



ACADEMIC ALERT #2002-19

DATE: November, 2002

DECISION: Intellectual Property Policy

A joint task force on Intellectual Property and Copyright, using an interest-based problem solving process, completed its work on June 10, 2002 by submitting a policy to the administration and the Faculty Senate. The policy includes, among other elements, General Assumptions and Principles, University Role, Definitions, Ownership and Rights of Use, Rights to Modify, Sell and License Intellectual Property, Revenue and Royalty Income, Limitations, and a Dispute Resolution Mechanism.

Both bodies ratified the policy in September 2002.

IMPLEMENTATION DATE: September 18, 2002

CONTACT: Dr. John A. Brighton
Provost and Senior Vice President for Academic Affairs
Extension 3271

SIGNATURE:



Dr. John A. Brighton
Provost and Senior Vice President for Academic Affairs

National-Louis University Intellectual Property Policy
AP: 307

Approved: President's Cabinet
Approved: Faculty Senate

Date: September 4, 2002
Date: September 18, 2002

EFFECTIVE DATE: September 18, 2002

Purpose

The National-Louis University Policy on Intellectual Property is intended to meet both the shared and the separate, but complementary, interests of Creators and the University:

- provide an incentive for creative intellectual effort.
- advance knowledge for the public benefit.
- enhance the reputation of NLU and its faculty.
- improve the standing of the University in the higher education community.
- promote academic freedom.
- ensure clarity in the matters of ownership of Intellectual Property.
- allow Creators to exercise reasonable control over the Intellectual Property they create.
- protect the University against unwarranted competition from colleges, universities, publishers, licensing agents and other like entities.
- assist the Creators and the University to realize tangible benefits from Intellectual Property.
- encourage further research and creation within the University with a share of revenues accrued to the University through this Policy.

General assumptions and principles

This Policy was reached through an interest-based process, in which the Task Force members expressed the interests of Creators of Intellectual Property and National - Louis University, and then sought creative, elegant and wise solutions, rather than compromises, to meet shared interests and to reconcile any dilemmas posed by competing interests.

As a result, this Policy focuses on the characteristics of the Intellectual Property, rather than on the processes involved in the creation of such property. It discards the resource issue entirely, assigning no ownership claims on the basis of how few or many resources the University provides for the creation of Intellectual Property. Instead, it focuses on the nature of products themselves when determining ownership. For simplicity's sake, the Policy deliberately does not provide for joint ownership between Creators and the University, but designates copyright ownership wholly to one or the other party, although certain specified rights of use are assigned to a party other than the copyright owner in this Policy.

The Policy also separates ownership from revenue and royalty income from the licensing and sales of Intellectual Property. When the Creator(s) own the Intellectual Property, income will

not be shared. When the University owns the Intellectual Property, income will be shared with the Creator(s) according to the policy specified below.

Finally, although new genres such as on-line courses and digital courseware make these issues more urgent than in the past, traditional and technology-based Intellectual Property are treated the same way in this Policy.

University Role

To facilitate the implementation of this Policy, the Office of the Chief Academic Officer, in collaboration with the Office of General Counsel, shall prepare and distribute, within the University, model agreements and recommended procedures appropriate for the implementation of the provisions of this Policy.

Further, these offices shall attempt to provide resources that can guide Creators in Intellectual Property matters.

Definitions

Intellectual Property

“Intellectual Property” refers to any copyrightable, trademarkable or patentable materials or any intellectually created tangible thing or matter as defined below.

Copyrightable Materials

Under Federal Copyright Law, copyright protects "original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of machine or device." (17 USC 101) The copyright exists from the moment of creation of the work.

The following categories of material, whether published or unpublished, may be subject to copyright protection:

- a. Literary works, such as books, journal articles, textbooks, monographs, laboratory manuals, lectures, or computer programs, bibliographies, study guides, texts, glossaries, unpublished manuscripts.
- b. Musical works, including any accompanying words.
- c. Dramatic works, including any accompanying music, and unpublished scripts.
- d. Pantomimes and choreographic works.
- e. Motion pictures and other audiovisual works, such as films, video-tapes, videodiscs or multimedia works, filmstrips, charts, transparencies, other visual aids.
- f. Live or recorded digital, video and audio broadcasts.

