

University of Louisiana System

**Title: INTELLECTUAL PROPERTY
AND SHARED ROYALTIES**

Effective Date: October 23, 2012

**Cancellation of
Policy Issued: August 27, 2007**

Chapter: Faculty and Staff

Policy and Procedures Memorandum

I. PURPOSE

The University of Louisiana System recognizes that academic research and scholarship should be encouraged without regard to potential gain from licensing fees, royalties, or other income; however, the System also recognizes that Intellectual Properties and discoveries may arise from the activities of faculty, staff, and students in the course of their institutional activities and duties or through the use, by any person, of institutional resources such as facilities, equipment, or funds.

The policies governing the administration of such Intellectual Properties should provide adequate recognition and incentive to Creators and, at the same time, ensure that the System institutions will share in the rights pertaining to Intellectual Properties in which they have an equity.

II. OBJECTIVES

Institutions shall adhere to the following objectives as they develop and implement their Intellectual Property policies in compliance with this document, as well as applicable state and federal laws, regulations and guidelines:

- A. Encourage research and scholarship as creative academic endeavors while recognizing that commercially valuable Intellectual Properties may result from such endeavors;
- B. Delineate procedures to encourage Creators to report discoveries with broad commercial potential and public benefit and to assist them, while at the same time safeguarding the interests of all concerned parties;
- C. Make Intellectual Property developed in the course of academic research available to the public under conditions that will promote its effective and timely use and development;
- D. Optimize the environment and incentives for research and scholarly activity and for the creation of new knowledge in UL System institutions;
- E. Ensure that the educational mission of the UL System and its institutions is reinforced.

III. DEFINITIONS

- A. Creator/Author: the individual or group of individuals who make, conceive, reduce to practice, author, or otherwise make a substantive intellectual contribution to the creation of Intellectual Property. This includes, but is not limited to, faculty, professional staff, administrative and support staff, and students. It shall also include the definition of “inventor” as used in U.S. patent law and the definition of “author” as used in the U.S. Copyright law.
- B. Commercialization: assignment, licensing, manufacturing or production of Intellectual Property as well as the protection of Intellectual Property including but not limited to, obtaining protection and copyright registration, with the goal of financial return.
- C. Computer Software: one or more computer programs existing in any form or any associated operational procedures, manuals, or other documentation, whether protectable or protected by patent or copyright.
- D. Course Materials: any educational material or course content used in the *bona fide* teaching or instruction of a regularly scheduled course for credit offered by the institution, including portions, subsets, drafts, revisions, updates, versions, and instructional components of such materials; whether printed, digital, Internet based, CD/DVD-based, audio or video based; or otherwise.
- E. Institution Resources Usually and Customarily Provided: include, but are not limited to, resources such as office space, library facilities, ordinary access to computers and networks, and salaries.
- F. Intellectual Property: the result of intellectual or artistic activity created by an individual in a scholarly, professional or student capacity; including but not limited to inventions, discoveries, know-how, show-how, processes, unique materials, original works, computer software, scientific or technological

developments and other creative or artistic works that have value; regardless of whether subject to protection under patents, copyrights, trademarks, service marks, trade secrets, mask works, and plant variety protection certificates. It also includes the physical embodiments of intellectual effort, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, biological materials, chemicals, other compositions of matter, plants, and records of research.

- G. Scope of Employment: activities related to the faculty member's appointment, including teaching and research; or related to the activities which are assigned to non-faculty personnel by his or her supervisor for which compensation is received.
- H. Significant Institution Resources: include resources in addition to those usually and customarily provided which include, but are not limited to, the use of students or employees as support staff to develop the work, substantial use of specialized or unique facilities and equipment or other special subventions provided by the institution unless approved as an exception.
- I. Technical Works: include, but are not limited, to Intellectual Properties that are of a scientific, engineering, or technical nature.
- J. Traditional Academic Copyrightable Works: a subset of copyrightable works created independently and at the Creator's initiative for traditional academic purposes. Examples include syllabi, class notes (in whatever form, e.g., handouts, internet posting); books, theses and dissertations; articles; non-fiction, fiction, and poems; musical works; dramatic works including any accompanying music; pantomimes and choreographic works; pictorial, graphic, and sculptural works; or other works of artistic imagination that are not created as an institutional initiative.

