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MEMORANDUM

P.O. Box 600  
State University, AR 72467-0600

April 23, 2012

To: Ms. Angela Daniels, Chair  
Shared Governance Oversight Committee

From: Dan Howard  
Interim Chancellor

Re: ASU System Policy – Intellectual Property

Phone:  
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Jonesboro, Arkansas

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I received the following proposal from the Shared Governance Oversight Committee (SGOC). Pursuant to the governing language contained in the Faculty Handbook, I have reviewed the proposal carefully, consulted with other parties as appropriate, and hereby document my response:

- Proposal 11FA-24, ASU System Policy – Intellectual Property. The SGOC met on December 5, 2011, to decide the disposition of the proposal. The SGOC determined that the proposal should receive full review under the direction of the ASU Sponsored Programs Committee. Set to review the proposal were the Faculty Senate, Staff Senate, Deans Council, Chairs Council, SGA, and GSC. Following review, the constituency groups indicated that the Deans Council supported the proposal. Faculty Senate, Staff Senate, Chairs Council, SGA, and GSC rejected the proposal and provided comments.

Proposal comments: The Faculty Senate unanimously rejected the intellectual property policy and recommends the consideration of the document, Revised IP April 4.pdf, as an alternative policy framework to continue the discussion on revising the Intellectual Property policy.

Response: Pursuant to my conversation with Dr. Charles “Chuck” Welch, ASU System President, and Dr. Tim Hudson (incoming ASU Chancellor) and the representatives of the Faculty Senate on April 20, 2012, I am supporting (with the concurrence and permission of Dr. Welch and Dr. Hudson) an extension of time to enable the ad hoc writing group for the proposed ASU System Policy on Intellectual Property to work collaboratively on a policy that is in the best interests of all parties with the intention of moving this policy through the appropriate process so that it may be acted upon by the Board of Trustees for Arkansas State University at its regularly scheduled meeting in September.

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Ms. Angela Daniels  
April 23, 2012

Pursuant to the Shared Governance Proposal Review Process, the campus community will be informed of my decision, which will be done through the ASU Daily Digest. Please accept my heartfelt appreciation for your leadership and extend my appreciation to the SGOC members for their active service to our university.



GDH

/mb

xc: Dr. Tim Hudson  
Executive Council

## MARILYN C BREWER

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**From:** Angela Daniels  
**Sent:** Thursday, April 19, 2012 5:29 PM  
**To:** Dan Howard  
**Cc:** MARILYN C BREWER; SHERRY LYNN JOHNSON  
**Subject:** Shared Governance Proposal 11FA-24 Intellectual Property  
**Attachments:** 11FA24 Disposition.pdf; Revised ip April 4.pdf; Intellectual Property 2012 Revisions 4-5-12.pdf

TO: Dr. Dan Howard, Interim Chancellor ASU Jonesboro  
FROM: Angela Daniels, Chair SGOC  
DATE: April 18, 2012  
RE: Shared Governance Proposal 11FA-24 Intellectual Property

The SGOC met on December 5, 2011, to set the disposition for 11FA-24 Intellectual Property. At that meeting it was decided that this was a shared governance issue and it should receive a full review under the direction of the ASU Sponsored Programs Committee. The constituency groups set to review this proposal were the Faculty Senate, Staff Senate, Dean's Council, Chair's Council, SGA, and GSC. The proposal was sent to the responsible committee and the constituency groups after the disposition meeting.

The response from the constituency groups indicated that the Dean's Council supported the proposal. The Faculty Senate, Staff Senate, Chair's Council, SGA and GSC all rejected the proposal. Comments are provided below.

### Proposal comments:

The Faculty Senate unanimously rejected the intellectual property policy and recommends the consideration of the attached document (Revised IP April 4.pdf) as an alternative policy framework to continue the discussion on revising the Intellectual Property policy.

The Staff Senate supports the concerns that many staff have about the impact of 11FA22, 11FA23, and 11FA24 as they are currently worded. Also, the original creators of 11FA-22 are no longer employed at ASU, and many employees feel that all three proposals need to be postponed until further review by new leadership along with key leaders of the faculty and staff that will be impacted by these major proposals.