- g. Programmed instruction materials, such as web-based or software tutorials, multi-media instructional materials.
- h. Drawings, paintings, sculptures, photographs and other works of art.
- i. Sound recordings, such as audiotapes, audio cassettes, digital sound files, phonorecords or compact discs.

Trademarkable Materials

Trademarks are distinctive symbols, pictures, or words that sellers affix to distinguish and identify the origin of their products. Trademark status may also be granted to distinctive and unique packaging, color combinations, building designs, product styles, and overall presentations. It is also possible to receive trademark status for identification that is not on its face distinct or unique but which has developed a secondary meaning over time that identifies it with the product or seller. The owner of a trademark has exclusive right to use it on the product it was intended to identify and often on related products. (Legal Information Institute, Cornell University)

The University has the obligation and right to exert control over the trademark of the NLU name, logo and other expressions of identity. Creators are required to comply with the *National – Louis University Graphics Standards Manual*.

Patentable Materials

In general the Patent Act requires that in order to be patentable an invention:

- has to have utility or usefulness.
- must possess novelty with relation to “prior art”, meaning that somebody skilled in the art would not see it as an obvious extension of the art that did not require new advances in the art to produce.
- must be non-obvious. (USCA)

Patents do not vest until the United States Patent Office issues a patent.

Creator

A “Creator” is defined as a faculty member who produces Intellectual Property as defined above.

University

“University” is defined as National – Louis University.

Staff

“Staff” refers to all non-faculty employees, including administrators.

Ownership and Rights of Use

As a matter of Policy at the University, there is no joint ownership of Intellectual Property between Creator(s) and the University and only one party is designated as the named copyright owner. Ownership is assigned wholly either to Creator(s) or the University, although certain specified rights of use are assigned to a party other than the copyright owner in this Policy.

Ownership is unrelated to use or provision of resources or the locus of initiation of creation. Ownership is determined by the nature of the Intellectual Property itself.

As a result, this Policy distinguishes between those properties owned by the University and the Creator(s) as follows:

- Creator(s) own the copyright to (1) traditional products of scholarship such as books, articles, art works, music, and plays; and (2) instructional materials such as syllabi, test questions, assignments, handouts, lecture notes, simulations, guidelines for on-line discussion and cases.
- The University owns the copyright to courses, programs, Master Course Outlines, instructor guides, and institutional reports. When a course or program is initiated with the mutual knowledge and approval of the Creator(s) and the University, the parties must agree upon a clear process of timelines and deliverables. Any instructional materials delivered in this process may be used by the University.

This distinction is based on the premise that if courses or programs could be available and taught without the Creator(s) who produced them, they could pose a competitive threat to the University and therefore the University owns them.

A Creator is the owner of courses and programs only if they were never part of the University's curriculum offerings. Creator(s) are encouraged to offer such properties to the University prior to offering them to other entities.

Any Creator of courses and programs shall have the right to utilize such work in connection with teaching, research, and service in fulfillment of duties at the university.

Any Creator will have the right to use his or her individual contributions to such instructional materials in teaching courses on related topics and in preparing textbooks, journal articles, conference presentations, consulting projects, and other scholarly works or professional activities, provided that the Creator does not use such works in direct competition with the use of the works by NLU.

Any Creator shall have the right to develop scholarly derivative materials based on such works and to publish or otherwise exploit such works, whether or not with the participation of publishers or other third parties, provided that such uses are in furtherance of the Creator's duties at the University and do not significantly and adversely affect the intended use of the works by NLU. In the event that the Creator involves the participation of a publisher or other third party, the Creator shall inform such party that the use of the work is subject to this policy. Any profit or other revenue received by the Creator in connection with such uses, and not received from

NLU, shall not be barred by this policy, but may be governed by other policies of the University related to conflicts of interest and other matters.

Credit

A Creator shall receive full credit as an author or developer on all copies of Intellectual Property used by NLU. A Creator has the right to remove his or her name from any copies of Intellectual Property used by NLU by completing and submitting the Removal of Name Request Form in Appendix A to the Office of the Provost.