IV. GENERAL PROVISIONS

A. Applicability

This policy shall apply to all persons employed by System institutions, to anyone using institutional facilities and or resources under the supervision of institutional personnel, to undergraduates, and to graduate students.

B. Scope of Application

This policy shall be a part of the conditions of institution employment. Personnel must notify the institution of any copyright or patent interests for any Intellectual Property which are currently registered or patented or which are in the process of being registered or patented with the U.S. Copyright Office or U.S. Patent and Trademark Office. For materials which may be in development, notice shall be given at the time the application for registration is submitted. The institution shall review such interests and determine

whether they are owned solely by the employee, co-owned or restricted in use by others.

C. Acquisition

The institution may acquire ownership or use of Intellectual Property by assignment, license, gift, bequest or other legal means.

D. Disclosure

- 1) All Intellectual Property in which the institution has an ownership interest under the provisions of this policy and that has the potential to be brought into practical use for public benefit or for which disclosure is required by law or agreements shall be reported promptly in writing by the Creator to the designated institution officer or representative. The disclosure shall constitute a full and complete disclosure of the subject matter of the discovery or development and identify all persons participating therein.
- 2) The Creator shall furnish such additional information and execute such documents from time to time as may be reasonably requested. Furthermore, the Creator shall report annually to the institution any and all proceeds and/or units distributed for all copyrightable works and other Intellectual Property, regardless of the institution's ownership interests.
- 3) In the event there is a question as to whether the institution has a valid ownership claim in Intellectual Property, such Intellectual Property should be disclosed in writing to the institution by the Creator. Such disclosure is without prejudice to the Creator's ownership claim. The institution will provide the Creator with a written statement as to the institution's ownership interest. (See also **VII.B.(1)**)

E. Institutional Interests

Personnel and students may not sign agreements or take action on behalf of the institution unless they have been designated, in writing, as authorized agents of the institution. Further they shall not make unauthorized use of the institution's name.

V. RIGHTS TO OWNERSHIP

A. Institutional Ownership

- 1) Institutions may assert ownership in Intellectual Property of all types (including, but not limited to, any invention, discovery, trade secret, technology, scientific or technological development, computer software, and Course Materials) regardless of whether the property is subject to protection under patent, trademark, copyright, or other laws, except as stipulated in Section V. B.

- 2) Institutions may assert their ownership in Intellectual Property related to the Creator's academic or professional field, regardless of the medium of expression.
- 3) Institutions shall have ownership of all Intellectual Property created by persons under the conditions stated below:
 - a) if Intellectual Property is created with the significant use of institution resources; or
 - b) if Intellectual Property is commissioned by the institution pursuant to a signed contract; or
 - c) if Intellectual Property is created by a person who was hired specifically, or is required as part of his or her job responsibilities, to produce it; or
 - d) if Intellectual Property fits within one of the categories of works considered "works for hire" under copyright law¹; or
 - e) if Intellectual Property is created under the terms of a sponsored project where the terms of the sponsored project require that the Intellectual Property be in the name of the institution.

B. Individual Ownership

- 1) Traditional Academic Copyrightable Works shall be owned by their creators, not the institution, subject to the rights and limitations of use pursuant to Section VI and to the right of the institution to recover the value of any significant institutional resource contributions to such works.
- 2) In addition to Traditional Academic Copyrightable Work created by professional, faculty, researcher, or student creators in their field of expertise, a Creator shall own Intellectual Property under the following conditions:
 - a) if it is unrelated to the Creator's job responsibilities and the Creator made no more than incidental use of institution resources; or
 - b) if it is Intellectual Property that has been released to the Creator in accordance with institution policy.
- 3) Institution facilities or resources shall NOT be used:

¹ Section 101 of the copyright law defines a "work made for hire" as: (1) a work prepared by an employee within the scope of his or her employment; or (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. Source: United States Copyright Office, Circular 9: "Works Made for Hire Under the 1976 Copyright Act," September 1998.