Respectfully submitted,

Angela J. Daniels



### Angela J. Daniels

Student Affairs Technology Director

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**Shared Governance Oversight Committee**

Disposition Form

Proposal: 11FA-24 Intellectual Property

Disposition Date: December 5, 2011

Is Proposal a SGOC Issue?  Yes  No

Responsible Assigned Committee: Sponsored Programs Committee

Type of Review:

Expedited

Full

Extended

Handbook Issue:  Yes  No

Constituency Groups:

Faculty Senate

Staff Senate

Dean's Council

Chair's Council

SGA

GSC

Vice Chancellor(s)

Other Committees:

# ASU System Policy

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**Effective Date:** 02/25/05

**Subject:** Intellectual Property

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## I. Introduction

The creativity of human beings is manifested in fields as diverse as science and technology, literature and the humanities, and the fine and applied arts. Creators of intellectual property utilize legal vehicles that make possible the ownership and control of some of the fruits of this creativity, providing an incentive to be creative and to make such fruits public. As a result of the increased cooperation in research and development between universities and businesses, the volume of intellectual property being created in universities has increased significantly. This increase has made apparent the complexity of the issues related to the ownership, control and use of such property. This policy is designed to achieve the following objectives:

- a. Encourage and protect the creative endeavors of all members (faculty, staff and students) of the Arkansas State University System community;
- b. Determine and safeguard the rights and interests of all relevant parties (Originator, the University, and outside sponsors of research) in the creative products of those associated with the University;
- c. Facilitate the dissemination and use of the findings of academic research so as to benefit the public at the earliest practicable time;
- d. Provide guidelines by which the significance of the findings of the academic research may be determined and, when appropriate, their public use facilitated;
- e. Recognize the equity of any outside sponsor of research within the University; assist in the negotiation and preparation of contracts with outside sponsors, collaborators and licensees; and support the fulfillment of the terms of those contracts;
- f. Provide for the equitable distribution of benefits resulting from the intellectual property among the various parties with interests in it.

## **II. Persons Affected**

The Intellectual Property Policy applies to all persons employed by the Arkansas State University System or any campus in that System, to anyone using System facilities unless otherwise negotiated, to all students of any campus in the Arkansas State University System including but not limited to undergraduate students and candidates for masters and doctoral degrees, and to postdoctoral fellows. It shall also apply to all persons not employed by ASU but whose scholarly production is financed, in whole or in part, from funds under the control of the University.

## **III. Definitions**

The following definitions are employed in interpreting and implementing this policy:

- a. "Incidental Use" means occasional utilization of University property outside the course and scope of employment for limited amounts of time.
- b. "Intellectual Property" refers to any material capable of legal protection (copyright, license and patent) arising out of Scholarly Production and includes but is not limited to any discovery, invention, process, know-how, design, model, work of authorship, works of art, computer software, mask work, molecular, cellular or organismal biological discoveries or applications, strain, variety or culture of an organism, or portion, modification, translation, or extension of these items. It includes marks used in connection with these. The term "mark" refers to trademarks, service marks, collective marks, and certification marks.
- c. "University" means the Arkansas State University System, any campus within the Arkansas State University System, and any entity or activity under the authority of the Board of Trustees of the Arkansas State University System.
- d. "Scholarly Production" means any research, creative activity, or development activity, which is directly related to the duties and responsibilities for which a person has been compensated by or through the University, or for which facilities owned, operated, or controlled by the University are used.
- e. "Sponsored Research" means Scholarly Production for which the University has received external support.
- f. "Originator" means a person who in the course of Scholarly Production creates or discovers material that is or becomes Intellectual Property.
- g. "Copyright" shall be understood to mean that bundle of rights that protect 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 a machine or device.

- h. "Tangible media" include, but are not limited to, books, periodicals, manuscripts, phonographic records, films, slides, tapes, and disks.
- i. "Patent" shall be understood to mean that bundle of rights that protect inventions or discoveries which constitute any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof; computer software; new and ornamental designs for any useful article; new human-made products; and new animal, plant or other life forms. This includes new plant varieties created by sexual reproduction and covered by Plant Variety Protection Certificates for New Cultivars.
- j. "Royalty-free license" shall be understood to mean an exclusive or non-exclusive, nontransferable license for unrestricted use of the Intellectual Property, the license being without royalty payments on any subsequent proceeds.

#### **IV. Statement of Policy**

The policy of the University is that the University shall retain legal title as set by current applicable law to all Intellectual Property created by any person or persons to whom this policy is applicable. This policy is established in furtherance of the commitment of the University to the widest possible distribution of the benefits of Scholarly or Creative Production, the protection of Intellectual Property resulting from such creation or discovery, and the development of Intellectual Property for the public good. The University's ownership rights in the Intellectual Property shall vest immediately upon the creation or discovery of the Intellectual Property. This System Intellectual Property Policy shall be governed by current state and federal laws, regulations, and case decisions and any changes to those laws, regulations, and case decisions shall be immediately applied to this policy without the necessity of formal Board action.