Rights to Modify, Sell and License Intellectual Property

The University may choose to modify Intellectual Property that it owns at its sole discretion. In such instances, the University will notify Creator(s) in writing of its desire to modify Intellectual Property it owns and will offer the Creator(s) an opportunity to participate in such modifications.

The University may sell and license the Property it owns to other entities, but must share the revenues and royalties with the Creator(s), as further specified below. A Creator can sell his/her property to other entities but does not have to share revenues and royalties with the University.

Revenue and Royalty Income

It is the Policy of the University that the Creator(s) share in any income derived from any Intellectual Property that they create and which is owned by the University, except where there is a written contract to the contrary. If the copyrightable, trademarkable, or patentable material was produced by more than one Creator, disbursement of income will be made by the University in proportionate share as those sharing in the income may agree upon. If there is no written agreement on the proportions, royalty or revenue income shall be divided equally among identified Creators.

If the University receives income as a result of an agreement for the sale or licensing of information or rights concerning an Intellectual Property, the University shall disburse a share of this income to the Creator(s) according to the schedule below, after the University first covers itself for reasonable costs incurred in obtaining or maintaining patent, copyright or other like protection and administering the disbursement of revenues and royalties. This income-sharing policy covers any commercial licensing or sale of courses or programs by the University to an external party, but does not apply to income generated from tuition for University courses and programs.

Schedule of Disbursements of Income

- Up to and including the first \$5000 of net income shall be paid to the Creator(s).
- Any net income above \$5000 shall be divided with 40% to the Creator(s) and the remainder divided among the following University units: 15% to the Office of the Chief Academic Officer; 15% to the Office of the Dean of the College or Office of the Director of the University Library in which the Creator(s) is(are) assigned; and 30% to the originating University academic unit of the Creator(s).

The above amounts shall be reviewed every three years and adjusted for an inflation rate. All disbursed amounts are to be considered as referring to the cumulative total income.

Limitations

Any Creator who conceives, creates, discovers, invents or develops Intellectual Property shall not serve as a member of the board of directors or other governing board or as an officer or an employee (other than as a consultant) of a business entity that has an agreement with the University relating to the research, development, licensing, or exploitation of that Intellectual Property without prior disclosure, review, and approval by the Chief Academic Officer, the President and the Board of Trustees of the University. Non-disclosure could result in forfeiture of the Creator(s) share of revenues and royalties.

However, when requested and authorized by the Board of Trustees, a Creator may serve on behalf of the Board as a member of the board of directors or other governing board of a business entity that has an agreement with the University relating to the research, development, licensing or exploitation of Intellectual Property. In such case, a Creator shall report in writing to the Chief Academic Officer, or to such other person as may be designated by the Chief Academic Officer, upon any change in the interest or position held by such person in such business entity.

Staff

All Intellectual Property created wholly by non-faculty staff as part of their employment is considered Work-For-Hire and belongs to the University.

All staff work that supports faculty creation of Intellectual Property is considered a resource provided by the University. Therefore staff members do not share in any revenues disbursed to Creators.

Contracts and Agreements

There may be occasions when a written supplemental agreement is extended to a faculty member, or a written contract is extended to an external entity, for work that results in the creation of Intellectual Property. In such cases, the Intellectual Property is owned by the University and each contract/agreement should so state as follows:

I am being hired to create works embodying Intellectual Property. I have read and understand the National – Louis University Intellectual Property Policy. However, I understand that any Intellectual Property I will create within the scope of this written contract/agreement is Work-For-Hire and will belong to the University. Further, since I am being hired specifically to create Intellectual Property, the royalty and revenue-sharing provisions of the Intellectual Property Policy shall not apply to my works.

The University may relinquish its ownership only by written provision in the contract/agreement. Unless otherwise specified in the contract/agreement, the University will retain all income from the sale or license of the Intellectual Property.

Consortia

Consortium agreements involve multiple sponsors, and often multiple Creators. Intellectual Property rights under such agreements must be carefully structured to comply with this Intellectual Property Policy.

