

California State University, Chico
Chico, California

May 23, 1997

EXECUTIVE MEMORANDUM

97-07

To: Faculty, Deans, Department Chairs,
Program Coordinators, Administrative
Support, and Staff Deans

From: Manuel A. Esteban President

Subject: Executive Memorandum 97-07, CSU, Chico Intellectual Property Policy

On the recommendation of the Academic Senate and Provost Scott McNall, I approve Executive Memorandum 97-07, CSU, Chico Intellectual Property Policy, for immediate implementation.

INTELLECTUAL PROPERTY POLICY

PREAMBLE

Ownership of Intellectual Property in the University Setting

"The Congress shall have Power... To promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries..."

United States Constitution, Article 1.

Intellectual property is as old as the ability to take an abstract thought and fix it in a tangible medium. Whether chiseled on rock, printed on paper, or in transit on an electronic highway, the act of expressing an idea in a concrete or "fixed" fashion transforms thought into intellectual property. Intellectual property long has been created as a normal and primary consequence of fulfilling the mission of a college or university. Yet today's rapidly changing educational and technological environment brings new challenges to old practices. For example, the growing significance of legal protection for creative works, particularly in an era of exact duplications and rapid transmissions of works, necessitates greater awareness of copyright law and thoughtful managerial practices. While innovative technological capabilities are becoming commonplace, the consequences that follow are far from clear.

Traditionally, the university professor has been the sole author and copyright owner of most new works in higher education. Today, some university faculty members produce works that use an entire team of experts to bring a work to fruition. Team members contribute original expressions and elements to the final product, potentially entitling each person to some claim of legal rights. Examples of such collaborative and technologically advanced works include digitally converted images, sounds, and text; multimedia composite works; and some works used in distance learning. Likewise, university support of such collaborative efforts sometimes has changed to include considerable investment in the form of equipment and staff support. In this collaborative mode, simple individual ownership of all the rights associated with copyright may no longer best serve academic needs.

This policy delineates rights and responsibilities of the university community relative to copyright. A more creative conceptualization of copyright may help avoid the animosities and misunderstandings that often arise amidst discussions and debates over the ownership of intellectual property in general. Also, the concept of *unbundling of rights*--the creative sharing or licensing of specific rights--can help to focus discussion on optimizing access to the intellectual content of new works and to steer debates away from the economic issues of royalties and revenue sharing (whether such proceeds are large or small) that sometimes unduly monopolize intellectual property questions and distract attention from the widest pursuit of knowledge.

Through creative reallocations of rights, members of the university community can use copyright protection to better serve the wide range of dynamic interests associated with

the growth and sharing of knowledge, which are the core of a university's mission. This reallocation approach will result in direct furtherance of the Constitution's provision that copyright should "promote the Progress of Science and the useful Arts."

Campus copyright policy provides guidance for determining who is the owner of a copyrighted work and for allocating among the interested parties the set of rights provided by copyright law. Such policy helps campus administrators, faculty, staff, and students efficiently address questions related to these matters. This policy also identifies recurring issues and needs and establishes equitable means for meeting the challenges of copyright.

UNIVERSITY GUIDELINES FOR INTELLECTUAL PROPERTY

The management and administration of matters related to university contracts, policies, and guidelines which bear on the creation, ownership, storage, and use of intellectual properties should

- Foster the creation of the best possible quality new intellectual properties so as to further the academic mission of higher education.
- Foster the dissemination of new knowledge and the maintenance of high academic standards.
- Provide incentive for university faculty, staff, and students to fully participate in the use and creation of intellectual properties.
- Recognize that newly created intellectual properties in a university setting come in a wide variety of specific contents. Nonetheless, strong mutual interests are shared among the university, the faculty, the staff, and the students in the appropriate allocation of the ownership rights associated with such intellectual properties.
- Support the concept that the ownership of intellectual property rights is not necessarily an "all-or-nothing" proposition. Rather, the set of rights that belongs to owners of intellectual properties may be allocated so as to optimally support the mutual interests of the university, faculty, staff, and students.
- Foster within the university community the continued collective and individual ability to acquire and store information and works, to help scholars and students in the proper use and citation of the works of others, and to maintain coordination and contact with the world of publishers and other information providers.
- Adapt university contracts, policies, and guidelines appropriately to address the challenges and opportunities presented as technologies and cultures continue to evolve and affect the practices of higher education.

WHAT DOES COPYRIGHT PROTECT?