#### **V. Disclosure Obligations of Originator(s)**

All persons to whom this policy is applicable shall furnish to the office designated by the chancellor of that campus to manage research and technology transfer, a full and complete disclosure of any Intellectual Property promptly after it is created or conceived or first reduced to practice. The disclosure will identify all Originators of the specific Intellectual Property, their relative contributions to the work (expressed in a percentage), and use of University resources in developing the work including department(s), interdisciplinary program(s), research institute(s), and/or sponsor(s) (expressed in a percentage). Such persons shall cooperate in a timely and professional manner with the University or with patent or other counsel in protecting Intellectual Property and perform all acts necessary for the University to fulfill its obligations and protect the University's rights in and to the Intellectual Property. The University may require technical advice and assistance from Originators in the development and licensing of their Intellectual Property. The University's disclosure form is provided at [www.ASUresearch.edu](http://www.ASUresearch.edu).

## **VI. Copyrightable Intellectual Property Rights**

The University does, at the moment of its creation, have all ownership rights established by current state and federal law in copyrightable Intellectual Property. Arkansas State University will not assert its ownership interest in:

- a. faculty-produced, copyrightable online courses other than to reserve a Royalty-free license; or
- b. copyrightable material created for ordinary teaching use in the classroom or for electronic assignments and tests other than to reserve a Royalty-free license; or
- c. copyrightable faculty, staff, or student produced textbooks, scholarly writing, art works, musical compositions and literary works that are related to the faculty, staff, or students' professional field, including all student authored class assignments, other than to reserve a Royalty-free license.

In an agreement transferring copyright for such works to a publisher, faculty authors must provide rights for the University's nontransferable royalty-free license or secure a written release from the University of its license.

For any disputes concerning copyright ownership, the University System Intellectual Property Committee (USIPC) will review all copyright disclosures and make a recommendation to the administration as to who owns the copyright. The administration will make a final decision regarding ownership and the Originator(s) will be notified of the outcome within 90 days of receiving the disclosure.

## **VII. Patentable Intellectual Property Rights**



The University does, at the moment of its creation, have all ownership rights established by current state and federal law in patentable Intellectual Property. The chancellor's designee will review all invention disclosures and recommend to the administration one of three possible actions:

1. Retain all ownership rights and develop the Intellectual Property for commercialization at the University's discretion; or
2. Assign all rights to the Originator(s) but retain a Royalty-free license; or
3. Assign all rights to the Originator(s).

If the University does not furnish notice of intent to retain ownership rights of the Intellectual Property within 90 days after disclosure to the University the Originator(s) may request that the University transfer or waive its rights subject to the retention by the University of a non-transferable, royalty-free license. If the University chooses to patent an Intellectual Property but takes no steps (within two years of notice of the creation or discovery of the Intellectual Property) to develop the Intellectual Property commercially, the Originator(s) may request that the University transfer or waive its rights subject to the retention by the University of a non-transferable, royalty-free license.

## **VIII. Costs of Legal Protection of Intellectual Property**

The holder of the Intellectual Property rights bears the responsibility and financial burden of developing and processing the Intellectual Property, and all legal fees and other costs related to obtaining and maintaining patents, copyrights, or other legal protection, unless otherwise negotiated.

## **IX. Distribution of Earnings from Intellectual Property**

In consideration of the disclosure and assignment of Intellectual Property to the University, the net royalties or other net income from the commercialization of an Intellectual Property will be distributed as follows (*Note- Net royalties are for this purpose defined as gross royalties received by the University minus the costs for patenting, copyrighting, licensing or obtaining legal protection of Intellectual Property. This does not include salaries of the Originator(s) or the office staff.*)

- a. For the first \$10,000 of net royalties or other net income the Originator(s), Originator's heirs, successors, or assigns shall receive eighty-five percent (85%) of those net royalties or other net income with the remaining fifteen percent (15%) belonging to the Arkansas State University campus at which the Originator is employed or enrolled, or which contracts for or finances the work.
- b. Once the \$10,000 plateau has been reached, net royalties or other net income up to two million dollars will be divided fifty percent (50%) to the Originator(s), Originator's heirs, successors, or assigns with fifty percent (50%) belonging to the Arkansas State University campus at which the Originator is employed or enrolled, or which contracts for or finances the work.
- c. Once Intellectual Property generates net royalties or other net income that exceeds two million dollars, net royalties or other net income will be divided forty percent (40%) to the Originator(s), Originator's heirs, successors, or assigns and sixty percent (60%) to the Arkansas State University campus at which the Originator is employed or enrolled or which contracts for or finances the work.

Net royalties will be distributed normally on an annual basis, payments being made within sixty (60) days after the end of a calendar year in which royalties from the Intellectual Property have accrued.

## **X. Sponsored Research**

Rights to Intellectual Property produced as a result of Sponsored Research, including research sponsored by the Arkansas State University Research and

Development Institute (RDI), are determined by the contractual or grant agreements negotiated between the University and the sponsor.