- a) to create, develop, or commercialize Intellectual Properties unrelated to an individual's employment responsibilities; or
- b) to develop or commercialize Intellectual Properties further that have been released to a Creator except when approved by the institution and when the institution retains an interest under the terms of the release.

C. Joint Ownership

- 1) Joint ownership may occur under certain circumstances such as when the creation of Intellectual Property involves the services of other institutional employees (e.g. development of multi-media courseware).
- 2) The institution and faculty member may be joint owners of the final product if a faculty member works independently but incorporates work done as work for hire by institution employees and/or contractors.
- 3) In the case of Traditional Academic Copyrightable Work that involves significant institutional resource contributions, the institution shall reserve the right to secure rights (including but not limited to joint ownership), for example, to use the work and to recover its investment, in a written contract with the Creator. If a project involves the use of significant institutional resources, the Creator and the institution shall agree before the project begins on the use of facilities, allocation of rights to use the work, and recovery of expenses and/or sharing of benefits from Commercialization of the work.

VI. RIGHTS AND LIMITATIONS ON USE

A. Fair Use

In accordance with §107 of the U.S. Copyright Law, the fair use of a copyright work for the purposes of teaching, scholarship or research is not an infringement of copyright. As such, the institution and its faculty shall have limited rights to use copyrighted works. Fair use shall be determined by factors including the purpose of the usage, whether commercial or educational; the nature of the copyrighted work; the amount and substantiality of the portion used relative to the work as a whole; and the effect of the usage on the potential market value of the work.

B. Additional Rights

If the institution wishes to secure additional rights it shall so specify in writing at the time it provides resources beyond those customarily provided or other consideration.

C. Continuity of Institution Rights

- 1) With respect to Intellectual Property arising in connection with all courses created within the institution, regardless of delivery format, the institution shall retain a permanent non-exclusive, royalty-free license to make all

traditional, customary or reasonable educational uses of the content of such courses.

- 2) This license shall be presumed to come into existence automatically by virtue of the approval of a course to be taught at any institution within the System.
- 3) This license shall include the right of the institution to offer the course, or to develop and offer derivative courses of instruction in both conventional and non-conventional settings (including courses intended for use in internet distance education projects), whether at the institution or elsewhere.
- 4) This license shall continue to be available to the institution even if the faculty member should leave the institution.

D. Recognition of Creator's Interests

In recognition of the Creator's desire to ensure the intellectual integrity of his or her work, the institution will give consideration to the views of the Creator as to the use and disposition of Intellectual Property rights when it takes title to the Creator's Intellectual Property under this policy. When the institution owns a copyright under this policy, the Creator will be permitted to use the work for his or her own non-commercial purpose.

VII. ORGANIZATION/MANAGEMENT/ADMINISTRATION

A. Institutional Administration

- 1) The President of each institution has ultimate authority for the stewardship of Intellectual Property developed at the institution.
- 2) Each institution is responsible for establishing operational guidelines and procedures for the administration of Intellectual Property consistent with this policy and including, but not limited to, determination of ownership, assignment, protection, licensing, marketing, maintenance of records, oversight of revenue or equity collection and distribution, and resolution of disputes among Creators and/or unit executive officers.
- 3) Each institution shall establish an office and/or committee or designate an individual who has responsibility for administering institution policies regarding Intellectual Property as defined herein. This office, committee, or individual will serve as the institution's Intellectual Property Advocate (IPA).
- 4) The IPA shall encourage research and scholarly activity, review and recommend to the President or a designated entity changes in procedures, resolve questions of Intellectual Property ownership, and make such recommendations as are deemed appropriate to ensure timely disclosures and prompt and effective handling, evaluation, and prosecution of

Intellectual Property opportunities and to protect the interests of the institution, the System, and the public.

B. Institutional Management

1) Disclosure

All Intellectual Property in which the institution may have an actual or potential ownership interest under the provisions of this policy shall be disclosed promptly in writing by the Creator to the designated institution officer in accordance with applicable institutional procedures.

If a Creator is uncertain whether the institution would claim ownership to any intellectual property, the Creator shall disclose the Intellectual Property to the institution. The institution will provide the Creator with a determination as to the institution's ownership interest, if any. (See also **IV.D**)

2) Decision-Making Timeline

Within 120 days of receipt of a written disclosure or other such reasonable period of time as may be agreed upon by the parties, the institution will inform the principal Creator of its substantive decisions regarding protection, commercialization, and/or disposition of Intellectual Property that he or she has disclosed. The institution shall be bound by any confidentiality agreement made with any external parties.