Copyright protects original works of authorship that are "fixed in any tangible medium of expression." Protectable works include books, articles, artwork, music, software, traditional or electronic correspondence, and materials placed or found on the Internet.

Copyright protection vests automatically upon creation of any protectable work. Placing a copyright notice on the work and registering it with the U.S. Copyright Office are no longer required. These steps, however, are still good practice and provide some legal benefits in the unlikely event of a lawsuit. You may also use the copyright notice as an opportunity to clarify how you prefer to share your work with others.

The copyright owner holds a set of *exclusive* rights:

1. the right to make reproductions of the work;
2. the right to distribute copies of it;
3. the right to make derivative works that borrow substantially from an existing copyrighted work;
4. the right to make public performances or displays of most works.

These rights are limited by certain rights of use granted to the public. The best known of such public rights of use is "fair use."

Some materials are not protectable by copyright. Examples include ideas, facts, U.S. government works, works for which the copyright has expired, works in the public domain, and live performances which are not "fixed."

COPYRIGHT OWNERSHIP

Who is the copyright owner?

To the extent that a copyrighted work has been created under conditions where the author is afforded normal compensation by the University and normal types and amounts of support available to those who occupy similar employment situations, then the compensation and support factor favors faculty copyright ownership. However, when the University provides extraordinary support or compensation for the creative effort beyond the support and compensation generally available to others in the same employment situation, then this factor would favor university ownership.

The question of who owns a copyrighted work in a university setting is not an end result in and for itself. The allocation, *or-unbundling*, of these various rights cannot occur without first identifying a copyright owner who, as a member of the university community, ought to accept a set of exclusive or nonexclusive license agreements appropriate to the university setting.

Copyright owners may be individuals or organizations. In general, the copyright owner is the person or entity that created the new protectable work. A corollary to this principle is that a copyright extends only to the original contributions to the work and does not extend to any elements of a work that may have been borrowed from others. For

example, if your new multimedia project incorporates materials from other sources or from the public domain, you may have a copyright to your original organization or compilation of the works, but you have no claim to those borrowed portions.

In the California State University, the contractual agreements on intellectual properties alter or clarify general results established by law. Thus, if the law does not clearly indicate who the copyright owner would be, or if the law produces an undesirable result, parties are free to enter into their own agreement on the copyright owner's identity. Copyrights may be jointly owned by the parties who created the work, or a single copyright owner may agree with another party that they will hold the copyright jointly. In particular, one possible approach to ownership of works created at the University is to hold the copyright jointly between the faculty/author and the University itself. Joint ownership between any parties is often problematic and introduces complex management problems, especially related to dealings with third parties for the publication or other exploitation of the work. Thoughtful agreements or policy standards that define the interrelated rights and duties among the parties is almost always preferable to joint copyright ownership.

Identifying the Copyright Owner

The tradition of ownership of copyright at most American universities is that ownership is presumed to vest initially with the creator of original works, typically a faculty member. Copyright ownership represents an opportunity to promote or to inhibit access to copyrighted works. The owner may make works freely available or may allow access or use under stringent or costly circumstances. Most creative work at universities is scholarly in nature, and most authors intend for their works to be widely shared and studied. An academic environment that best advances knowledge will view copyright ownership as a set of opportunities that may be shared within the university community rather than as an "all-or-nothing" property concept.

A careful identification of copyright ownership and allocation of rights among parties can best allow faculty to build on their previous works, enable colleagues and students to benefit from one another's research and creativity, and allow universities to foster the greatest growth of knowledge from increasingly scarce support funds. In particular, this policy supports a sharing of new works within the broadest possible university community. It affirms the right of creative faculty members and others to retain primary control over their new works. It also recognizes that sharing of knowledge is central to the success of academic institutions, and copyright should not inhibit productive work.

Key factors in determining copyright ownership

This policy identifies three factors that will help determine the extent of the creator and the University's rights respecting the new work. These factors will hardly define a prescribed result; instead, each factor is a continuum, and the factors must be weighed against one another to determine the overall outcome for establishing the copyright owner and allocating the rights.

The three factors are

- (1) the creative initiative for the new work. The more the creative effort is directly specified, detailed, supervised, and overseen by the University and the more the University exercises ultimate control of the acceptance of the final copyrighted work, the greater the likelihood of a decision favoring university ownership of copyright.
- (2) the control of its content. If the author who creates a copyrighted work controls the content and form of expression--the time, place, and manner of creation and the timeline and final authority over the acceptance of the finished work--a decision for copyright ownership by the author would be likely.
- (3) any extraordinary compensation or support provided by the University. Ordinary compensation represents those resources that are available or accessible to any university employee in a similar employment classification during the normal conduct of employment (for faculty, Article 20 of the CBA).