## **XI. U.S. Government Funded Inventions (Intellectual Property)**

Arkansas State University is governed by the 1980 Bayh-Dole law (P.L. 96-517 and 98-620 as amended), which sets out the disposition of inventions made with Federal assistance. The law provides that non-profit organizations and small businesses may elect to retain title to the inventions conceived or first actually reduced to practice in the performance of work under a funding agreement. The University must disclose each subject invention in a timely manner and comply with other regulatory actions. In addition it must grant the U.S. government a royalty free license for governmental purposes, give preference to U.S. manufacturers, give preference to small businesses and share royalties with inventors. The University must periodically report any licensing activity to the Government.

## **XII. Publication Rights**

In all Sponsored Research, the right shall be reserved for Originators and the University to publish and disseminate the knowledge gained and the results obtained. The University may grant a sponsor a limited review period of 60 (sixty) days, renewable with permission of the Originator/s, prior to publication in order to protect proprietary information and any technology, which may be the subject of a patent application.

## **XIII. Policy Administration**

The President shall appoint a University System Intellectual Property Committee (USIPC) consisting of members from each campus within the Arkansas State University System whose employees are conducting significant scholarly work. An employee from the Arkansas State University System Office shall be an ex officio member of the Committee. The Office of University Counsel shall serve as legal advisor to the Committee. A chairperson shall be elected from among the membership of the Committee. The Committee shall meet at least annually and also when needed at the request of the chairperson or the President. The Committee shall be responsible for:

- (1) Reviewing the operation of the System Intellectual Property Policy and proposing policy changes;
- (2) Assisting in reviewing Intellectual Property disclosures as requested by any campus office or individual charged with research and technology transfer;
- (3) Reviewing disputes concerning copyright ownership (such as equitable division among joint originators) and make a recommendation as to who owns the copyright to the administration;
- (4) Reviewing proposed exceptions to the established policy;

- (5) Seeking initial resolution of campus disputes relating to rights in Intellectual Property and resolving issues referred by any individual charged with research and technology transfer;
- (6) Advising the President on Intellectual Property policy matters as requested.

The Chancellor of Arkansas State University-Jonesboro shall designate an employee who shall have the general responsibility of:

- (1) Reviewing Intellectual Property disclosures submitted to the University for copyright or patent application or other protection and making recommendations to the University System Intellectual Property Committee;
- (2) Evaluating Intellectual Property for copyrightability and patentability, as well as potential commercial value;
- (3) Appointing ad hoc technical subcommittees to assist in evaluating Intellectual Property;
- (4) Seeking University approval of outside technical assistance in evaluating Intellectual Property;
- (5) Recommending Intellectual Property rights or equities to be held by the Arkansas State University Research and Development Institute;
- (6) Providing scientific and technical assistance to approved copyright and patent management organizations to achieve the full benefits of University Intellectual Properties that have commercial potential;
- (7) Seeking initial resolution of campus disputes relating to rights in Intellectual Property;
- (8) Reviewing works of authorship submitted for copyright consideration; and
- (9) Transferring technology including but not limited to: licensing copyrights and patents and developing plans for commercialization of University owned Intellectual Property.

Within ninety (90) days of the receipt of an Intellectual Property disclosure, the above designee will review and evaluate the Intellectual Property disclosure and submit to the Chancellor of the campus submitting the disclosure his or her recommendation regarding the disposition of the disclosure. The designee's recommendation along with the Chancellor's recommendation shall be forwarded by the Chancellor within ten (10) working days of receipt to the President of Arkansas State University System. In most instances the recommendation will consist of one of the following:

1. The University retains property rights and will proceed toward commercial development; or
2. The University assigns all rights to the Originator(s) or sponsor(s) while reserving a royalty-free license; or
3. The University assigns all rights to the Originator(s) or sponsor(s).

(Revised 2012 Adopted by the Arkansas State University Board of Trustees February 25, 2005, Resolution 05-01, Supersedes Patents Policy)

## 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) specific 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 contracts or whom it employs 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, non-transferable, and 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](http://www.ASUresearch.edu), that the Faculty member has assigned all right, title, and interest in the Traditional Faculty work to a third party for the purpose of that party commercially exploiting the work.

### 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.**

**6.1 Faculty member's duty of loyalty to the University.** 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.

**6.2** Nothing in this Policy:

(A) 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;

(B) creates in any faculty member a duty of loyalty to any educational institution other than the University;

(C) 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](http://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 written contract signed by the Faculty member 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 arising from a Faculty member suing that Committee member based on any claimed action, inaction, decision, failure to decide, recommendation, failure to recommend, or other activity or communication 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.

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