3) Evaluation and Utilization Decisions

a) After evaluation of the Intellectual Property and review of applicable contractual commitments, the institution may develop the property through licensing, may release it to the sponsor of the research under which it was made (if contractually obligated to do so), may release it to the Creator if permitted by law, or may take such other actions as are determined to be in the public interest.

b) Utilization by the institution may or may not involve statutory protection of the Intellectual Property rights, such as filing for patent protection, registering the copyright, or securing plant variety certification.

c) In instances where the institution chooses not to retain ownership of the Intellectual Property, the Creator shall obtain permission from the institution's President, or his or her designee, before associating the institution's name, logo, etc., with the Intellectual Property.

4) Abandonment of Intellectual Property

a) Should the institution decide to abandon development or protection of institution-owned Intellectual Property, ownership may be assigned to the Creator as allowed by law subject to the rights of sponsors and to the retention of a license for institution purposes as set forth in Section

VI above. The minimum terms of such license shall grant the institution the right to use the Intellectual Property in its internally administered programs of teaching, research, other educational purposes and public service on a perpetual, royalty-free, non-exclusive basis.

- b) The institution may retain more than the minimum license rights, and the assignment or license may be subject to additional terms and conditions, such as revenue sharing with the institution or reimbursement of the costs of statutory protection, when justified by the circumstances of development.

5) Commercialization by Creator

The institution may, at its discretion and consistent with the public interest, license Intellectual Property to the Creator on an exclusive or nonexclusive basis. The Creator must demonstrate technical and business capability to commercialize the Intellectual Property. Agreements with Creators will be subject to review and approval of conflict-of-interest issues in accordance with applicable institution policy.

6) Disputes Policy

Each System institution shall identify and include in its Intellectual Property policy a dispute resolution procedure.

VIII. PROCEEDS DISTRIBUTION

In the event that revenues are generated by Intellectual Property rights assigned or licensed to the institution, an appropriate share of such revenues shall be paid to the Creator.

A. The institution may recover its costs before the following conditions apply.

Net revenues on Intellectual Property available to institutions shall be used for research, development, and other scholarly activities and allocated one hundred percent to the institution where the Intellectual Property originated.

B. The Creator's share shall be determined by the following:

- 1) In cases where the institution or Creator, as the case may be, assign such Intellectual Property rights to a research corporation under contract to an institution or to the System, the share of revenue to be paid to the Creator shall be governed by the terms of the contract between the institution or System and the research corporation.
- 2) In cases where the Intellectual Property is covered by a contractual agreement with a sponsoring agency, the financial arrangements shall be in accordance with that contractual agreement as negotiated between the institution and the contracting agency.

- 3) In cases of sponsorship by federal agencies, compliance with the appropriate federal regulations shall be effected in the ultimate agreement.
- 4) In cases where the institution retains ownership of an Intellectual Property from a Creator or Creators, and/or expends funds to develop and market the Intellectual Property, any revenues generated will be used first to cover the expenses of protection (filing, procuring, and maintaining) and marketing the Intellectual Property. Normally, forty percent (40%) of the net revenues will be paid to the Creator, and sixty percent (60%) will be retained by the institution from which the Intellectual Property originated.

With the approval of the System Office, the institution may negotiate an alternative distribution of net revenue consistent with the institutional policy developed pursuant to **VII.A(2)**.

IX. OWNERSHIP OF WORKS CREATED BY NON-EMPLOYEES

The institution claims ownership of Intellectual Property prepared for it by non-employees and requires that all non-employees retained to do work for it enter into a written agreement providing for ownership by the institution of any Intellectual Property created for it by such non-employees.

Policy Reference

USC Title 17 Copyright Law of the USA

Review Process

System Staff
Legal Counsel
Presidents
Vice Presidents for Academic Affairs
Vice Presidents for Finance and Administration
Faculty Advisory Council

Distribution

Presidents
Vice Presidents for Academic Affairs