Extraordinary compensation represents resources not available or accessible to all members of the university community employed in a similar employment classification or restricted by a separate, individual, prior work-for-hire agreement. For faculty, the definition of extraordinary support is negotiated between the local CFA Chapter and the CSU, Chico administration pursuant to the MOU on Intellectual Property Rights, signed January 17, 1997.

Unbundling the exclusive rights associated with copyright

Universities exist to advance and disseminate knowledge, and they accomplish those objectives through teaching, research, publication, and community service. Faculty members usually provide creative contributions which bring new works into existence, while their home institutions provide essential facilities and support. The most fruitful environment for teaching, learning, scholarship, and creative activity, therefore, involves recognition of the shared interests among creators, colleagues, and their institutions in promoting the growth of knowledge from those new works.

The decisions concerning copyright matters at today's colleges and universities need to address copyright ownership, the assignment of all rights associated with copyright ownership or the licensing of apportionment rights, and the distribution of associated revenues or royalties, if any. This approach is rooted in the firmly held belief that all parties share the common goals of furthering higher education's mission and that they have a thorough understanding of the interdependence between the creator or author of new works in a university setting and his or her academic institution.

To optimize the availability of new works for teaching and scholarship, copyright should not be viewed as a simplistic claim of title, but should instead be understood as a divisible bundle of rights that may be allocated among different parties to provide maximum opportunities for sharing and learning. Effective publication of articles, for

example, does require a grant of rights to the publisher for reproduction and distribution, but publishers seldom need all rights of copyright ownership.

The Allocation of Ownership Rights

The owner of the copyright may assign or license all or only part of the set of copyright privileges to other individuals or organizations. The set of rights associated with copyright is divisible; that is, the copyright owner may allow another party to hold or exercise some of the rights, rather than all of them. Copyright ownership, while identified with a single entity, does not have to be an all-or-nothing proposition.

Assignments of copyright often occur in the context of publishing agreements. For example, when the author of a book signs a publishing agreement, the author often is asked to assign to the publisher the copyright in its entirety or at least to assign the rights of reproduction and distribution of the book so that the publisher can print and sell it. An assignment of copyright, or an *exclusive grant* of any one or more of the rights associated with copyright, must be in writing and must be signed by the party who is making the assignment to be effective.

The copyright owner may also grant a *nonexclusive right* to a particular use of the work. Nonexclusive in this context means that the owner can grant the same right to other parties. These transactions are called licenses, and a common example of a license is the permission given to photocopy or otherwise reprint an existing work. Nonexclusive licenses do not have to be in writing, but a written confirmation of the transaction is always good practice.

Licenses do not have to give away everything. The owner of the copyright is free to set limits as to who, what, when, where, why, and how the material may be used. The owner may also set a price for the licensed use.

License agreements can and should enable reproduction, use, and control of the copyrighted work so as to maximize the mutual benefit of the author and other members of the university community. Agreements that could benefit from support within the community include those with publishers of traditional academic papers.

Rather than assign all rights to the publishers, for example, the University could support the creator in the effort to retain rights to reproduce and distribute the work for educational and research purposes throughout at least the home institution, and the creator should retain rights to build on the work by developing derivative works.

Ownership of copyright means both the right to protection and the responsibility to exercise that protection; that is, one cannot just own the assets; the liabilities belong to the owner as well.

Creator Ownership with Certain Rights Licensed to the University

When the copyright to a work created at the University is owned by the creator, the University might be interested in a standard agreement with the creator which allocates

(licenses) to the University the ability to exercise rights, without obtaining permission from the copyright owner. These rights might include

- the right, on a limited, nonexclusive basis, to the creator to grant licenses to colleagues and students in the creator's own department, on his or her own individual campus, or on multiple campuses within a large university system, to make reproductions of the work to use in teaching, scholarship, and research;
- the right to control whether the University's name is displayed in association with the work;
- the right to require an appropriate acknowledgment of university support of the creation of the work;
- the right to borrow portions of the work for use in compilations or other composite works;
- the right to reproduce the work for uses directly related to advancing the mission of the University;
- the right to be informed in advance of any uses, reproductions, distributions, and dispositions of the copyrighted work; and
- the right to retain for the University duplication of the work for teaching, scholarship, and research, and, on a limited basis, the right to make derivative works even if the author assigns copyright ownership to a third party.