Grants

Rights in Intellectual Property developed during the course of sponsored research are determined in accordance with the applicable grant or contract. Therefore, it is important to analyze each contract or grant with respect to the allocation of Intellectual Property rights. Rights to Intellectual Property developed with non-governmental support are determined by the contractual arrangement with the sponsor.

Patents

Creator(s) are sole owners of any patents assigned to them by the United States Patent Office, even in the case of research that is sponsored by the federal government which typically allows the University to elect title to the Intellectual Property. However, the University urges Creator(s) to acknowledge in some tangible fashion the NLU resources and other forms of support that have been used in the development of patentable Intellectual Property.

Dispute Resolution Mechanism

Disputes that cannot be resolved between the University and Creator(s) shall be referred to a Fact-Finding Board comprised of the Chair of the Faculty Appeals Committee, the Chief Academic Officer's designee, and a university employee named by the Creator(s). The Board shall conduct fact-finding as described in Appendix B and shall make recommendations to the Chief Academic Officer, whose decision shall be final.

Review of Intellectual Property Policy

A joint Senate-Administration Task Force will review this Policy every three years. The Task Force will be comprised of one representative from each college and the University Library and two administrative representatives to be jointly named by the Chief Academic Officer and the Chair of the Senate. Written suggestions for amendments to the Policy shall be submitted to the Senate. The Senate shall make its recommendations to the Chief Academic Officer, who shall forward his/her recommendations to the President for final approval by the Board of Trustees.

Effective Date

This Policy takes effect from the date of final approval and does not have any retroactive impact on current or past arrangements and agreements between Creator(s) and the University.

Appendices

- A. Removal of Name Request Form – please contact General Counsel to obtain this form
- B. Purposes and Procedures of the Intellectual Property Fact-finding Board

Appendix A

Please contact General Counsel to Obtain the
“Removal of Name Request Form”

Appendix B

Purposes and Procedures **of the Intellectual Property Fact-Finding Board**

Disputes over such matters as ownership and revenues that cannot be resolved between the University and Creator(s) shall be referred to a Fact-Finding Board. The Board will be comprised of the Chair of the Faculty Appeals Committee, the Chief Academic Officer's designee, and a university employee named by the Creator(s).

Purposes

The responsibility of the Board is:

- (1) To determine, through hearings, the precise issues and positions of the parties to the dispute, with a view to focusing attention on the major issues in dispute and resolving differences.
- (2) To mediate throughout the process, encouraging the parties to fashion their own resolution to the dispute.
- (3) To recommend a solution to the matters in dispute based on the facts to the Chief Academic Officer, whose decision shall be final.

Procedures

Procedures for the hearings are established by the Board itself but are generally informal. The Board shall conduct fact-finding as follows:

- (1) The Board shall convene a hearing or hearings to permit the parties to the dispute to present their positions, facts and evidence. Both parties have the right of representation by spokesperson(s) of their own choosing. The Board shall attempt to distinguish between undisputed facts and allegations that are unsupported by evidence.
- (2) The Board will hear statements and receive evidence and have the opportunity to freely question both parties.
- (3) At the end of the hearing(s), the parties have the right to make a closing statement. After the hearing(s), the parties will have thirty (30) days in which to submit a post-hearing written statement of evidence and positions.
- (4) The Board shall have the authority to:
 - Determine the time and place of the hearing.
 - Permit reasonable pre-hearing access to information and documentation needed by either party.
 - Preserve order and privacy of the hearing.
 - Rule on evidentiary matters.
 - Determine the close of the hearing and procedures for post-hearing submissions of statements of evidence and positions.

- (5) The parties have the prime responsibility for presenting data, but the Board reserves the right to develop such additional or supplementary information as it deems proper in order to make its recommendations.
- (6) The Board shall evaluate all evidence before reaching its recommendations. The Board shall issue an opinion and recommendations, setting forth a summary of the major issues, including the type(s) of disputes, the relief requested by the parties, and a statement of any other issues resolved.

Limitations

The Board's scope of authority is limited to interpretation of the Intellectual Property Policy and may not add to, delete or change the substance of the Policy. However, the Board is empowered