting;
- (C) of the date upon which all votes were cast.

9.10 Opportunity to be heard. The Committee will not recommend ways to resolve a dispute over ownership or other rights in intellectual property until after affording the University administration and the disputing Faculty member a meaningful opportunity to present that person's argument and supporting grounds to the Committee, and evaluating each presentation.

9.11 Who may ask the Committee to recommend whether the University should or should not claim ownership or other rights in intellectual property.

The following have standing to ask the Committee to recommend that the University claim or refrain from claiming ownership in works of authorship, inventions, or discoveries originated or claimed to be originated by one or more Faculty members:

- (A) The President of the University;
- (B) The Chancellor of Arkansas State University-Jonesboro;
- (C) The Provost of the University;

(D) The Faculty member claiming an ownership or other right that would be the subject of the Committee's recommendation.

- 9.12 Timing of the Committee's recommendation.** Within 90 days of receiving a request that the Committee make a recommendation, the Committee shall deliver to the President of the Arkansas State University System the recommendation of the Committee in response to a request for the Committee's recommendation, together with the request.
- 9.13 The President's action on the Committee's recommendation.** The President's decision to adopt, reject, or modify the Committee's recommendation shall be the decision of the University, and a record of that decision promptly will be available for public inspection and copying.
- 9.14 Effect on right to seek court ruling.** Nothing in this policy bars the University or a Faculty member from seeking a court ruling to resolve a dispute about ownership or other rights in a work of authorship, invention, discovery, copyright, or patent. Nor must the University or Faculty member first seek a recommendation from the Committee before seeking a court ruling to resolve such a dispute, although seeking a recommendation from the Committee is a less costly and more efficient way to finally resolve disputes.
- 9.15 Duty to defend and indemnify.** Based on terms and conditions that the University will identify, the University will provide indemnity and a defense to every member of the Committee based on a Faculty member suing that member based on any claimed action, inaction, decision, failure to decide, recommendation, failure to recommend, or other activity attributed in the suit to the Committee.

Note: This proposed policy omits provisions that address sponsored research, the Bayh-Dole Act, and who pays for legal protection of intellectual property.

Legal protection of intellectual property should be addressed in individual contracts between Faculty members and the University.

It is apparent from the United States Supreme Court's decision in the Stanford University case that the Act does not vest in the university automatic ownership of any patent even if the federal government funded the research that resulted in a patentable invention or discovery.

-o-