Circumstances surrounding unpublished copyrighted works, such as course syllabi, lecture notes, exams, student essays, and multimedia materials prepared for the face-to-face classroom raise many issues. For example, this policy holds that rights associated with such works remain with the creator until the creator decides to publish the work. Because the reputation and credibility of a creator relate directly to the assessment of publicly shared materials, it is most reasonable to vest with the creator decisions related to publishing new works. The act of publication--even electronically--must constitute a deliberate determination of when a work is ready to be judged for its merit in the crucible of public and professional examination and opinion. Inappropriate or premature public access to the private materials associated with teaching, scholarship, and research is likely to foster undesirable consequences in the university environment.

University Ownership with Certain Rights Licensed to the Creator

When the copyright to a work created at the University is owned by the University, the creator of the work might be interested in a standard agreement with the University which allocates (licenses) to the creator the ability to exercise rights, without obtaining permission from the university owner. These rights might include

- the right to make reproductions of the work to use in teaching, scholarship, and research;

- the right to borrow portions of the work for use in compilations or other composite works;
- the right to make derivative works, such as translations, video-taped versions, film scripts, etc.;
- the right to alter the work, add to the work, or to update the content of the work;
- the right to be identified as the author of the work, including the right to decide whether to allow the author's name to be displayed in association with the work;
- the right of portability; that is, the right to take the work to, and use the work with, a new employer;
- the right to use the work in pursuit of one's profession; that is, during expert witness testimony, in consulting, etc.;
- the right to use the copyrighted work for teaching, scholarship, and research by colleagues or students in one's own department, on one's own campus, across the campuses of a large university system, etc.;
- the right to be informed in advance of any uses, reproductions, distributions, and dispositions of the copyrighted work;
- the right to retain for the University duplication of the work for teaching, scholarship, and research and, on a limited basis, the right to make derivative works even if the author assigns copyright ownership to a third party; and
- the right to exclusive control of decisions related to the publishing of unpublished works.

Situations may arise where a university copyright owner may decline to enter into license agreements, or may limit a license, for reasons which are unrelated to the actual creation of the copyrighted work. Some of these reasons may hinge on the need for privacy, confidentiality, or the protection of a competitive advantage. Because these circumstances are not rooted in copyright law, they are not discussed here. Nevertheless, they may form the occasional basis for a desire by the University to limit a creator's dissemination or certain future uses of a copyrighted work. This policy recommends the disclosure of these limitations during the prior agreement process.

PROCEDURES

The preceding policy has set forth both philosophical and practical notions concerning copyright issues at this institution. It does not mandate that each creative endeavor be licensed to one or another party. That would be an overwhelming and onerous task.

Moreover, the huge majority of creations subject to copyright will likely continue to be shared and published in traditional forums. The tenets of this policy should be exercised to clarify copyright ownership when one or more of the parties engaged in a creative activity wishes to define a role in order to assert greater control over the various uses of that creation or license limited rights to other parties.

In cases where the owner(s) wishes to license control over the intellectual property or license limited rights of use to other parties, this action must be initiated by the owner(s) using the Standard Agreement Form "Copyright: Ordinary University Support." When the University wishes to share the rights of a copyrighted work owned by its employees, the University must initiate the same Standard Agreement Form. If the owner(s) so chooses, these parties are at liberty to negotiate a separate, individual agreement which deviates from the Standard Agreement Form. That individual, or set of individuals, would be the negotiator(s) and the University would be represented by a designee appointed by the President.

If the University wishes to claim primary control over a copyrighted work due to extraordinary support, the President or his designee would initiate that process through the Standard Agreement Form "Copyright: Extraordinary University Support" and delineate the various license provisions exclusive to that form. When the creator(s) wishes to share in the rights of a copyrighted work owned by the University, the creator must initiate that process through the same Standard Agreement Form.

The default of ownership determination is that the creator owns the copyright if the University makes no claim of ownership within a reasonable time. "Reasonable" shall be defined by parties involved in the original agreement. The agreement may be amended at any time with the consent of all parties involved in the original agreement.

For faculty, the definition of extraordinary support is negotiated between the local CFA Chapter and the CSU, Chico administration pursuant to the MOU on Intellectual Property Rights, signed January 17, 1997. For dispute resolution see Article 10 of the CBA.